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# Minutes

## Board of Natural Resources Meeting

May 1, 2012  
Natural Resources Building, Olympia, Washington

### BOARD MEMBERS PRESENT

The Honorable Peter Goldmark, Washington State Commissioner of Public Lands  
Daniel J. Bernardo, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University – *via conference call*

The Honorable Jon C. Kaino, Commissioner, Pacific County

Bob Nichols, for the Honorable Christine Gregoire, Washington State Governor

Dr. Thomas Hinckley, Interim Director, School of Environmental and Forest Sciences,  
University of Washington

The Honorable Randy Dorn, Superintendent of Public Instruction

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1 **CALL TO ORDER**

2 Chair Goldmark called the meeting to order at 9:00 AM. The board members introduced  
3 themselves. Chair Goldmark noted that Superintendent Dorn has not arrived yet is expected  
4 shortly. He acknowledged there is a quorum for this meeting.

5  
6 **SAFETY REVIEW**

7 Ms. Ishler gave a safety overview and instruction on evacuating the building in case of an  
8 emergency for the audience and board members.

9  
10 **APPROVAL OF MINUTES**

11 Chair Goldmark called for approval of the minutes for the April 3, 2012, Board of Natural  
12 Resources meeting.

13  
14 **MOTION:** Director Hinckley moved to approve the April 3, 2012 regular meeting minutes.

15  
16 **SECOND:** Mr. Nichols seconded the motion

17  
18 **ACTION:** The motion was approved unanimously.

19  
20 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

21  
22 No comments made on the proposed timber sales for June 2012.

1 **TIMBER SALES (Action Item)**

2 **Sales Results, Market Update and Proposed Timber Sales for June 2012| 3 Handouts**

3 Paul Bialkowski, Assistant Division Manager, Forest Resources and Conservation

4  
5 The results of the April auctions were presented to the board by Mr. Bialkowski. The  
6 Department offered 16 sales totaling 58.0 mmbf in April. All 16 sales were sold totaling \$18.2  
7 million for an average of \$314 per mbf. Bidder interest remains strong with an average of 2.3  
8 bidders per sale.

9  
10 Mr. Bialkowski remarked that markets are relatively stable and look to remain that way for the  
11 remainder of the calendar year.

12  
13 The proposed June sales were then presented to the board. Mr. Bialkowski noted that the  
14 average price per mbf for June is lower at \$190 per mbf due to a large number of sales from  
15 Northeast Washington and a large number of Westside thinning sales.

16  
17 Commissioner Kaino asked whether Mr. Bialkowski expects the log market to remain strong.  
18 Mr. Bialkowski remarked he believed the market would remain strong. He further noted that  
19 DNR sales are fairly priced and that the intent is to continue to generate increasing interest in our  
20 sales. The Department looks at the market for end products as well as what competing  
21 landowners are doing in regards to their harvest levels and the supply of logs in the marketplace.  
22 He further remarked that a seasonal uptick in harvest volumes is expected and that the  
23 Department would price sales accordingly.

24  
25 Mr. Bialkowski asked for approval of the proposed June 2012 timber sales.

26  
27 MOTION: Director Hinckley moved to approve the proposed June 2012 timber sales.

28  
29 SECOND: Commissioner Kaino seconded his motion.

30  
31 ACTION: The motion was approved unanimously.

32  
33 **PUBLIC COMMENTS FOR THE MINOR AMENDMENT TO THE HCP**

34  
35 **Josh Weiss:** Washington State Association of the Counties (WSAC) (Handout); Mr. Weiss is  
36 representing the counties who are in favor of the minor amendment presented for the board's  
37 consideration and approval. Mr. Weiss stated that he has reviewed criteria in the proposal and  
38 feels it is supportive of the environment. He voiced his concern of the policy shift away from the  
39 interim strategy, and towards implementation of the science team report. Mr. Weiss reviewed  
40 and shared his concern of the percentage of lands within SW counties affected by this issue and  
41 stated that even with these concerns the proposal is a good compromise, on an interim basis, and  
42 in an effort to work towards the long term conservation strategy they are supportive of this minor  
43 amendment to the Habitat Conservation Plan.

