
Minutes
Board of Natural Resources Meeting

December 5, 2023

Webinar/Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Lisa Janicki, Commissioner, Skagit 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

Wendy Powers, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

CALL TO ORDER

Chair Hilary Franz called the meeting to order at 9:03 a.m.

Board members provided self-introduction. A meeting quorum was confirmed.

WEBINAR/SAFETY BRIEFING

Tami Kellogg, Board Coordinator, outlined how to view and participate in the combined webinar and in-person meeting.

APPROVAL OF MINUTES – November 7, 2023 - Action

Commissioner Janicki requested a correction to the minutes reflecting her representation as Skagit County rather than Clallam County.

MOTION: Commissioner Janicki moved to approve the minutes as amended.

SECOND: Superintendent Reykdal seconded the motion.

ACTION: The motion carried unanimously.

LIGHTNING TALK

Timber Sales Layout

Brian Poehlein, State Lands District Manager, Yacolt District, Pacific Cascade Region

1 Mr. Poehlein briefed members on the Department's five-year process for developing timber
2 sales using a land management application to help land managers optimize long-term
3 planning, which can vary by region or district and is maintained in the Land Resource
4 Management (LRM) system. Long-term planning for timber sales is documented for site
5 preparation, planting prescriptions, surveys, harvesting, and other factors. The process also
6 memorializes those areas not harvested or that might have a different prescription, such as
7 leave tree areas, riparian zones, unstable slopes, old growth, and local knowledge.

8
9 Planning is based on volume deliverables established in the Sustainable Harvest Calculation
10 (SHC) with additional guidance from the Forestry Handbook containing the HCP, Policy for
11 Sustainable Forests (PSF), and agency procedures, tasks, and interim direction. Unit foresters
12 coordinate planning with input from various region specialists on age class and relative
13 density (RD), rain-on-snow limitations, adjacent stand age, slope stability, accessibility to
14 existing and new roads, HCP protected habitat and landscape features, and social-political,
15 recreational, and view shed concerns.

16
17 The lead forester begins preliminary works two years from the planned auction date by
18 visiting the site for initial recon, limited ground truthing, and preparing for sale presentation at
19 the region's pre-harvest review to identify potential critical issues identified by the region's
20 geologist, biologist, engineer, archeologist, old growth specialist, rights-of-way and easement
21 specialist, silviculturist, recreation staff, and marketing/contract specialist.

22
23 Field work begins 18 months from the planned auction date and with a time buffer should
24 unexpected delays occur. The schedule is flexible to move sales around to meet market
25 conditions and to accommodate firefighting by staff without significantly affecting the
26 timeline. Recon work begins by confirming ground data, such as inventory, general age,
27 density, and species composition of the stands to ensure the sale meets the volume
28 deliverables as forecasted. Staff delineates areas where no harvesting occurs such as unstable
29 slopes, old growth areas, cultural resource sites, and protected landscape features. Stream
30 surveys are conducted for stream typing. The lead forester begins development of a leave tree
31 plan. Following removal of non-harvestable areas, the focus shifts to identifying access to the
32 site and operability. All specialists visit the site to ensure the best sale design possible. Some
33 sales encounter social-political challenges surrounding aesthetic impacts in view-sheds from
34 residential areas or public roads, impacts to local road use from hauling activities, noise
35 impacts to neighbors, and impacts to recreation sites such as trails, campgrounds, and day use
36 areas. Public outreach comes in many forms such as sending letters to adjacent or nearby
37 residents, neighborhood outreach meetings, and continuous outreach by attending recreational
38 user group meetings. Additionally, staff maintains a close working relationship with
39 Skamania County, meeting with County Commissioners quarterly to review revenue
40 projections and share information on timber sales.

41
42 Fieldwork is typically completed 13 months prior to the planned auction date. The sale area
43 has been inspected thoroughly and the lead forester has visited every acre of the sale at some
44 point in addition to all pertinent specialists. Painting, staking, tagging, and flagging have
45 been completed. The lead forester prepares the timber sale packet followed by the timber sale
46 cruise to determine volume, quality, and value by final appraisal. The timber sale packet is

1 extensive and includes SEPA documentation, Forest Practices Application, and all supporting
2 checklists, sale contract, road plan, timber sale map, draft sale advertisement, and silvicultural
3 documentation with the final sale packet averaging 250 pages.
4

5 Mr. Poehlein underscored the importance of the specialists to the timber sale process and how
6 much expertise they provide to design the best possible timber sale. At approximately 12
7 months from the planned auction date, the field transfers the sale package to the region's
8 product sales office to complete and finalize the auction date based on region and program
9 needs and prepares the package for Board approval. Between eleven and six months from the
10 planned auction date, the digital sales packet is forwarded to the region and division sales
11 staff for a review followed by a final review by the lead forester and the district engineer to
12 include a review of all comments for response and to make any necessary edits. Three
13 months from the auction date the Forest Practices Application is submitted to the region's
14 Forest Practices Office followed by a final review by the division and submittal of the SEPA
15 document for a two-week public comment period. All SEPA comments are reviewed and
16 acknowledged, and a notice of Final Determination is issued. Approximately seven weeks
17 before the scheduled auction date, the timber sale is presented for review and consideration to
18 the Board of Natural Resources.
19

20 Mr. Poehlein described the auctioning process. In total, the timeline for a timber sale is
21 approximately seven to eight years.
22

23 Commissioner Janicki asked about the review of the riparian areas and how staff determines
24 whether thinning is possible in some areas and whether thinning is accounted for in the total
25 volume in the SHC. She asked how the conserved acres are calculated. Mr. Poehlein replied
26 that thinning in a riparian area is evaluated by staff to determine whether the area could
27 benefit from thinning or by speeding up the trajectory of larger trees. For those areas, staff
28 complete a thinning prescription process. Conserved areas are evaluated, delineated, tagged,
29 and quantified by size within the sales packet to include leave trees.
30

