
Minutes

Board of Natural Resources Meeting

November 6, 2018
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

Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington – *arrived at 9:25am.*

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

BOARD MEMBERS ABSENT

JT Austin, Designee for the Honorable Jay Inslee, Washington State Governor

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 Ms. Kellogg gave a safety overview and instruction 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 October 2, 2018 Board of Natural
13 Resources Regular Meeting.

14
15 MOTION: Commissioner Peach moved to approve the minutes.

16
17 SECOND: Superintendent Reykdal seconded the motion.

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19 ACTION: The motion carried unanimously.

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

2 **Linda Lorenz, Citizen of Clark County**, spoke about the Moulton Falls hiking trail and the
3 close proximity of the Michigan Trotter timber harvest. She shared concerns about the potential
4 of a landslide, and requested the removal of that entire unit from harvest.

5
6 **Miguel Perez-Gibson, representing WEC**, spoke about the chair report and general pre-
7 suppositions regarding the trust mandate. He declared that Article 16, Section 1 of the state
8 constitution states that the trusts are held for all the people. He then spoke about the stoppage of
9 exporting logs from trust land in order improve the local economy, and stated that such a
10 decision is not in support of the trusts.

11
12 **Rod Fleck, Forks City Attorney**, spoke about the letter distributed to the Board and shared his
13 concerns of Alternatives G and F. He also suggested that the Board has not approved certain
14 timber sales that have occurred within the OESF. He shared that these sales have an impact on
15 the junior taxing districts and the community and do not meet the fiduciary obligations of the
16 Board or the Department.

17
18 **Peter Goldman, WFLC**, urged the Board to encourage the DNR to explore ways to improve its
19 carbon footprint. He stated that the Department could do better to sequester carbon in its forests,
20 and is lacking a policy on forest carbons.

21
22 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

23 None.

24
25 **TIMBER SALES (Action Item)**

26 **Proposed Timber Sales for December 2018, October Auction Results, and Market Update |**
27 **3 handouts, including the presentation**

28 Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division

29
30 Ms. Eagle presented the results of the October 2018 timber auctions to the Board. She stated that
31 the Department offered 10 sales totaling 56.0 mmbf. Of those, seven sales sold totaling \$16.0
32 million for an average of \$430 per mbf with 2.1 bidders per sale on average. Ms. Eagle noted
33 that there was significant overbidding of one sale, and if that outlier was removed, the average
34 for October would be \$386 per mbf.

35
36 Ms. Eagle asked the Board for questions regarding the October 2018 auction results. Hearing
37 none, Ms. Eagle then presented proposed sales for December 2018 to the Board.

38
39 Ms. Eagle asked for approval of the proposed sales as presented.

40
41 **MOTION:** Commissioner Peach moved to approve the proposed sales.

42
43 **SECOND:** Dean Wright seconded the motion.

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

1 **PUBLIC COMMENTS FOR LAND TRANSACTION ACTION ITEMS**

2 **Jim Stoffer, Sequim School District, WSSDA TLAC**, spoke about the Trust Land Transfer
3 (TLT) project list. He noted that the Dungeness Offsite Reservoir is on the list and that the parcel
4 is not producing revenue for the common school trust. He expressed support for the transfer of
5 the property, as the transfer would provide revenue to the beneficiaries. He also mentioned the
6 Dry Creek land exchange between Grays Harbor County and Clallam County, and requested
7 better outreach to the school districts in the area since it involves common school trust lands.

8
9 **Bill Wallace, School Board Member representing the Burlington-Edison School District**,
10 expressed his support of the Blanchard-Goodyear Nelson transactions.

11
12 **Russ Pfeiffer-Hoyt, representing WSSDA and TLAC Chair**, spoke about the TLT program
13 and asked that the Board vet the proposals as a process before presenting to the legislature.

14
15 **LAND TRANSACTION (Non-action Item)**
16 **2019-2021 Trust Land Transfer Project List | 1 handout including the presentation**
17 **Bob Winslow, Conservation, Recreation, and Transactions Division**

18
19 Mr. Winslow presented the proposed project list of the Trust Land Transfer (TLT) program to
20 the Board. He reviewed the criteria for property selection, and for context, explained the process
21 to gain approval by the legislature. He shared a map showing the locations of the proposed TLT
22 transactions and reviewed each project property, including the total acreage and potential
23 revenue.

