
Minutes

Board of Natural Resources Meeting

December 3, 2019

Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County

The Honorable Chris Reykdal, Superintendent of Public Instruction

Jim Cahill, Designee for the Honorable Jay Inslee, Washington State Governor

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington

Via Conference Call

André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

1 **CALL TO ORDER**

2 Chair Franz called the meeting to order at 9:00 AM.

3

4 All Board members introduced themselves. Chair Franz noted there was a quorum for the
5 meeting.

6

7 **SAFETY REVIEW**

8 A safety overview and instructions was played on evacuating the building in case of an
9 emergency.

10

11 **APPROVAL OF MINUTES**

12 Chair Franz called for approval of the minutes for the November 3rd, 2019 Regular Board of
13 Natural Resources Meeting.

14

15 **MOTION:** Commissioner Peach moved to approve the minutes.

16

17 **SECOND:** Jim Cahill seconded the motion.

18

19 **ACTION:** The motion carried unanimously.

20

21 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

22

23

1 Phil Brockman, Sedro Wooley School District
2 Mr. Brockman shared his concerns regarding the Sustainable Harvest Calculation and the impact
3 that the Board decision would have on the community.

4
5 Wayne Burrett, Concrete School District
6 Mr. Burrett spoke about the impacts the Sustainable Harvest Calculation would have on the
7 school districts if the Board adopts the proposed harvest levels.

8
9 Peter Goldman, WFLC
10 Mr. Goldman asked for transparency to the public on all actions and suggested that the Board
11 might have made different decisions if not for the trust mandate. He also asked the Board to
12 share what is motivating their decisions.

13
14 Rod Fleck, City Attorney and Planner for Forks, Washington
15 Mr. Fleck expressed support for the motion to delay (action item #1558) and urged the Board to
16 adopt it. He noted that several lawyers have also written in support of urging the Board to delay
17 the motion. Mr. Fleck requested transparency on decisions and understanding for why they are
18 being made. He referenced the Fire District 5 tax district analysis presentation by Angus Brodie
19 and suggested that the impacts are understated. He shared results from his own calculations for
20 specific tax districts, which were different than Mr. Brodie's presentation.

21
22
23

24 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**
25 **No comments**

26
27

28 **TIMBER SALES (Action Item)**
29 **Proposed Timber Sales for January 2020 | 3 handouts, including the presentation**
30 **Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division**

31 The results of the November 2019 auctions were presented to the Board by Ms. Eagle. The
32 Department offered 12 sales totaling 54.1 mmbf. Of those, 11 sales sold totaling \$15.7 million
33 for an average of \$323 per mbf with 2.6 bidders per sale on average.

34 There were none.

35 Ms. Eagle then presented proposed sales to be offered in January 2020 to the Board.

36 Ms. Eagle asked for approval of the proposed sales as presented.

37 Commissioner Franz asked the Board for questions.

38 There were none.

39 Ms. Eagle asked for approval of the proposed sales as presented.

1
2 MOTION: Commissioner Peach moved to approve the proposed sales.

3
4 SECOND: Superintendent Reykdal seconded the motion.

5
6 ACTION: The motion carried unanimously.

7
8 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

9
10 Peter Goldman, WFLC

11 Mr. Goldman commented on the land transactions surplus, and asked the question, how the
12 SEPA rules applies the transactions.

13
14 Brian Sims, WSSDA

15 Mr. Sims spoke about the Arlington purchase and the how the property improves revenue for the
16 community and will increase income around 5%.

17
18 Russ Pfeiffer-Hoyt, WSSDA

19 Mr. Pfeiffer-Hoyt asked what the standard formula for each land transaction is, what the risk
20 factors are and should the use of a check list be done.

21
22 Matt Comisky, AFRC

23 Mr. Comisky commented on the encumbered lands. State forest transfer meets legislation and it
24 meets the intent the Stakeholder, this will honor the work done by legislators.