31 PUBLIC COMMENTS

32 **Ed Bowen, Clallam County**, cited the lack of including the Westside SHC on the agenda as
33 the current SHC cycle is ending and the agency has not progressed to complete the next SHC.
34 The issue surrounding riparian areas is confusing especially in terms of how it is applied. It
35 would be valuable for everyone if the Department explained the riparian harvest plan and its
36 application frequency. Riparian areas are continually delineated from the sales packet with no
37 riparian harvest plan included showing the layout of the timber sale. It would be important to
38 capture some of the reasons why some areas are included or not included in some timber
39 sales. The Board should review the riparian harvest plan and pursue the SHC for the
40 Westside.
41

42 **Joshua Wright** thanked Superintendent Reykdal for his leadership on the Parch timber sale.
43 For those who speak to DNR on a consistent basis and often are not heard, Superintendent
44 Reykdal's action acknowledged those concerns through his action, which is appreciated. Mr.
45 Wright conveyed concerns with the proposed Rocky Top timber sale. The sale would clear-
46 cut 48 acres identified by DNR as Type A high quality spotted owl habitat. The Deputy

1 Supervisor of State Uplands indicated in April that DNR would not consider harvesting long-
2 term deferrals. However, the sale is included in the proposed timber sales packet. He
3 questioned why the Department is moving forward to log high quality spotted owl habitat,
4

5 **Robert Mitchell** commented on the capital efficiency of timber investments versus financial
6 market investments. The Board's fiduciary duty to beneficiaries exhorts members to become
7 educated about the revenue generating capacity of Idaho's Land Endowment Fund. It is also
8 important to learn about the upcoming discount rate calculation. Higher discount rates
9 incentivize logging more old growth because the current net present value decreases.
10 Discount rates are a political calculation or a political determination because forests are likely
11 to burn, discounting the value of forests heavily making it wise to cut forests today to receive
12 some rate of return. Alternatively, the Board could preserve intergenerational equity by
13 adopting a zero discount rate and taking advantage of the market interest rate to increase
14 revenue.
15

16 **Lee First, Twin Harbors**, spoke in support of not logging MM MM Good, Depot Stove,
17 Misty, and Harstine Flat timber sales. She recently joined 40 residents from Harstine Island
18 on a hike to the Harstine Flats timber sale. Those residents had never visited the legacy
19 forest. Of approximately 100 high school presentations she provided, mostly in Grays Harbor
20 County, revealed that none of the students had ever seen an old growth forest. Future
21 generations are owed efforts to preserve the last legacy forests because they are the future old
22 growth forests. She lives in Rochester and walks along the Chehalis River daily. This
23 summer, the river was the driest on record. Today, there is a flood watch. Summers are
24 predicted to be longer, hotter, and drier. Legacy forests are necessary to help moderate
25 droughts and extreme rain events. The hydrograph is shifting, and the forests must be saved
26 now. The Board should pause the sales of legacy forests for the public, for drought and flood
27 protection, and for climate change.
28

29 **Julie Puhich** said her family has lived in Western Washington since 1900 when her
30 grandparents immigrated to Roslyn to work in the coal mines and boarding houses. She grew
31 up fishing in rivers and lakes and clamming on the beaches and harvesting shellfish. She has
32 been incredibly fortunate to live that life. She knows what has been lost to deforestation and
33 urbanization during her lifetime and has witnessed the relentless diminishment and
34 degradation of the beauty and the abundance that literally nourished her during her youth.
35 Today, she is a farmer and her partner's families are farmers and loggers. She also knows
36 what it means to depend on the forests and fields for livelihoods. However, it is a mistake to
37 continue cutting the little that remains. She has grieved the destruction of the forests for
38 decades and felt powerless to affect any meaningful change. She asked whether the Board
39 feels powerless to alter the course of a cultural imperative to use up everything for short-term
40 gain. She hopes not, as the public needs the Board to consider its actions.
41

42 **Kyle Krakow** urged the Board to reject the Rocky Top timber sale and place an immediate
43 moratorium on the logging of mature, structurally complex legacy forests on state lands.
44

45 **Donna Albert, Montesano**, shared some before and after photographs of a timber sale site.
46 The Board should not approve sales of any legacy forests and instead consider future

1 generations.

2
3 **Jim Oliver** read a poem on the degradation of the planet and subsequent consequences of
4 continuing the status quo of logging legacy forests.
5

6 **Sally Keely** cited the book, *Canopy of Titans*, which refers to an old Chinese proverb that the
7 best time to plant a tree was 20 years ago and the second best time is today. However, the
8 ancient Chinese were not confronting a climate emergency. Today, the best time to plant a
9 tree was 1,000 years ago and the best thing the Board can do is save a tree. The world is now
10 in a climate emergency. The world has less than six years to limit global warming to 2.7
11 degrees Fahrenheit above pre-industrial levels. Solving the problem is by keeping carbon in
12 the ground and removing access carbon in the air. Forests are the natural best climate
13 defense. All remaining structurally, complex mature forests must be protected by declaring
14 an immediate moratorium on logging. At the very least, the Board should remove *Sassafras*
15 from the proposed sales as the region has a special mix of fir, ponderosa pine, red cedar, and
16 hemlock and a county desperate to retain biodiversity within its recreational areas. The
17 proposed sale requires a significant increase in destructive truck traffic through rural
18 residential areas. Everyone has the responsibility to preserve forests while the Board has the
19 duty. Once logged or thinned, precious legacy lands are changed forever. Additionally,
20 future minutes or during future meetings, the Department should report the number of
21 attendees who registered to speak but were denied the opportunity to speak because of the
22 one-hour comment period. Last month, she was unable to speak to request the Board not
23 approve the MM MM Good timber sale.
24