44  
45 **Dan Cothren:** Wahkiakum County Commissioner; Commissioner Cothren agrees with Mr.  
46 Weiss' comments. He said it has been too long without timber activity in his county and that he  
47 supports this as an effort towards achieving a long term conservation strategy. Commissioner

1 Cothren thanked Commissioner Kaino for his service on the board as representative for the  
2 counties.

3  
4 **Kate Gahret:** Columbian River Alliance for the Environment (CRANE). Ms. Gahret voiced  
5 their concern of the decline of marbled murrelet species. She shared CRANE's appreciation of  
6 the board's efforts to achieve the long term conservation strategy and hopes for careful  
7 development of the long term conservation strategy. She recommends the department avoid  
8 planning timber sales in areas of marbled murrelet habitat voicing concern that DNR may be  
9 taking action now that will have adverse effects on the wildlife species.

10  
11 Superintendent Dorn arrived at 9:15 AM.

12  
13 **Wyatt Golding:** Attorney for Washington Forest Law Center, representing the Seattle Audubon,  
14 Olympic Forest Coalition (Handout); Mr. Golding stated the entities represented are against the  
15 adoption of the minor amendment to the HCP. He specified that the impacts of interim strategy;  
16 cutting within the Marbled Murrelet Management Areas (MMMA) and reclassified habitat go  
17 against what the science report called for, which is 100% protection in these areas. He indicated  
18 that surveys the department's decision is based on have a 75% error rate on conservation efforts.  
19 He urged the board not to adopt the minor amendment.

20  
21 **Peter Goldman:** Attorney for Washington Forest Law Center, representing the Seattle Audubon,  
22 Olympic Forest Coalition (Handout); Mr. Goldman thanked the board and department for the  
23 adoption of the HCP. He indicated the amendment is a bad idea and the strategy negotiated  
24 undermines the integrity of long term strategy as it allows for logging in the MMMA as some  
25 sort of trade when the MMMA boundaries are currently unknown. He suggested the minor  
26 amendment proposes false mitigation and that harvest in a different location is not lawful. Mr.  
27 Goldman urged the board speed up the process for the long term conservation strategy. He  
28 shared his concern of a lawsuit if the minor amendment was approved, which would delay the  
29 overall process.

30  
31 **Mike Davis:** Division Forester for the Cowlitz Division; Hampton Tree Farms (Handout); Mr.  
32 Davis expressed support to adopt the proposed minor amendment to the HCP. He stated the  
33 future of our employees, and local communities where their facilities are located, is directly  
34 linked to the trust lands and that currently there is a raw material shortage that has put an  
35 economic strain on the company and the local community. He asked the board to adopt the HCP  
36 amendment which will help to provide stability to the trust beneficiaries and community.

37  
38 **David Marshall:** Sierra Pacific Industries (Handout); Mr. Marshall expressed his support for the  
39 minor amendment to the HCP. He stated this amendment will help to provide jobs to the local  
40 community and help to alleviate a shortage of wood for their saw mills. He indicated the SW  
41 counties have been hit hard due to this shortage of materials. Please adopt the minor amendment  
42 as you continue to move forward with the development of the long term conservation strategy.

43  
44 **Knox Marshall:** Senior Resource Manager, Murphy Company (Handout); Mr. Marshall  
45 expressed his support of the minor amendment to the HCP. He stated Murphy Co. relies on the  
46 wood from the state forests in order to continue operations at their mills. He informed the board  
47 raw material supply is critical in sustaining the community and local jobs and to please adopt the

1 minor amendment in order to move forward in the development of the Marbled Murrelet long  
2 term conservation strategy.

3  
4 **Jacob Groves; AFRC (Handout);** Mr. Groves expressed the AFRCs support of the minor  
5 amendment to the HCP and asks it be fully implemented without delay. He stated the impact of  
6 these delays extend past the SW counties. Please adopt and implement the minor amendment and  
7 move forward in the development of the long term conservation strategy.

8  
9 **MINOR AMENDMENT TO THE HCP (Action Item)**

10 **Lenny Young, Department Supervisor**

11 **Pamela Krueger, Environmental Review and Legal Affairs Section Manager**

12  
13 Mr. Young, on behalf of the department requested the approval of the minor amendment to the  
14 HCP, which would allow the DNR to harvest in reclassified habitat outside of the MMAs as  
15 proposed by the Science Team. This would encompass all unoccupied reclassified habitat  
16 surveyed by DNR from 1997-2002, according to the marbled murrelet survey protocol of the  
17 Pacific Seabird Group.

18  
19 Mr. Young reviewed the details of the June 7, 2011 letter from the USFWS stating that  
20 implementing the recommendations of the USFWS letter by harvesting in these areas would not  
21 increase the level of take as they are not occupied sites and are not adjacent to forest stands  
22 documented to be occupied. He said the USFWS letter went on to state the reclassified habitat  
23 outside the proposed MMAs are of less long term value to conservation of the marbled  
24 murrelet and could be released from deferral status if the habitat within the MMAs were  
25 managed for marbled murrelets.