25
26
27 **Arlington Purchase, No. 08-100145; Resolution 1553**

28 Julie Armbruster, Recreation, and Transactions Division

29
30 DNR proposes to acquire a 1.5 acre lot with a commercial building in the City of Arlington,
31 Snohomish County, for \$9,075,000. The property is leased to Bartell Drug and currently
32 generates \$482,526 per year, for a 5.3% return on investment.

33
34 Rent will increase every five years. To purchase the property, \$5,575,000 will come from the
35 Real Property Replacement Account, and \$3,500,000 will come from Land Bank funds.

36
37 This portion will be used to facilitate future sales. Revenue from the property will go to the
38 Common School trust. Acquiring a leased property provides stable cash flow to the trust and
39 diversifies the asset portfolio.

40
41 Ms. Armbruster concluded by asking the Board to approve Resolution 1553.

42
43 MOTION: Superintendent Reykdal moved to approve Resolution 1553.

44
45 SECOND: Commissioner Peach seconded the motion.

46
47 ACTION: The motion carried unanimously.

1 **Y Road Purchase, No. 08-095649; Resolution 1554**

2 Julie Armbruster, Recreation, and Transactions Division

3
4 DNR proposes to acquire 82 acres of forest property in Whatcom County. The property is owned
5 by Weyerhaeuser and serves as the main entry point to DNR's Whatcom block.

6
7 About 10 acres fronting Y Road are zoned residential; the remainder is zoned commercial forest.
8 Portions of the property have historically been used as a seed orchard, and DNR intends to
9 expand its seed orchard operations with this property.

10
11 The purchase price is \$736,000. Whatcom County supports this purchase because it prevents
12 development within the Lake Whatcom watershed and will contribute \$218,000 for purchase of
13 development rights.

14
15 In return, DNR will grant a conservation easement to the county. Whatcom Land Trust will also
16 contribute \$28,000, which makes the purchase price for the Common School trust \$490,000.

17
18 This is within DNR's the investment value range. This acquisition adds productive land to the
19 Common School trust, allows expansion of DNR's seed orchard, and secures access to the block
20 which also benefits recreation planning.

21
22 Ms. Armbruster recommended approval of Resolution 1554.

23
24 MOTION: Director Brown moved to approve Resolution 1554.

25
26 SECOND: Jim Cahill seconded the motion.

27
28 ACTION: The motion carried unanimously.
29
30

31 **State Forest Transfer**

32 Deborah Whitney, Project Manager for CRT Transactions

33
34 The following three transactions are legislatively appropriated for under the State Forest Land
35 Replacement Program, Chapter 413, Section 3279, Laws of 2019, and RCW 79.22.060. They
36 are all State Forest Transfer (SFT) trust, and encumbered with wildlife species listed as
37 endangered or threatened by the Federal Endangered Species Act.

38
39 As required by legislation, the properties are all within Counties with populations of 25,000 or
40 less, and subject to harvest deferrals of greater than 30 years, due to endangered wildlife species.

41
42 The legislation directs that the properties be appraised as if unencumbered by endangered
43 wildlife species and harvest deferrals. It also provides that the timber values will be distributed
44 with 75% going to the affected County for continued County services, and 25% to the Forest
45 Development Account. The land values will be deposited to the Park Land Trust Revolving
46 Account and used to purchase replacement lands for the SFT trust in the affected county.
47

1 This biennium, the legislature appropriated \$1,500,000 for each of three counties (Pacific,
2 Wahkiakum and Skamania) to transfer encumbered State Forest Transfer trust land within those
3 counties to Natural Resources Conservation Area (NRCA) status.
4

5 **Pacific 5 State Forest Transfer**
6 **No. 02-099580; Resolution 1555**
7

8 The 138.8 acre Pacific 5 SFT properties consist of two parcels, located approximately 1 mile
9 northwest of Naselle, in Pacific County, Washington, and 11 miles southeast of Raymond. The
10 properties are encumbered by occupied sites for the Marbled Murrelet, and are subject to harvest
11 deferrals greater than 30 years.
12