25 **Rod Fleck** referred to the budget proviso funding for the purchase of forestland. The budget
26 proviso included a requirement for the Department to submit a report by December 31, 2023
27 on the 2,000-acre transfer of lands from the trust. The meeting agenda lacks any reference to
28 the report. He asked for a copy of report per the Public Records Act. The budget proviso also
29 included a mandate for a progress report for submittal to the Legislature by December 1, 2023
30 on all elements of Section 1 of the proviso. Many essential components of rural communities
31 are tied to the sustainable management of trust lands and timber stands. Those funds provide
32 essential funding for schools, fire districts, hospitals, and counties, etc. Yet, there has been no
33 proposal providing a consistent revenue source in lieu of active timber management. He
34 addressed concerns about the amorphous term applied to any older tree or small stands that do
35 leave part of the 53% of land set-aside. Timber lands provide for fish, flora, fauna, and have
36 adequate protections in DNR's management of timber. Those lands are released and available
37 for harvest.
38

39 **Brian Karnes, Cascade Hardwood Group**, reported the company employs 205 employees
40 at two facilities in the state with many more indirect jobs in the areas the company works
41 including the Olympic Peninsula and Southwest Washington. Hardwood logs from DNR
42 timber sales comprise 20% of the company's annual volume. It is important to have a
43 consistent supply of hardwood logs from the timber sales program. Raw material needs
44 require planning, scheduling, and a consistent flow to remain efficient and effective. At the
45 Port Angeles facility, approximately 40% of logs were imported in 2023. If DNR continues
46 to set aside more acres in Clallam and Jefferson County areas, the amount of imported timber

1 will increase, as well as emissions. It is important to consider the bigger picture and not just
2 someone's backyard. Active forest management is one of the answers to climate change. He
3 thanked the Department for moving forward with sales approved by the Board. Washington
4 has some of the strictest forest practice regulations and requirements in the United States. If
5 timber sales are permitted, they should be released for sale. DNR staff invests a tremendous
6 amount of time and effort into establishing timber sales and when paused or removed, it is
7 quite demoralizing for staff.
8

9 **Alexander Harris** said he serves as the Land and Water Policy Manager for the
10 environmental non-profit, Resources for Sustainable Communities. He thanked staff for their
11 hard work to implement DNR's policies. It should be clear that the criticism of DNR policies
12 is not a critique of the work completed by staff. DNR policies have greatly improved in the
13 last 25 years but the policies do not reflect the current climate crisis. The projections reflect
14 higher peak flows in the winter causing more landslides and lower stream flows and increased
15 fire activity in Western Washington. DNR needs to update policies to reflect today's climate
16 reality. An old growth policy exists but there is no policy for protecting mature forests. The
17 Board should develop a mature forest policy that resolves the issue and provides DNR and
18 staff the certainty for long-range planning. A mature forest policy should be based on the
19 structural characteristics associated with maturity in DNR's Van Pelt guide along with a
20 mapping exercise or an inventory of mature forest remaining on state managed lands.
21

22 **Miguel Perez-Gibson, Washington Conservation Action**, clarified his agency's
23 understanding of *Conservation Northwest v. Hilary Franz*. The (Supreme) Court held that
24 under the Enabling Act, a trust exists with beneficiaries. The Court repeatedly referred to
25 Article 16, Section 1 as a "constitutional mandate." The ruling states that there is an
26 affirmative duty to the following: (1) comply with all applicable laws, (2) serve the
27 enumerated beneficiaries, and (3) serve all the people in compliance with the Washington
28 Constitution. The Court ruled that DNR must manage lands for the benefit of the institutional
29 beneficiaries subject to common law duties. While DNR is subject to common law duties,
30 management is directed by the State Legislature. Article 16, Section 1 imposes a
31 constitutional duty to manage lands for all the people of Washington. DNR must manage
32 lands in conformance with three legal requirements of state law, trust duties, and the Enabling
33 Act in Article 16, Section 1; a constitutional mandate to serve all the people of Washington.
34 DNR does not have a duty to maximize revenue. DNR does not have a duty to generate
35 revenue from the land through timber sales but offering timber sales is within DNR's
36 discretion. DNR holds and manages forest board lands under most state statutes and Article
37 16, Section 1, states that DNR must harvest at least some timber. Surrounding the concerns of
38 the SHC, as long as the Board is not arbitrary and capricious or shows an abuse of discretion,
39 a wide variety of policy alternatives can be developed and assessed. Mr. Perez-Gibson
40 provided a copy to the Board of holdings, conclusions, and citations as part of his testimony.
41

42 **Nina Sarmiento** commented that she just learned DNR knows five years in advance of what
43 sales will be planned. She questioned the timeline when the public is informed of a sale at 3.6
44 months prior to auction. Staff reviews paperwork for each sale while county beneficiaries are
45 left completely in the dark and unaware of when comment periods will be opened. The
46 response from DNR is that it is too late to advocate for an alternative. The correct time to

1 inform the public and beneficiaries about timber sales is when DNR begins planning. The
2 citizens of Port Angeles have been urging the Board to cancel the Power Plant and TCB 23
3 timber sales since first learning about the sales. Power Plant includes a diverse mix of
4 naturally regenerated fir and cedar on a trail to the former Elwha dam site restoration area.
5 TCB 23 is also located near the former dam site in the Elwha watershed. The legacy forest
6 has western hemlock with trees nearly 50 inches in diameter and cedars at 91 inches in
7 diameter. The sale was sold without approval of the Board through DNR's new hardwood
8 program even when the sale only had a small percentage of hardwood. It appears to be a
9 direct attempt to avoid receiving public comment. Variable retention harvest forest
10 management is not a solution for climate change or for anyone besides the timber industry.
11 DNR does not have an obligation to maximize revenue. A mature forest policy is the solution
12 for a better future and it must be enacted today in the face of climate change. She urged
13 cancellation of TCB 23 and Power Plant timber sales.
14

