
Minutes
Board of Natural Resources Meeting

March 5, 2024

Webinar, Natural Resources Building, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

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

The Honorable Chris Reykdal, Superintendent of Public Instruction

The Honorable Lisa Janicki, Commissioner, Skagit County

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

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

CALL TO ORDER

Vice Chair Dan Brown called the meeting to order at 9:00 a.m.

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

WEBINAR/SAFETY BRIEFING

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

APPROVAL OF MINUTES – February 6, 2024 - Action

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

SECOND: Mr. Brown seconded the motion.

ACTION: The motion carried unanimously.

LIGHTNING TALK

Old Growth Forestry Process

Alan Mainwaring, Fish and Wildlife Biologist, South Puget Sound Region

Mr. Mainwaring briefed members on the Department's old growth field assessment process.

In 2004, the Legislature directed DNR to inventory old-growth forest stands on state lands as

1 defined by a panel of scientists. The Department's Old-Growth Definition Committee members
2 included Dr. Jerry Franklin, Dr. Thomas Spies, and Dr. Robert Van Pelt with Dr. Paula Swedeen
3 and Dr. Rex Crawford assisting along with other DNR Scientists.
4

5 DNR defines old growth as stands in the most structurally complex stage of stand development,
6 sometimes referred to as fully functional; a stand with a natural origin date prior to 1850; and
7 five acres as the minimum size for an old-growth polygon. Areas less than five acres are
8 protected by other procedures. The old-growth policy also recognizes single, very large
9 diameter, structurally unique trees as important habitat elements. Those trees, sometimes
10 referred to as old-growth remnants, are often characterized by a large diameter (60+ inches
11 DBH), and possess large limbs, open crowns, broken tops, and deeply furrowed bark. Those
12 trees are the focus for retention to meet Habitat Conservation Plan (HCP) requirements for large
13 diameter, structurally unique trees.
14

15 The program is led by Forest Resources Division and Dr. Dan Donato. Each westside region
16 is staffed by old growth "designees." Old growth training is conducted every one to three years.
17 The approach exposes more staff members to old growth identification methods to increase
18 awareness. Designee status is conferred only after several assessments are completed
19 satisfactorily. Old growth assessments are triggered by reviewing Forest Inventory Data
20 utilizing the Weighted Old-Growth Habitat Index model (WOGHI) scores. The model was
21 developed by the original old growth expert panel. The model is driven by statistical
22 regressions based on an abundance of large trees, large snags, down wood, and diameter
23 diversity. The model ranks each of the forest inventory plots from zero to 100. An old growth
24 assessment is triggered by (1) Forest Inventory Data with high WOGHI scores, (2) observations
25 on the ground, (3) aerial/remote sensing data, and (4) other sources (e.g. neighbors/public
26 input). Fieldwork begins in the office with a review of WOGHI metrics to review model results
27 of a moderate or high hit. Lidar vegetation height data are reviewed to ascertain the height of
28 trees followed by review of historic aerial photos for harvest patterns and identification of any
29 individual remnant trees.
30

31 Mr. Mainwaring described custom mapmaking utilizing geo-reference maps to aid in
32 navigation when assessing areas of interest in the forest. DNR staff walk the stands in and
33 around WOGHI points to evaluate for structural development, stand age, and stand size. A
34 field guide developed by Dr. Van Pelt aids in evaluating stand development stages. He
35 described different evaluation phases to identify old growth trees and stands. Dr. Van Pelt also
36 provided an individual tree age scoring sheet in the field guide. The field guide is available on
37 the DNR publication site as a PDF file. When an assessed area meets all old-growth policy
38 criteria, the stand is delineated and deferred from harvest. When old trees or small patches with
39 old growth components are present, but less than five acres, the area is not deemed as an old
40 growth stand but is emphasized for retention under different procedures. When no old-growth
41 components are present, activities can proceed under the requirements of the HCP.
42

43 Old-growth assessments completed to date in Western Washington total 320 field assessments
44 (approximately 20 annually). Approximately 2,450 acres in 91 old-growth stands have been
45 protected. Other areas for evaluation include sites with WOGHI points and areas already in
46 conservation status, such as Marbled Murrelet Long-Term Conservation Strategy, Northern

1 Spotted Owl Long-Term Conservation Strategy, Riparian and Wetland Management Zones,
2 and Natural Area Preserves (NAPs) and Natural Resource Conservation Areas (NRCAs).

3
4 Mr. Cahill inquired about the acreage staff has identified that remain to be assessed. Mr.
5 Mainwaring responded that for areas slated for a timber sale, the first step is assessing WOGHI
6 points. The process is initiated through timber sales because of limited resources.