13 The timber value of \$1,381,000 is to be distributed with \$1,036,000 going to Pacific County, and
14 \$345,000 going to the Forest Development Account. The land value of \$119,000 will be
15 deposited into the Park Land Trust Revolving Account, to purchase replacement lands for the
16 SFT trust in Pacific County.
17

18 **Wahkiakum 5 State Forest Transfer**
19 **No. 02-099843; Resolution 1556**
20

21 The 122.8 acre Wahkiakum 5 SFT consists of two parcels located approximately 10 miles
22 northwest of Cathlamet, in Wahkiakum County, Washington. The properties are encumbered by
23 occupied sites for the Marbled Murrelet, and subject to harvest deferrals greater than 30 years.
24

25 The timber value of \$1,395,000 is to be distributed with \$1,046,000 going to Wahkiakum
26 County, and \$349,000 going to the Forest Development Account. The land value of \$105,000
27 will be deposited into the Park Land Trust Revolving Account, to purchase replacement lands for
28 the SFT trust in Wahkiakum County.
29

30 **Skamania 6 State Forest Transfer**
31 **No. 02-099842; Resolution 1557**
32

33 The 168.4 acre Skamania 6 SFT parcels are located approximately 8 miles northwest of
34 Stevenson, in Skamania County, Washington. The properties are encumbered by core habitat for
35 the Northern Spotted Owl, and are subject to harvest deferrals greater than 30 years.
36

37 The timber value of \$1,387,000 is to be distributed with \$1,040,000 going to Skamania County,
38 and \$347,000 going to the Forest Development Account. The land value of \$113,000 will be
39 deposited into the Park Land Trust Revolving Account, to purchase replacement lands for the
40 SFT trust in Skamania County.
41

42
43 Ms. Armbruster recommended approval of Resolution #1555, #1556 and #1557.
44

45 MOTION: Superintendent Reykdal moved to approve Resolution #1555, #1556 and #1557.
46

47 SECOND: Jim Cahill seconded the motion.

1
2 ACTION: The motion carried unanimously
3
4

5 **PUBLIC COMMENTS FOR CHAIR REPORT**
6

7 Scott Swanson, WSAC

8 Mr. Swanson shared his belief that the impacts of the proposed decisions on humans are not fully
9 understood. He agreed with the proposal to delay the decision until there is a better
10 understanding of the impacts to humans.
11

12 Russ Pfeiffer-Hoyt, WSSDA

13 Mr. Pfeiffer-Hoyt addressed the motion to delay the Board decisions and stated that the delay
14 would give taxing districts a chance to understand the impacts of those proposed decisions.
15

16 Peter Goldman, WFLC

17 On behalf of the Marbled Murrelet Coalition, distributed copies of the *Cottonwood* case and the
18 federal rule on Reinitiation of consultation (50 CFR § 402.16) to the Board. Mr. Goldman shared
19 his belief that despite the approval by U.S. Fish and Wildlife Service of the amendment to the
20 HCP, it fails to meet the ESA Section 10 Standards. He urged the Board to adopt an alternative
21 that provides more conservation for the marbled murrelet. He also challenged assumptions about
22 regulatory certainty, specifically the idea that DNR will not have to provide more habitat in the
23 future if murrelets show up in new locations. He disagreed with DNR about application of
24 Section 7 of the ESA. He expressed his belief that if a species approaches jeopardy, a Federal
25 Agency or a citizen through a lawsuit can initiate formal consultation under Section 7 of the ESA
26 even for landowners with an incidental take permit, which can result in conclusions that would
27 affect the incidental take permit.
28