15 **Matt Comisky, American Forest Resource Council**, remarked that some believe that the
16 way to save the planet is to lock up forests and leave them untouched. He is appreciative of
17 the vocal leadership of the Commissioners (Board) as champions of working lands and forest
18 and the importance of keeping forests working. As the Commissioner has stressed, working
19 forests cannot be protected by walking away, they are protected through hard work and
20 thoughtful and intentional management based on science and not politics. They are protected
21 by skilled professionals who have and will continue to steward lands through action. The
22 organization is aware of an announcement scheduled later in the month concerning the
23 utilization of millions of dollars of taxpayer money to "protect" certain lands as directed by
24 the Legislature. The forest products sector, DNR's purchasers, rural and forested
25 communities, and beneficiaries are dependent upon DNR's sustainable management of state
26 trust lands and will be watching closely with the hope and expectation that words of keeping
27 the working forest working will be demonstrated through action in the announcement. It is
28 hoped the Board will conduct its due diligence after the announcement to ensure taxpayers,
29 the public, impacted communities, and local businesses dependent upon the lands are
30 considered. The Board is encouraged to review the proposed areas and ask the appropriate
31 questions as to how and why the parcels were selected. The organization is a willing partner
32 to ensure working forests remain working. It is important to be mindful of the economic,
33 financial, environmental, and political implications of the announcement. In 1994, the
34 Northwest Forest Plan resulted in decimating families and communities that led to social-
35 economic problems that continue today. It is important not to repeat history.
36

37 **Dr. Julie Ratner** said her neighbor knows she is committed to saving mature forests and
38 approached her last week to celebrate how rural schools and fire districts would be funded by
39 DNR's largest purchase of 9,000 acres in Southwest Washington for \$55 million. Her
40 neighbor was uplifted when he learned that the land would remain in timber production in
41 perpetuity and county residents, schools, and fire districts would benefit financially for
42 generations. However, this is an example of misinformation and egregious corruption in
43 public land management. It should be clear that of over 8,000 acres, 90% would be used to
44 generate revenue for the Department through commercial timber production and harvesting.
45 Fewer than 10% of the land will protect wildlife and a measly 2% of the school building
46 construction budget would receive money from the purchase. Rather, 90% needs to be

1 protected and not harvested. This unbalanced 90/10 decision is exacerbating pollution and
2 heat sinks, salmon recovery, and obliterating the state's immediate and impact free option for
3 obliterating climate goals ahead of many states. It is ironic since the purchase is funded
4 through Biden's Climate Commitment Act to reduce greenhouse gas emissions. Enact a
5 moratorium on mature forests and protect the future. The Board should be reconfigured to
6 save more than 10% of the 9,000 acres to protect the state's natural resources.
7

8 **Jessica Randall, Jefferson County**, said that at every Board meeting, several attendees ask
9 for the harvesting of forests to receive funds for schools and fire stations. She questioned how
10 public services are unable to be funded unless logging occurs of the most valuable forests.
11 She questioned how other states who do not have forests meet the same financial obligations.
12 The state's prime forests will soon be gone and the question is how to meet the quota then.
13 Another popular argument is the jobs provided by logging. The truth is that logging
14 communities are very poor and if counties and workers were really making money from trees,
15 the situation would be completely different. Those making the money from logging are the
16 owners of the companies, their executives, and their shareholders. There are better jobs for
17 rural workers in green new businesses. Counties as trust beneficiaries are supposed to be in
18 perpetuity but could be changed by funding county services from the Washington State
19 general fund as it represents less than 4% of the general fund. Those making the money do
20 not want to change the situation until all large trees are logged on state lands. Commercial
21 timber owns over 11 million acres of forestland. In 1971, forestland taxes changed from
22 property to timber harvests. People only pay approximately \$1 to the county per acre per
23 year. Increasing that by a small percentage would fund all services. All other property
24 owners are experiencing huge increases in property taxes. Commercial timber should also
25 experience an increase in taxes. DNR continues to cut down ecologically important forests
26 because of the threat of lawsuits from the timber industry. The industry controls everything
27 and the government is supposed to help the public and not just big business. It is important to
28 remove the timber industry from DNR.
29

30 **Paul Butler, Thurston County**, said he was a college professor for 25 years teaching
31 geoscience. Over that time, he witnessed perceptions gradually change with respect to the
32 current climate predicament. Initially, *global warming* was used which did not sound too bad
33 as some were looking forward to the eventuality. Then it became *climate change* with many
34 potential changes sounding ominous. Then as the urgency became more evident, *global*
35 *climate crisis* seemed apt. Now scientists recognize the earth is headed to *global climate*
36 *chaos*. Despite the increased intensity of the terminology, government and industry seem
37 reluctant to act in any meaningful way. Industry has engaged in denial, delay, and
38 disinformation to avoid changing business models. Recently, Commissioner Franz spoke at a
39 carbon friendly forest conference and seemed somewhat irritated at the way the public has
40 criticized DNR's management strategies for Westside forests. She outlined all the good
41 things the Department is doing. The Department has done some good things, such as the
42 carbon project and purchasing 9,000 acres of private timberland so 2,000 acres of older state
43 forest can be protected. Commissioner Franz often states that Jerry Franklin calls DNR an
44 exemplary large timber management agency without citing his caveat that the Department still
45 has a ways to go. He appreciates the opportunity provided to the public at the Board
46 meetings. However, the public will continue to push DNR to sequester more carbon. Climate

1 smart science speaks to longer rotations on state managed plantations and increasing the
2 number of older forests set asides if the state is to combat climate chaos.