26  
27 Ms. Krueger reviewed the SEPA process for this minor amendment to the HCP when submitted  
28 to the SEPA Responsible Official, Loren Torgerson in February 2012. She informed the board of  
29 the check list the Responsible Official went through and his determinations during that process.

30  
31 Commissioner Kaino asked what would happen if the amendment was not adopted; would there  
32 be anything that would prevent putting the sales that were previously pulled out for auction.

33 Mr. Young replied that the sales would need to be in line with the current HCP. Chair Goldmark  
34 reminded the board this would not conform to the June 7, 2011 USFWS letter. Mr. Young  
35 concurred that would steer the department in a different direction.

36  
37 Mr. Nichols asked for more information on the survey's conducted in 1997. Mr. Young said the  
38 survey's, which are approximately 10-15 years old, were completed by contractors and gave the  
39 board members the timeline of the survey's and the protocol followed at that point in time. Mr.  
40 Nichols asked if the protocol changed mapping. Mr. Young replied that the survey protocol  
41 includes guidance on how to set up surveys not on mapping the areas and they have significantly  
42 shifted since then.

43  
44 Ms. Krueger inserted that there has been a re-visitation of the areas and the board materials  
45 include the most current information based on the science report from 2008 and the occupied  
46 sites have been updated on that report. Mr. Young noted that the acres of occupied sites  
47 increased from 5500 acres to 6700 acres which is an increase of 1200 acres of occupied sites.

1 Mr. Nichols asked for clarification on the definitions of the minor amendment, DNS, etc. Ms.  
2 Krueger provided the board the definitions requested by Mr. Nichols. Mr. Nichols confirmed that  
3 the services have determined this would be a minor amendment. Mr. Young stated that is correct.  
4

5 Chair Goldmark asked Mr. Young to address the repositioning of volume outside of MMMA's; is  
6 it going to reclassified habitat or other areas, and the amount of incidental take allowed under the  
7 HCP and where the department stands in regards to that. Mr. Young responded stating for the  
8 remainder of this decadal harvest the department is in right now, there would be repositioning of  
9 75-80 % of 87 MMBF to other locations outside of the MMMA's, including reclassified habitat;  
10 the department is assuming, for the purposes of SEPA Analysis, it could be in reclassified habitat  
11 though it could be a combination of reclassified habitat and other areas outside the reclassified  
12 habitat. Ms. Kruger concurred there could be some outside the reclassified habitat.  
13

14 Mr. Young addressed Chair Goldmark's second question on the amount of take anticipated at the  
15 time the permits were issued, the department is substantially below the amount.  
16

17 Dr. Hinckley asked what degree of consultation the department has had with USFWS. Mr.  
18 Young stated they initially meet frequently and after about two weeks the meetings tapered off to  
19 be less frequent but interspersed with phone calls and other types of personal contact. Chair  
20 Goldmark made note of the tremendous amount of data required to help the analysis – staff have  
21 been busy with analysis. Mr. Young added that they have been slightly changing questions which  
22 would require different analysis from staff, somewhat of an active exploration.  
23

24 Commission Kaino asserted that 114 mmbf are left of the 10-year sustainable harvest in these  
25 areas with 27 mmbf deferred. 87 mmbf is in MMMA's and we are moving 67-77 mmbf of that  
26 amount outside the MMMA's; some in to reclassified habitat and some perhaps outside  
27 reclassified habitat. Commissioner Kaino stated that was done at the request of USFWS June 7,  
28 2011 letter. Mr. Young noted USFWS did not request we move of lands outside of MMMA's  
29 though the process Commissioner Kaino recited is accurate.  
30

### 31 **EXECUTIVE SESSION**

32 Chair Goldmark adjourned the board meeting for Executive Session at 10 AM to discuss  
33 anticipated litigation.  
34

35 Chair Goldmark reconvened the regular board meeting at 10:15 and moved to approval of the  
36 proposed minor amendment to the HCP. He thanked the public for their cooperation.  
37

38 Mr. Young stated before he gave his recommendation to the board he would like to provide more  
39 information on what proportion of incidental take is associated with entering reclassified habitat,  
40 declaring that in October 2010 staff surveyed unoccupied habitat and the department has  
41 exercised 926 acres, which is between two and seven percent of the allowable take.  
42

43 Mr. Young recommended the board approve the minor amendment to the HCP.  
44

45 **MOTION:** Commissioner Kaino moved to approve the minor amendment to the HCP.  
46