29 Rod Fleck, City of Forks

30 Mr. Fleck focused his comments on the harvest calculation and commented that he believes that
31 western Clallam County has not seen predictability or certainty. He addressed the decline in
32 harvest levels from the previous decade and projections into the future. He stated that the
33 projections are inaccurate and that a potential increase in management fees will be difficult for
34 Clallam County.
35

36 Miguel Perez-Gibson, Marbled Murrelet Coalition

37 Mr. Perez-Gibson commented on the coalition's involvement in the marbled murrelet long-term
38 conservation strategy and expressed concerns with the alternatives through testimonies and
39 comments. He does not believe the Amendment will make a significant contribution and is
40 deeply disappointed that DNR is not proposing an alternative with more conservation. He also
41 commented on the Sustainable Harvest Level and said that by not counting the riparian harvest in
42 the level, the progress toward riparian goals is not tracked. He advocated for a higher harvest
43 level, one that would include riparian harvest for restoration purposes.
44

1 Matt Comisky, AFRC

2 Mr. Comisky shared that the *Cottonwood* case does not apply to DNR-managed trust lands. He
3 spoke about the jobs created by timber harvesting and expressed concern about the number of
4 direct jobs that would be lost if the Board approved the preferred alternative. He also commented
5 that DNR has not provided enough information on impacts to communities and urged the Board
6 to delay the decision if they cannot fully explain the impacts to stakeholders.

7

8 Phil Brockman, Superintendent of Sedro-Woolley Schools

9 Mr. Brockman characterized the Sedro-Woolley School District as a property-poor school
10 district with low levy rates and declining timber revenue. He shared that the school district was
11 at a 10% percent of the revenue they received one year ago and predicts they will not have
12 enough to get through rest of the school year. He asked the Board to consider kids and school
13 districts when making decisions.

14

15 Wayne Barrett, Concrete School District

16 Mr. Barrett described the Concrete School District as having a lot of property, but much is
17 national park and therefore does not generate tax revenue. He also stated that there is a large
18 percentage of people within the district at the poverty level. He shared his belief that his school
19 district depends on the timber revenue from DNR-managed lands. He commented he was
20 grateful that his school district finally got to keep the money since Superintendent Reykdal
21 changed the rules. He shared that he thinks the decisions today will impact his school district
22 more than 2%.

23

24 Lisa Janicki, Skagit County Commissioner

25 Ms. Janicki reminded the Board about the letter sent by the Skagit County Commissioners. She
26 spoke about Skagit County acres of habitat and the operable acres within the county. She shared
27 her concern about a lack of connection between the impacts reported in the Taxing District
28 Analysis and the projections for the Sustainable Harvest Units in the Sustainable Harvest Level
29 decision. She thanked Lisa Anderson, Mike Buffo and Andy Hayes for the presentation and
30 asked the Board for more time to understand the recently released information.

31

32 Doug Cooper, Hampton Lumber,

33 Mr. Cooper stated that the lumber mills and all of the companies and people who work to harvest
34 timber are customers of DNR. He also conveyed his belief that the Board has insufficient
35 information to make a decision and encouraged the Board to delay the decision until they fully
36 understand impacts.

37

38 Lisa Olson, Pacific County Commissioner

39 Ms. Olson shared her concern that the Board does not have enough information to make the
40 decision. She believes that the alternatives set aside too many acres, that the surveys are not
41 recent enough to be accurate, and would like the Board to delay the decision.

1 **Motion to delay, Resolution #1558**

2 The Honorable Bill Peach, Commissioner, Clallam County

3
4 Commissioner Peach presented a motion to delay the decisions on Resolution nos. 1559 and
5 1560 until the March 2020 Board of Natural Resources meeting. He referenced the 2019 HB
6 2285 objectives and shared his belief that some taxing districts would be disproportionately
7 impacted by the proposed decision as well as the encumbered lands proposal. He shared that his
8 intent would be to spend the next 60-90 days to prepare for the motions and vote at the March
9 2020 BNR meeting.