24
25 Mr. Winslow then explained the purpose of the TLT presentation to the Board, which is
26 informational in nature. He stated that the purpose is to hear input from Board members about
27 any proposed TLT projects they are not comfortable with forwarding to the legislature for
28 consideration of funding. He also explained that any TLT legislatively funded projects would go
29 before the Board for their consideration and approval in the future during the 2019-2021
30 biennium. Mr. Winslow then reviewed the property selection process, with the future steps
31 being a presentation of DNR's recommended list to OFM for consideration in the Governor's
32 budget.

33
34 Commissioner Peach asked whether the listed TLT property values were appraised values or
35 estimated values. Mr. Winslow replied that the listed values are estimated values at this time,
36 and that the Department conducts an appraisal for all funded TLT projects. He added that the
37 transfer of all TLT projects are based upon appraised value and not estimated value.

38
39 Superintendent Reykdal asked about the Hantwick TLT proposal and the nearby Michigan
40 Trotter timber sale that is in the pre-sales stage. Mr. Winslow asked Brock Milliern to share his
41 knowledge of this timber sale, and the Department's discussions with the Clark County
42 community members relating to the Hantwick TLT proposal and the nearby timber sale. The
43 Board requested DNR staff return in December to discuss the Hantwick TLT and perhaps other
44 TLT project questions.

1 **LAND TRANSACTION (Action Items)**

2 **Blanchard Goodyear Nelson 80 and 120, No. 08-097418 and 08-097630; Resolutions 1529**
3 **and 1530 | 1 handout including the presentation**

4 Bob Winslow, Recreation, and Transactions Division
5

6 Mr. Winslow presented the Blanchard-Goodyear Nelson 80 and Blanchard-Goodyear Nelson
7 120 land transactions to the Board. He first explained that the acquisition funds for these two
8 transactions come from a legislative appropriation of \$2 million, which DNR used to acquire
9 replacement State Forest Land (SFL) Trust property in Skagit County in the 2017-2019
10 biennium. The property replaced is a portion of the 1,600-acre "core" of the Blanchard State
11 Forest located in Skagit County. He stated that DNR staff focused on acquiring replacement
12 SFL trust parcels in the Tier 1 area, which is within the Burlington-Edison school district, in
13 accordance with the 2008 Blanchard Strategies MOU and the current direction to DNR staff
14 from the Blanchard Advisory Committee.
15

16 He then described the Blanchard-Goodyear Nelson 80 property as 76.80 acres in size, and
17 located on the south side of Blanchard State Forest, a private in-holding property. The property
18 has site class 2 forest soils, conifer stocking 20-25 years in age, and can be harvested using
19 ground lead equipment. Current zoning permits the construction of up to two home sites with
20 clustering. Anticipated benefits associated with this purchase are future timber revenue to the
21 State Forest Land (SFL) Trust and enhanced control of the timber haul route within this forest.
22 The negotiated purchase price is \$375,000.
23

24 Commissioner Peach asked whether this purchase was a forest investment price or a market
25 value sales price. Mr. Winslow replied that the purchase by DNR was a market-based price,
26 which is in accordance with direction from the Blanchard Advisory Committee.
27

28 Mr. Winslow then went on to describe the Blanchard-Goodyear Nelson 120 property, which is
29 116.45 acres in size and is located on the southeast side of Blanchard State Forest, a private
30 edge-holding property. The property has site class 2 forest soils, conifer stocking 25-30 years in
31 age, and can be harvested using ground lead equipment. Current zoning permits construction of
32 up to 10 home sites with clustering. Anticipated benefits associated with this purchase are future
33 timber revenue to the State Forest Land (SFL) Trust and enhanced control of the timber haul
34 route within a portion of this forest. The negotiated purchase price is \$842,000.
35

36 Mr. Winslow recommended approval of Resolutions 1529 and 1530.
37

38 **MOTION:** Dean Wright moved to approve Resolutions 1529 and 1530.
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40 **SECOND:** Superintendent Reykdal seconded the motion.
41

42 **ACTION:** The motion carried unanimously.
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1 **Amendment to Resolutions 1516 and 1517 | 1 handout including the presentation**

2 Dave Gordon, Assistant Division Manager for Conservation, Recreation, and Transactions
3 Division

4
5 Mr. Gordon reminded the Board that in April 2018 they approved the Community College Trust
6 Land Exchange 86-096473, Resolution No. 1516, and Community College Land Transfer 02-
7 096465, Resolution No. 1517. He explained that there are errors in the legal descriptions and
8 asked that the Board approve amendments to the resolutions to correct errors in the legal
9 descriptions used on the resolutions, and add a citation of the timber reservations necessary to
10 balance the exchange values.