3
4 **Heath Heikkila** expressed concerns with the continued politicalization of DNRs sustainable
5 management of state trust lands. Commissioner Franz summed it up well in a November 16,
6 2023 speech when she lamented, “A dangerous war that I think is being waged on our
7 forestlands.” The Power Plant timber sale is an unfortunate case study in how this war is
8 playing out. According to DNR career staff, this sale will “improve the long-term health and
9 function of these forests by restoring them to a more healthy state.” It will also benefit local
10 beneficiaries and the local economy. Power Plant was thoroughly vetted by the Clallam
11 County Commissioners including a May 16, 2023 work session with career DNR staff. DNR
12 received the county’s support and the Board approved the sale for auction on June 6, 2023.
13 The timber sale was subsequently sold. The sale was challenged by anti-forestry groups in
14 Clallam County Superior Court. Under penalty of perjury, the agency’s professional lands
15 managers and scientists filed declarations in court documenting that the timber sale followed
16 all state and federal laws, regulations, and would not cause harm to water resources, endanger
17 wildlife, or other values. The judge denied requests to block the sale twice. Unfortunately,
18 local elected officials have made baseless claims including how Power Plant will harm water
19 quality in the Elwha River and negatively affect the city’s primary source of drinking water.
20 Yet, the city’s own 2018 Water System Plan indicates timber harvesting is not expected to
21 affect the Elwha watershed nor local water supplies. DNR staff also responded to a
22 September 4, 2023 letter to dispel some of the inaccuracies about the sale. He thanked staff
23 and many Board members who are able to see the forest through the trees and asked that the
24 forests should not be allowed to become victims of this political war.

25
26 **Mary Jean Ryan, Jefferson County**, spoke in support of the proposed land transactions
27 involving Dabob Bay. The actions are the culmination of years of hard work by staff and key
28 organizations and elected officials who represent the unique area within Jefferson County.
29 Dabob Bay is a very special place and has tremendous biodiversity but is environmentally
30 very fragile and requires special protection. She thanked DNR for recognizing that
31 importance by partnering with the local community. As Commissioner Franz noted at a
32 recent event in Port Townsend, the work at Dabob Bay is not done but the actions are major
33 milestones that should be celebrated. She thanked DNR for all the work to implement the
34 Natural Climate Solutions proviso. It is exciting to see progress occurring on encumbered
35 lands and the rapid deployment of funds for the major Wahkiakum forestland acquisition as
36 well as the eight counties expressing interest in the opportunity to conserve acreage. It is
37 hoped the parties can work together to continue making progress.

38
39 **Court Stanley, Washington State Association of Counties**, said he appreciated the Lighting
40 Talk. It is amazing DNR can plan a timber sale, as the Department must manage a multitude
41 of attributes. It often appears the focus is on singular attributes. DNR is tasked with much
42 more, such as revenue to beneficiaries, carbon storage, sequestration, forest resilience, upland
43 wildlife habitat, riparian habitat, recreation, and the economic health of rural communities.
44 Many of the attributes are conflicting. Carbon dense stands might not be structurally complex
45 creating difficulties as staff works through those challenges. He believes DNR has chosen
46 wisely to focus on a landscape management approach. All age classes are needed with

1 different habitat stages across the state. As stands grow, they provide and change habitat
2 attributes for wildlife. From years of experience, he knows that managing planted forests,
3 foresters can accelerate the development of structurally complex forests much better than
4 unmanaged forests. The state must manage forests and distribute them across the landscape to
5 grow and harvest.
6

7 **Brel Froebe, Center for Responsible Forestry**, said he is anticipating viewing the list of
8 2,000 acres of mature forest that DNR will be recommending. Eight counties have expressed
9 interest in designating acres for conservation. The counties of Thurston, King, and Jefferson
10 have requested consideration of over 2,400 acres for conservation, which well exceeds the
11 2,000 acres allotted. There is a demand and in order to select the 2,000 acres, it is likely DNR
12 will complete a thorough analysis and screening for candidate parcels. It is also likely the
13 analysis will identify the location of structurally complex, carbon dense mature forests on the
14 landscape to include number of acres. The analysis would be helpful to complete across the
15 landscape in Western Washington to identify the number of acres that meet the definition of
16 structurally complex, carbon dense forests. The efforts are part of the work by the Carbon
17 and Forest Management Working Group. It is important to give the working group the time
18 they need to complete the analysis. He encouraged the Board to direct DNR to stop
19 introducing any timber sales containing mature forests prior to the completion of the work by
20 the working group.
21

22 **Ed Martin, Western Forest Products** reported the company produces the world's best
23 renewal resources into items that enrich the lives of people of the world through solid and
24 engineered wood facilities in Washington State. DNR forest products utilized in the facilities
25 support the transmission of in-demand green energy everyone uses daily. Wood products
26 support the wire on power poles for people to enjoy electricity for lights and computers via a
27 renewable product. The company also produces glue lam beams, an engineered wood product
28 supporting the construction of large buildings and other applications instead of carbon
29 emission intensive steel and concrete. Both renewable products are produced from DNR
30 timber. He thanked staff for their continuous hard work, as it is wonderful to see another
31 month of timber sales presented to the Board for approval. The care, due diligence, and
32 continuous effort of developing timber sale packages is very much appreciated. Forest
33 products support working families, businesses, and customers that need and enjoy wood. He
34 thanked the Board for approval of timber sales from previous months and looks forward to the
35 proposed timber sale package.
36