10
11 Dean Brown asked for clarity on HB 2285 and annual report requirements. Commissioner Peach
12 shared that a report is required every year until a decision is made. Mr. Cahill asked
13 Commissioner Peach about his goal in delaying the decision. Commissioner Peach shared that he
14 believes the legislature might provide funding which could better inform a decision in March.
15 Commissioner Franz spoke about her time spent with the legislature over the last three years,
16 sharing her belief that by making a decision now, the legislature will have a concrete decision on
17 which to act. She also noted the work of the Solutions Table and the options to act regardless of
18 the decision. She shared that delaying the decision could have additional costs to operations and
19 future fiscal years.

20
21 MOTION: Commissioner Peach moved to approve the proposed motion #1558.

22
23 SECOND: None

24
25 ACTION: The motion failed.

26
27
28 **CHAIR REPORT**

29 **Marbled Murrelet Long-term Conservation Strategy and Sustainable Harvest Calculation**
30 Angus Brodie, Deputy Supervisor for State Uplands and Andrew Hayes, Forest Resources
31 Division Manager, Washington State Department of Natural Resources.

32
33 Mr. Hayes presented on the long-term conservation strategy for the marbled murrelet. He
34 reminded the Board about the alternatives analyzed in the final environmental impact statement
35 and the staff proposed amendment. His presentation compared the alternatives and the HCP
36 Amendment to one another in terms of Net Present Value as well as habitat created by the end of
37 the HCP.

38
39 Superintendent Reykdal asked for clarification about the Net Present Value and acres conserved
40 under the HCP Amendment and the Interim Strategy (Alternative A – no action alternative). Mr.
41 Hayes explained that the HCP Amendment is very close to Alternative A in terms of
42 conservation acres at the estate level, but that differences between the two are in places

1 accentuated at the smaller scale because of the specific location of habitat conservation
2 commitments.

3
4 Mr. Hayes reminded the Board they have full discretion to adopt any of the alternatives or
5 anything within the range set by the alternatives under the State Environmental Policy Act. If the
6 Board adopts the HCP Amendment, then implementation can begin immediately. If the Board
7 adopts another strategy, there would need to be a discussion about future process and timeline.
8 Next, Mr. Brodie presented on the establishment of a sustainable harvest level for the FY2015-
9 2024 decade.

10
11 Commissioner Peach asked Mr. Brodie about DNR's ability to meet the Sustainable Harvest
12 Level goals for the rest of the planning decade, specifically for particular Sustainable Harvest
13 Units. Mr. Brodie acknowledged that it would likely be challenging to meet the harvest goals in
14 some units because they increase quite a bit over what has been harvested thus far this planning
15 decade, while other units harvest levels will drop.

16
17 Superintendent Reykdal clarified that there would always be bumps and reductions in harvest at
18 the sustainable harvest unit level as trees become available for harvest or are not ready to
19 harvest. He also pointed out that certain Sustainable Harvest Units experienced higher rates of
20 harvest earlier in the planning decade and that they would have a reduced harvest for the rest of
21 the decade.

22
23 Mr. Brodie clarified that individual sustainable harvest units would vary up and down in the
24 shorter term, but at the statewide scale and given current policy, the harvest level is projected to
25 go down for several decades and then go back up.

26
27 Mr. Reykdal noted that individual tax districts might be able to look at a point in time and the
28 revenue would be up or down, but that it is really difficult to forecast revenue projections at that
29 spatial scale based on a number of factors. Mr. Brodie clarified that the projected statewide
30 decline in harvest levels over the next several decades is due to previous Board decisions in 2004
31 and 2007 regarding flow policy (changed from even flow to variation of 25% plus or minus) and
32 maximizing value rather than volume over the long term. Mr. Brodie also clarified that the policy
33 directs the department to track harvest at the sustainable harvest unit, not at the sub-sustainable
34 harvest unit, such as at the geographic scale of a taxing district.