11
12 MOTION: Superintendent Reykdal moved to approve amendments to Resolutions 1516 and
13 1517.

14
15 SECOND: Dean Wright seconded the motion.

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17 ACTION: The motion carried unanimously.

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19 **PUBLIC COMMENTS FOR CHAIR REPORT**

20 **Jim Stoffer, Sequim SD and WSSDA TLAC**, spoke about the updated MM LTCS, the
21 extension of the comment period and the release of the updated financial analysis.

22
23 **Maria Ruth, Black Hills Audubon Society**, shared concerns with the level of mitigation within
24 the RDEIS. She shared her perspective on why lands for mitigation will be increasingly difficult
25 to come by in the next 50 years, and urged the Department to revisit the amount of acreage for
26 mitigation.

27
28 **Miguel Perez-Gibson, representing WEC**, spoke about the removal of HCP coverage, and
29 asked what would be sufficient habitat conservation to warrant an incidental take permit. He then
30 shared comments in regards to the HCP Amendment and the RDEIS.

31
32 **Matt Comisky, Washington Manager, AFRC**, spoke about shared success of the timber sale
33 program, and thanked the DNR and FWS for extending the comment period on the RDEIS and
34 the draft Financial Analysis. He then shared his concerns on how the Department addressed
35 riparian management in the revised draft Financial Analysis.

36
37 **Peter Goldman, WFLC**, shared concerns in the RDEIS, specifically Alternative H. He noted
38 that Section 10 in the ESA requires DNR and FWS to adopt a biologically precautionary strategy.
39 He stated that DNR's formula does not work, and that Alternative B does not meet the NPO
40 statement nor does it meet the ESA test.

41
42 **Rod Fleck, Forks City Attorney**, spoke about the updated economical and financial analysis,
43 and stated that since it does not properly acknowledge impacts to local communities, the DNR
44 has not met its financial requirements.

1 **Brian Simms, WSSDA**, spoke about the economic analysis and that funding to build and
2 improve schools is from timber revenue. He challenged the use of the discount rate in the
3 analysis.

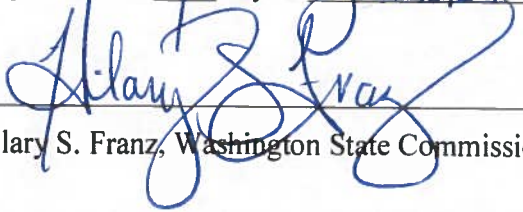
4

5 Chair Franz moved the Chair Report on the MM LTCS Economic and Financial Analysis Update
6 to the December 4, 2018 Board meeting.

7

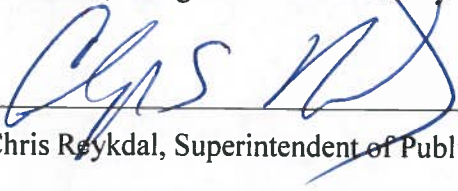
8 Meeting adjourned at 10:24 AM.

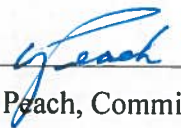
Approved this 4th day of December, 2018

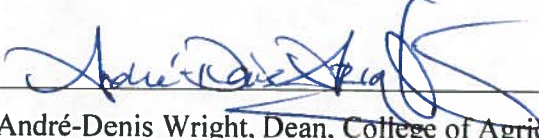

Hilary S. Franz, Washington State Commissioner of Public Lands

approved via conference call

JT Austin, Designee for Governor Jay Inslee


Chris Reykdal, Superintendent of Public Instruction


Bill Peach, Commissioner, Clallam County


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


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

Attest:


Tami Kellogg, Board Coordinator