37 **Doug Cooper, Hampton Lumber**, said the company operates three sawmills in the state that
38 are dependent on DNR timber sales program. The mills are part of the critical manufacturing
39 infrastructure needed in Washington to supply carbon-friendly wood products, sustain healthy
40 forests, and support rural and urban economies. He appreciated the Lighting Talk. It is clear
41 DNR has a process to guide and require staff to comply diligently with all policy requirements
42 to protect natural resources. Staff has the opportunity while protecting resources to design
43 sales that produce greater revenue to the Department and beneficiaries. Many factors play
44 into the entirety of a timber sale. At the November Board meeting, it was astonishing the
45 Board approved \$55 million to purchase 9,115 acres of industrial timberland without staff
46 presenting a harvest schedule, revenue and expense assumptions, and projections that would

1 produce any expected financial metric much less any biological metric to substantiate the
2 proposed investment. That fundamental information should be provided to the public on any
3 land acquisition or disposition recommendation. It is necessary to hold staff, the Board, and
4 the industry interested in the timber sales program and management of DNR lands
5 accountable to meeting the requirements of the trust management.
6

7 **Bill Turner, Sierra Pacific Industries**, commented that as a forester, all foresters know what
8 is involved in a timber sale. The staff presentation during the Lighting Talk does not only
9 involve a forester, it involves geologists, archaeologists, and other staff. The planning efforts
10 begin five years before an auction, which is concerning in terms of the 2,000 acres DNR will
11 consider setting aside. Economics need to be considered as staff has invested money and
12 resources for field work and completing the analysis. Much of the work is completed but is
13 never approved resulting in some costs that do not generate any return. The Board should
14 provide feedback and indicate that any active timber sale under development by staff would
15 not be considered for allocation as part of the 2,000 acres set aside.
16

17 **Peter Bahls, Northwest Watershed Institute**, said the organization is a conservation
18 organization based in Jefferson County. The organization supports the Dabob Bay Trust Land
19 Transfer and Inter-Trust Exchange under consideration later in the meeting. The trust land
20 transfer will protect approximately 800 acres of state lands within the 2016 boundary
21 expansion of the Dabob Bay Natural Area. The project is a great benefit to the Dabob
22 ecosystem and to the financial health of the timber trust. The project is broadly supported.
23 Dabob Bay is one of the least developed and biologically intact estuaries remaining in Puget
24 Sound. It includes a broad range of priority habitat for salt marshes to shellfish tidelands to
25 globally rare types of forests that the DNR Heritage Program has identified and is obligated to
26 protect under its voluntary Sustainable Forestry Initiative (SFI) certification standards.
27 Between the rare forests, streams, wetlands, and slopes, there are significant timber harvest
28 constraints, which speak to the importance of the proposed trust land transfer to both the trust
29 and Jefferson County. Support for the proposal includes the shellfish industry, the largest
30 employer in that area of Jefferson County that is dependent upon clean water. From four
31 tribes with reserved treaty rights in Dabob Bay, residents and landowners who testified in
32 support of the proposal at two public hearings, and the Jefferson County Commissioners, as
33 well as the State Legislature, which provided funding for the proposal. He thanked DNR for
34 its perseverance and requested approval of the proposal.
35

36 **CHAIR REPORT**

37 **Eastside Sustainable Harvest Calculation –1999 NSO Procedure for Eastern** 38 **Washington Revision**

39 **Duane Emmons, Assistant Deputy Supervisor, State Uplands**
40

41 Mr. Emmons briefed members on a proposed revision of an outdated procedure from 1999
42 pertaining to the northern spotted owl in Eastern Washington during the Eastside Sustainable
43 Harvest Calculation (SHC) process.
44

45 The timeline for the Eastern Washington SHC is affected by outdated policies primarily for
46 forest health or forest resiliency. An Eastside SHC has not been completed since the 1990s.

1 Since the last update, several new policies and strategic plans have been adopted.

2
3 The former procedure employed owl circles to manage for spotted owls. Owl circles involve
4 identification of an individual nest or nest patch with protections placed within a specific
5 diameter equating to approximately 6,000 acres. All owl circles are identified on state trust
6 lands. The approach is now recognized by state and federal resource agencies as an outdated
7 process for protecting owls.

8
9 DNR's HCP was implemented in 1997 with owl circles utilized as a bridge as the plan was
10 implemented covering both Western and Eastern Washington. Under the HCP, the
11 Department moved to the landscape-level management approach utilizing spotted owl
12 management units on both DNR and private lands. DNR considered the totality of habitat
13 within the zones with at least a 50% threshold protected and not harvestable. Former owl
14 circles did not employ the same approach and conflicts with the new approach in Eastern
15 Washington.

16
17 Additionally, the HCP provides pathways to address forest health issues whereas spotted owl
18 circles do not address forest health issues. In 2004, DNR amended the SHC for Eastern
19 Washington for more site-specific ecological management and acknowledgment that not all
20 areas in Eastern Washington should be managed as spotted owl habitat. Unfortunately, during
21 the amendment, DNR did not pursue an opportunity to cancel owl circles or modify the
22 procedure in Eastern Washington. However, the last update of the Western Washington SHC
23 includes the updated approach for spotted owls. Fundamentally, owl circles conflict with
24 ecological management and limits the Department's ability to manage forest health in those
25 areas with some catastrophic loss experienced in some of areas due to the inability to perform
26 forest health treatments because of the conflict in policies.

27
28 As part of the process and because the Environmental Impact Statement (EIS) process is
29 currently open for the Eastside SHC, it enables DNR to complete the SEPA public process.
30 The SEPA process entails reinitiating scoping to ensure information is provided to the public
31 and stakeholders on the intent of the work and to accept public comments in response to the
32 work.

33
34 Mr. Emmons invited questions and feedback.