35
36 Commissioner Franz remarked that this Board can come back and look at those decisions and
37 review the age classes of the forest stands, and look at other options for the trust portfolio.
38 Mr. Brodie listed the Board decisions that impact the sustainable harvest levels, which include
39 tracking harvest volume by the sustainable harvest unit, maximizing value over maximizing
40 volume, and the flow policy. The goal of the Board in setting that policy in 2004 was to
41 maximize the value of the forest estate for all the trusts over the long run. However, a

1 consequence of the policy is a lower reliability of harvest for certain sustainable harvest units,
2 especially location-dependent taxing districts, though this is less the case for larger trusts such as
3 Common School.

4
5 Director Brown clarified that the decline is *enabled* by the flow policy, but is *caused* by the age
6 classes on the land. He also recounted that the harvest volume for this decade is higher than next
7 decade partially because of the arrearage from last decade.

8 Commissioner Franz added that the change in annual harvest level from the previous five years
9 of this decade to the next five years is largely due to the lack of an established sustainable
10 harvest level by the Board.

11
12 Mr. Cahill asked for clarity regarding why certain beneficiaries are saying there is a difference
13 between changes in operable acres reported in the taxing district analysis versus the sustainable
14 harvest level projections. Mr. Brodie responded that some changes are not due to the marbled
15 murrelet decision. For example, some projected harvest level reductions, such as in Skagit
16 County, are due to the level of harvest that has occurred to date and consequently what will occur
17 for the next five years if the decision is made today. Since the first draft of the analysis released
18 in 2017, DNR also made revisions to assumptions on yields because actual observed yields
19 coming off the land by field staff were lower than those used in the previous draft. DNR also
20 adjusted assumptions about harvests in northern spotted owl areas.

21
22 Commissioner Peach remarked that operable acres are relevant at the estate level, but not at the
23 individual taxing district scale. He also remarked that the murrelet strategy is changing the type
24 of harvest we will be doing. The higher P-stage acres are being conserved, but they also have a
25 higher harvest value.

26
27 Mr. Brodie acknowledged that the murrelet strategy impacts some taxing districts negatively and
28 others positively across the Sustainable Harvest Units. Mr. Brodie stated that DNR staff cares
29 deeply about impacts at the taxing district level and has tried to present analyses that provide
30 credible information. The difficulty is understanding historical revenue information (that DNR is
31 currently working to gather from the counties), DNR's lack of information regarding taxing
32 distribution by the counties (which DNR is also gathering from the counties), and that DNR
33 doesn't have a harvest forecast for the junior taxing districts for the next 10 years. To complete
34 an analysis, DNR will have to make a number of assumptions. He also noted that operable acres
35 is not easily translated to revenue.

36
37 Commissioner Peach remarked that he believes that the raw data is available for an analysis and
38 that he also believes that the work needs to be done by DNR and given to the legislature. He
39 remarked that he believes the information at the state level is not consistent with the impacts at
40 the taxing district level.

1 Mr. Brodie presented the reasons the Sustainable Harvest Level decision needs to be made:
2 statute requires the department to set a decadal level, the Board policies guide the department to
3 set this level, and the department needs clear direction from the Board on where and how much
4 timber should be harvested. In addition, he explained, without a decision, there is potential for
5 DNR's FSC and SFI certifications to be questioned by auditors in the future.

6 Mr. Brodie addressed the topic of arrearage and what arrearage level to include in the sustainable
7 harvest level.
8

9 Commissioner Peach asked for clarity about how the statutes directs DNR to address arrearage.
10 Mr. Brodie responded that the Board is required address an arrearage, but it has discretion on
11 how to address it and over what time frame. Commissioner Franz shared that the trust mandate
12 ensures that the department does not favor one generation over another and this was consistent
13 with the Board's guidance to staff on the marbled murrelet preferred alternative in 2017. Mr.
14 Brodie also reminded the Board that they directed DNR staff to develop an arrearage policy,
15 which is in their packet as part of the staff recommendation.
16

17 Commissioner Peach asked about the arrearage in OESF and inquired about when it would be
18 harvested. Mr. Brodie answered that ideally it would be harvested in this planning decade.