47 **SECOND:** Director Hinckley seconded the motion.  
48

1 ACTION: The motion was approved unanimously.

2  
3 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

4 No comments made on the proposed land transactions.

5  
6 **LAND TRANSACTIONS (Action Item)**

7 **Peacock Mountain Acquisition: 08-088519, Resolution 1380| 2 Handouts**

8 Bob Winslow, Asset and Property Management Division

9  
10 Mr. Winslow reviewed the land transaction before the board. He stated that Peacock Mountain is  
11 located in Okanogan County near the town of Conconully, WA. The two adjacent parcels total  
12 159.65 acres and are forested with 463,000 board feet of current timber. The acquisition price is  
13 \$170,000. This purchase adds acreage to the Loup Loup State Forest and removes two private  
14 in-holding parcels.

15  
16 Mr. Winslow requested approval of Resolution 1380.

17  
18 Commissioner Kaino asked if the county commissioners are aware of this transaction. Mr.  
19 Winslow said they are aware. Mr. Nichols asked what account the funds would come from. Mr.  
20 Winslow replied either the land bank or the trust land replacement account.

21  
22 MOTION: Mr. Nichols moved to approve Resolution 1380.

23  
24 SECOND: Director Hinckley seconded the motion.

25  
26 ACTION: The motion was approved by 5 board members; 1 member was absent.

27  
28 **Sandpiper Farm Acquisition: 08-088590, Resolution 1381| 2 Handouts**

29 Randy Niessner, Assistant Region Manager, Southeast Region

30  
31 Mr. Niessner reviewed the transaction for the board's consideration. The 3,340 acre farm is  
32 located 5 miles west of Patterson, WA and ½ mi. north of the John Day Pool on the Columbia  
33 River. Included in the land purchase was a 7639 acre foot Water Right, which includes 44%  
34 ownership in a very well maintained river pump station and associated pipe delivery water  
35 delivery system including drip water filters. The property is currently undergoing poplar tree  
36 harvest, which will require DNR to re-develop the property for circle row crops and  
37 orchard/vineyards. Once fully developed over the next 5 years the farm will return in excess of  
38 10% on the capital investment for the Trust.

39  
40 Mr. Niessner requested approval of Resolution 1381

41  
42 Mr. Nichols asked how that 44% ownership system works. Mr. Niessner replied that the owners  
43 formed an association and also an associated cost for the system. The 44% is the original acreage  
44 of Sandpiper Tree Farm. Mr. Nichols asked how that was managed. Mr. Niessner replied that the  
45 Sandpiper owner manages it so you simply call in your water order, noting this is surplus  
46 property reduction that they have not been able to move.

1 Commissioner Kaino asked if the department will have to pay compensating tax. Mr. Niessner  
2 replied that we do have to pay approximately \$200,000 in compensating tax. Commissioner  
3 Kaino asked if Benton County Commissioners were contacted. Mr. Niessner affirmed they were  
4 contacted.

5  
6 MOTION: Mr. Nichols moved to approve Resolution 1381.

7  
8 SECOND: Director Hinckley seconded the motion.

9  
10 ACTION: The motion was approved by 5 board members; 1 member was absent.

11  
12 Chair Goldmark thanked Rick Roeder and Randy Niessner for their hard work on this acquisition  
13 and that he believes this is a great addition to DNR-managed land.

14  
15 **CHAIR REPORT**

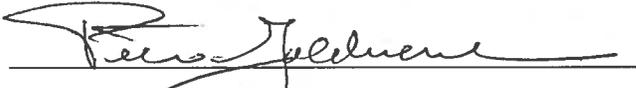
16 No chair report today.

17  
18 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

19 No comments presented.

20  
21 Meeting adjourned at 10:32  
22

Approved this 5 day of June, 2012



Peter Goldmark, Washington State Commissioner of Public Lands

Bob Nichols, for

Bob Nichols for Governor Christine Gregoire



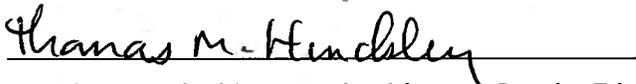
Randy Dorn, Superintendent of Public Instruction



F. Lee Grose, Commissioner, Lewis County

Absent

Daniel J. Bernardo, Dean, College of Agricultural, Human, and Natural Resource Sciences,  
Washington State University



Dr. Thomas Hinckley, Interim Director, Interim Director, School of Environmental and Forest Sciences,  
University of Washington,

Attest:



Tami Ishler, Board Coordinator