35
36 Dr. Brown cited the proposed change and whether the new management approach for spotted
37 owls is the determining factor for management and if spotted owl management units have
38 been identified for areas that eliminate owl circles. Mr. Emmons explained that currently,
39 both management approaches are in effect in those areas where owl circles are located, which
40 is creating conflicts. In areas outside the circles, DNR is managing under the HCP. Within
41 owl circles, DNR is managing under both policies, which due to these conflicts, management
42 within the circles is more restrictive as it relates to forest health

43
44 Commissioner Janicki asked whether the EIS process delays or changes the schedule for
45 completing the Eastside SHC. Mr. Emmons said the work should not affect the schedule as it
46 entails adding some public meetings to review scoping with the public.

1
2 Commissioner Janicki inquired of other analysis by staff that might identify other outdated
3 policies. Mr. Emmons said staff is analyzing other policies and procedures that might need
4 adjustment or cancellation. The intent is to maintain the schedule while ensuring the update is
5 thorough and provides forest health benefits.
6

7 Mr. Emmons responded to comments surrounding areas that are at risk of fire or have
8 suffered fire damage explaining how owl circle constrain the ability to complete any forest
9 health treatments. The HCP approach enables more pathways to address forest health
10 directly.
11

12 **LAND TRANSACTIONS - Action**

13 **Dabob Bay Inter-Trust Land Exchange, 86-100443, Resolution 1620**

14 **Dabob Bay Trust Land Transfer, 02-099529, Resolution 1621**

15 **Bob Winslow, Transaction Project Manager, Acquisitions and Divestures**

16 **Robin Hammill, Assistant Division Manager, Acquisitions and Divestures**
17

18 Mr. Winslow reported the Dabob Bay Trust Land Transfer properties are located in Jefferson
19 County near the Dabob Bay arm of Hood Canal. The Dabob Bay Natural Resource
20 Conservation Area (NRCA) boundary was approved in 2016 and included the state trust
21 parcels for future inclusion into the NRCA. The State of Washington and the US Navy have
22 made significant investments in the Dabob Bay area for land conservation and national
23 defense purposes.
24

25 Mr. Winslow identified the Dabob Bay parcels as Parcels A to H on a map. If approved for
26 transfer, parcels B to F would add contiguous conserved lands to the Dabob Bay NRCA.
27 Parcel A is located north of Thorndyke estuary, which is one of the highest quality bays in
28 Puget Sound.
29

30 Prior to transfer into conservation status, the state trust beneficiaries require full compensation
31 for the market value of their property assets. The Legislature provided Trust Land Transfer
32 (TLT) funds together with Recreation and Conservation Office (RCO) competitive grant
33 funding for the full payment of the Dabob Bay state trust parcels. The properties will be
34 transferred into the Dabob Bay NRCA with a perpetual deed restriction, limiting future uses
35 to natural area purposes.
36

37 DNR received extensive public testimony in support of the Dabob Bay Trust Land Transfer
38 and Dabob Bay Inter-Trust land exchange during two public hearings held in Quilcene and
39 written testimony.
40

41 The Dabob Bay TLT project was funded prior to legislative program changes to the Trust
42 Land Transfer (TLT) Program during the 2023 legislative session, which is why all Dabob
43 Bay TLT parcels require a Dabob Bay Inter-Trust land exchange to Common School trust.
44 The Common School trust will benefit from the reimbursement of the properties containing
45 rare and high quality plant and wildlife habitat characteristics. Many acres proposed for
46 transfer have riparian habitat restrictions and include global and state imperiled plant

1 communities that would be protected in the future.

2
3 The proposed Dabob Bay Inter-Trust exchange protects water quality and shellfish, beaches,
4 species diversity, salmon, steep shorelines, healthy marine systems, healthy watersheds, a
5 pristine bay in Puget Sound, the health of Hood Canal, and supports the shellfish industry,
6 Pacific herring spawning, and the environment.
7

8 The TLT transfer includes a total of 786.56 acres with a total value of \$10,095,227. The
9 value of the timber component is \$6,624,834 and the obtained funds for the timber will go to
10 the Common School Construction Account. The value of the land component is \$3,470,393
11 and the funds for the land value will go to the Real Property Replacement Account for
12 acquiring replacement Common School trust property. The proposal is time sensitive as some
13 funding (RCO funds) required to compensate the state trust beneficiary for any TLT transfer
14 will expire after December 31, 2023.
15

16 An equivalent market value between the trusts is required for an equal value exchange.
17 Location, soil, timber, access, revenue potential, zoning, and public testimony are all
18 considered in creating an exchange between trusts. The result of the appraisal is used to
19 determine the exchange balance.
20

21 DNR received support from Jefferson County Commissioners and the Washington State
22 Association of Counties for the forest purchase element of the inter-trust exchange.
23

24 Mr. Winslow invited questions and comments.
25

26 Dr. Brown acknowledged the efforts by everyone involved in the complicated process that
27 clearly addresses an important long-term goal with many moving parts and different trusts and
28 properties.
29

30 Ms. Hammill said the efforts by Mr. Winslow are appreciated as he took time from vacation
31 to present the complicated proposal to the Board. His efforts have spanned six years.
32

33 Superintendent Reykdal thanked Mr. Winslow and the DNR team for their efforts. The
34 opportunity provides a bigger opportunity to realize that counties need help and cannot afford
35 to lose funds from any source. The complexity of transacting an action between state lands
36 and Common Schools is important as it will preserve and protect valuable resources within
37 the county. The future of school funding will require consideration as schools will need
38 funding assistance and the proposal is not the future for school funding. All actions by the
39 Board to pursue some risk with the Legislature and within the Board should consider all
40 strategic ways of identifying similar opportunities to support counties that often need the
41 funding more than schools at this time.
42

43 MOTION: Dr. Brown moved to approve Resolution 1620, Dabob Bay Inter-Trust Land
44 Exchange.
45

46 MOTION: Superintendent Reykdal seconded the motion.

1
2 ACTION: The motion was approved unanimously.