19 Commissioner Peach asked about the operational feasibility of harvesting the arrearage of 200
20 MMBF in the OESF. Mr. Brodie replied that updates to the Board haven't happened regularly to
21 date, but should happen more in the future, at least annually if not more frequently if requested
22 by the Board.
23

24 Commissioner Franz noted that the Board's decision ideally should have been made at the
25 beginning of the decade, but given the current circumstances there will be regular reports to keep
26 people apprised.
27

28 Commissioner Peach asked and then reiterated his question about whether the department had a
29 5-year harvest plan. By having a plan, he believes that the department and Board should be able
30 to track the harvest to know if we are on track.
31

32 Mr. Brodie noted that DNR region staff currently have decent 2-3 year implementation plans,
33 and are building towards consistent 5 year implementation plans.
34

35 Mr. Brodie proceeded to introduce the topic of what riparian level to include in the sustainable
36 harvest level, reminding the Board about the options that have been presented previously.

37 Mr. Brodie summarized the decisions that go into the Sustainable Harvest Level, including the
38 marbled murrelet conservation strategy previously discussed, arrearage, and riparian harvest.
39 Next, he presented staff recommendations for each decision.
40

1 Commissioner Peach raised the concept of jeopardy and shared concerns about metering,
2 specifically about the department not having designated the location of the metered acres yet and
3 his estimate of the potential impact to the tax districts of \$50 million dollars. Mr. Brodie replied
4 that the impact of the metered acres has been analyzed and that DNR's intent was to provide
5 operational flexibility about where the metered acres would be designated. Director Brown
6 confirmed that the metering strategy represents a timing impact for individual stands, but that the
7 acres will be harvested, just not in the first decade. He also confirmed that the metering wouldn't
8 affect the overall sustainable harvest level. Mr. Brodie shared that the purpose of metering was to
9 delay harvest of current habitat so as to reduce short term impacts to marbled murrelets, instead
10 allow habitat in other areas to grow before eliminating existing habitat. He also shared that
11 department staff believed that including this component of the amendment would allow USFWS
12 to grant a permit.

13
14 Mr. Hayes shared that once a decision is made, the deliverables are given to the regions to
15 develop a harvest plan. Commissioner Franz confirmed that there was sufficient timber on the
16 landscape to harvest and acknowledged the need to lay out 3- to 5-year harvest plans so that
17 conversations about timing of harvests can be had with beneficiaries. She also noted that there
18 are opportunities to make alterations to affect those impacts and staff should report to the Board
19 annually (and more often as necessary).

20
21 Commissioner Franz shared that she might bring a recommendation to the Board for a technical
22 advisory committee to inform past and future decisions. She also shared her intention of putting
23 together a legislative packet around the impacts of the strategy.

24
25 Superintendent Reykdal asked staff to clarify reasons for the projected five-decade decline in
26 harvest volume as depicted on slide 22 in the presentation. Mr. Brodie indicated that the curved
27 shape is due to policy choices by the Board in the past. He explained that if the policy choice had
28 been for an even flow policy, the line would be flat, but lower. By having flow flexibility, the
29 result is the curve – which is intended to maximize the long-term estate value. This can result in
30 impacts to the smaller trusts such as counties much more than a large trust with holdings across
31 western Washington such as Common School.

32
33 Commissioner Franz noted that the Board has the ability to go forward and identify ideas to try
34 and prevent significant impacts over the next five decades.