3
4 Chair Franz call for an approval of Resolution 1621 as presented.

5
6 MOTION: Dr. Brown moved to approve Resolution 1621, Dabob Bay Trust Land
7 Transfer.

8
9 MOTION: Superintendent Reykdal seconded the motion.

10
11 ACTION: The motion was approved unanimously.

12
13 **TIMBER SALES - Action**

14 **Auction Results for November 2023, FY 2024 Update, & Proposed Timber Sales for**
15 **January 2024**

16 **Padraic Callahan, Acting Division Manager, Product Sales and Leasing Division**

17
18 Mr. Callahan presented the results of November timber sales. Nine sales were offered
19 totaling 44.2 mmbf for an estimated value of \$11.4 million or \$259 per mbf. Nine sales sold
20 totaling 43.9 mmbf generating \$16.5 million for the beneficiaries at an average bid of \$375
21 per mbf with an average of 3.29 bidders for each sale.

22
23 Mr. Callahan invited questions.

24
25 Dr. Brown questioned the difference in board feet projected versus sold. Mr. Callahan replied
26 that several sorts embedded in one of the timber sales was not sold and would be reoffered.

27
28 Mr. Callahan reviewed the status of Fiscal Year 24 planned timber volume of the current plan
29 for auction volume, forecasted volume for the remainder of the year, and sold volume. He
30 invited questions from the Board. Board members offered no questions.

31
32 Mr. Callahan presented proposed timber sales for January 2024 totaling six sales of
33 approximately 25.3 mmbf at an appraised minimum value of \$6.6 million or \$261 per mbf.
34 The Rocky Top timber sale in the Pacific Cascade Region includes a northern spotted owl
35 component. The timber sale is located within dispersible habitat of 67% habitat quality
36 enabling the Department to manage actively in those areas up to 50%. The Rocky Top
37 harvest would retain 66% habitat for northern spotted owls. Of the 1,265 acres evaluated for
38 total harvesting, approximately 610 acres would be set aside in conservation status
39 representing 48% of the total acres evaluated for the timber sales.

40
41 Dr. Brown asked whether the conservation acreage includes riparian, steep slopes, and old
42 growth. Mr. Callahan affirmed the acreage in conservation status includes all those areas.
43 Riparian areas are evaluated on a case-by-case basis and on the ecological benefit to
44 determine if entry is warranted for enhancements to the riparian areas. Riparian areas are
45 often the most risky areas to enter because of sensitivity and proximity to water as well as
46 steep slopes. Although the volumes are accounted for in the timber sales, they are included in

1 the SHC based on the Board's action in 2019.

2
3 Dr. Brown noted the high number of acres conserved. Mr. Callahan said the acreage is not
4 associated with any specific timber sale as the amount conserved typically fluctuates between
5 30% and 50% for timber sales.

6
7 Mr. Callahan displayed a graphic illustrating the distribution of revenue by trust beneficiary
8 based on the appraised values of the timber sales.

9
10 Dr. Brown referred to public comments on the Sassasfras timber sale and concerns that the
11 sale includes legacy forest. The documentation reflects initiation dates of 1964 to 1977. Mr.
12 Callahan said he is familiar with the landscape located in the Toutle area characterized by
13 three age classes of the 1980 mountain eruption, 1962 Columbus Day Windstorm, and some
14 large pockets of old growth forest. The timber sale is located in the blast zone at the end of
15 the ridge and does not include any old growth forest. The timber is 48 to 50 years old
16 comprised of Douglas fir and western hemlock. No ponderosa pine or other species are
17 included.

18
19 Superintendent Reykdal commented that the Common School revenue projection from the
20 timber sales would amount to \$1.7 million given the projected sales expectation. He noted the
21 high amount of revenue projected for the Agricultural School Trust. He asked that future
22 presentations include information on the smaller trusts and how the revenue is distributed
23 between the trusts to provide a picture on the cash flow over the years, particularly for
24 universities and the state. Mr. Callahan affirmed the request.

25
26 Mr. Callahan recommended approval of the proposed timber sales.

27
28 Mr. Cahill referred to the fiscal year graphic on volume projected and sold. Based on the
29 current graph, DNR has sold 109 mmbf with the proposed timber sales adding another 25
30 mmbf. He asked whether the January sales would be reflected in the second quarter of the
31 fiscal year or the third quarter of the fiscal year. Mr. Callahan said the January sales would be
32 reflected as the first month of the third fiscal quarter. Staff is scheduled to auction the
33 December sales in the next week because of the holiday, which will be reflected in the third
34 month of the second fiscal quarter.

35
36 MOTION: Dr. Brown moved to approve the proposed timber sales for January 2024 as
37 presented by staff.

38
39 MOTION: Mr. Cahill seconded the motion.

40
41 ACTION: The motion was approved unanimously.

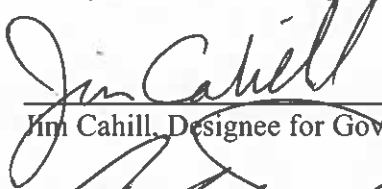
42
43 **ADJOURNMENT**

44 With there being no further business, Chair Franz adjourned the meeting at 11:15 a.m.
45
46

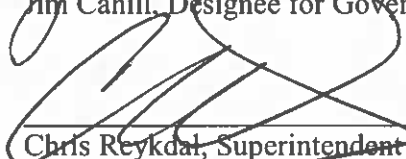
Approved this 3rd day of January, 2024

approved via webinar

Hilary S. Franz, Washington State Commissioner of Public Lands



Jim Cahill, Designee for Governor Jay Inslee



Chris Reykdal, Superintendent of Public Instruction

approved via webinar

Lisa Janicki, Commissioner, Skagit County

approved via webinar

Dr. Wendy Powers, 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