35
36 Board members commented prior to their votes on their rationales for the upcoming Motions:

37
38 Superintendent Reykdal stated that by making a decision, staff and the Board can develop
39 solutions and initiate the work. He also stated that this decision is not the biggest one facing the
40 Board or the state, but that climate change is going to make a more significant impact on the
41 state. He further noted that the state needs to fundamentally change how it conducts business to
42 provide support for both industries and endangered species in the coming decades.

1 Director Wright agreed with Superintendent Reykdal's comments about changes coming in the
2 next several decades and noted those decisions won't be easy. He believes this decision needs to
3 be made to move forward.
4

5 Dean Brown also agreed with Superintendent Reykdal's comments and noted that it is difficult
6 for staff to continue to operate without a decision from the Board.
7

8 Mr. Cahill stated he believes the amendment is better than the interim strategy and meets the
9 requirements for ESA. However, he will be voting "no" on behalf of the Governor primarily
10 because of ocean conditions and the impacts on the species. He affirmed Superintendent
11 Reykdal's point and expressed optimism for the Solutions Table, the Trust Asset Management
12 Plan Review, and a potential climate policy.
13

14 Commissioner Peach stated he intends to vote "no" on the Amendment because he believes that
15 the amendment is not in the best interest of the beneficiaries and it will have a significant impact
16 on timber communities. He also stated that he cannot vote for a decision without more
17 information on the exact locations of the timber that will be metered over the first decade of the
18 plan.
19

20 Commissioner Franz stated that the Department has been working on these two projects for over
21 two decades and has completed the work sufficiently to address the implications of the plan and
22 to meet legal obligations. She also commented that making this decision helps set up the agency
23 for the bigger decisions, noting that DNR is working on a Climate adaptation policy to help
24 make operations more resilient. She emphasized that this decision needs to happen so the Board
25 and the Agency can move forward.
26
27

28 **MOTION #1559**

29
30 MOTION: Superintendent Reykdal moved for adoption of Resolution #1559.
31

32 SECOND: Director Brown seconded.
33

34 ACTION: Resolution #1559 was approved by 4-2; with Mr. Cahill and Commissioner Peach
35 voting against the motion.
36

37 **MOTION #1560**

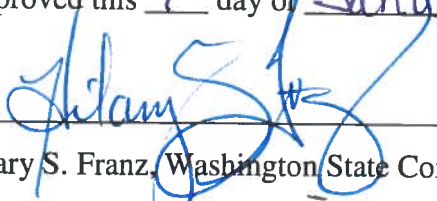
38
39 MOTION: Director Brown moved for adoption of Resolution #1560.
40

41 SECOND: Superintendent Reykdal seconded.
42


43 ACTION: Resolution #1560 was approved by 5-1; with Commissioner Peach voting against
44 the motion.
45

1 Meeting adjourned at 3:30 PM.

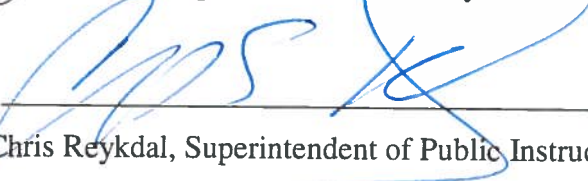
Approved this 7th day of January, 2020



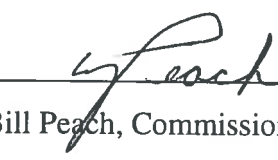
Hilary S. Franz, Washington State Commissioner of Public Lands



Jim Cahill, Designee for Governor Jay Inslee



Chris Reykdal, Superintendent of Public Instruction

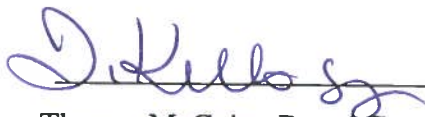


Bill Peach, Commissioner, Clallam County

approved via conference call
André-Denis Wright, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

approved via conference call
Dan Brown, Director, School of Environmental and Forest Sciences,
University of Washington

Attest:



Theresa McGuire, Board Coordinator
Tami Kellogg