7
8 Superintendent Reykdal questioned whether any assessments of old growth have occurred in
9 national forests or other non-state lands. Mr. Mainwaring said he believes the U.S. Forest
10 Service utilizes a model for federal lands in the state. It is possible staff could obtain the
11 information from the U.S. Forest Service.

12
13 Vice Chair Brown cited areas that meet the conditions of old growth that have been deferred
14 from harvesting. He asked whether DNR has any other procedures for conserving smaller
15 patches containing some old growth trees. Mr. Mainwaring referred to the legacy tree
16 procedure that preserves eight trees per acre for legacy trees across a harvest unit. It is possible
17 to deviate from the process for ecological justifications. Eight trees per acre is only a minimum
18 and not a maximum number to preserve. Many areas are located within riparian areas or steep
19 slope areas that have not been harvested and are difficult to access. Many of the larger areas
20 have been conserved by designating the areas through NAP or NRCA programs. In many
21 circumstances, DNR's policy sets aside areas five acres or larger for permanent deferral.

22
23 Commissioner Janicki asked whether it is possible to accelerate old growth in natural area
24 stands as many of those areas are extremely dense and overstocked that could benefit from
25 treatment. Mr. Mainwaring explained that once old growth is removed, it is not possible to
26 restore. After the original harvest, the material was removed. However, remaining forests offer
27 ecological services through time with stands developing as they age. It is possible to accelerate
28 forest growth by variable density thinning and other active management strategies.
29 Commissioner Janicki encouraged DNR to continue to create forest environments conducive to
30 reducing wildfire risk and increasing access for wildlife and people. Mr. Mainwaring added
31 that variable density thinning requires a design because too much thinning can be detrimental
32 creating too much sunlight. DNR utilizes models for modeling stand data to create various
33 scenarios of too much or less thinning to evaluate potential outcomes.

34
35 *Chair Franz joined the meeting.*

36
37 Chair Franz commented on the various sources of funding for silviculture treatments to help
38 maintain the health of forests. Mr. Mainwaring pointed out that any thinning activity must be
39 ecologically beneficial and it needs to be commercially viable. Chair Franz noted that different
40 funding mechanisms are available for different purposes, such as spotted owl habitat under the
41 HCP, NAPs, or NRCAs. Each one has a different funding mechanism.

42
43 Duane Emmons, Assistant Deputy for State Uplands, added that if the area is in NAP or NRCA
44 status, the land is not considered trust land. The funding source is from the Legislature through
45 a general fund appropriation. Any activity generating revenue would be used to support those
46 areas.

1
2 Mr. Cahill acknowledged that there is no dedicated fund source for NAPs or NRCAs other than
3 the state general fund. The Climate Commitment Act Natural Resources Conservation Account
4 could be used in the future if the account survives the initiative process in November during the
5 general election.
6

7 **PUBLIC COMMENTS**

8 **Ed Bowen, Clallam County**, commented on the new and improved layout for the timber sales
9 presentation. However, he continues to have concerns about the decision to delay the Power
10 Plant timber sale. He learned negotiations would be ongoing over the next several months. He
11 asked the Board to address the timeline as a decision could result in another Ode to Joy timber
12 sale delay resulting in the delay of revenue to taxing districts. Several months should equate to
13 paying interest based on the deferred revenue payment for not making the taxing districts whole
14 through timely sales.
15

16 **Robert Mitchell** referred to prior public comments regarding conservation and scientific
17 studies on the positive effects of logging on carbon sequestration. He cited Cooperative
18 Monitoring, Evaluation, and Research (CMER) meetings where scientists speak to not
19 providing margins of error because of huge variables that essentially result in discarding data
20 and checking boxes to receive a green line on spreadsheets so planning can continue on a master
21 project schedule. Science is essentially producing social facts that can be manipulated. It is
22 unknown as to the dollars spent on scientific projects to receive inclusive results, which the
23 Timber/Fish/Wildlife (TFW) Policy Committee uses to render decisions or through the Forest
24 Practices Board, another political body with no qualms about finding ways of ignoring any
25 evidence that might stand in the way. Instead of spending \$4 million on a study, the profits
26 could be used to pay loggers not to log.
27

28 **Julie Puhich** commented that the Board should be asked whether it provide its blessing to the
29 auction of forests that have far greater value for the future than the revenue the timber provides
30 the logging economy or Washington State trust beneficiaries. It is unknown whether the Board
31 believes the action of logging forests is of no consequence or whether the Board is open to
32 considering other ways to manage public lands held in trust. Destruction caused by excessive
33 human desire to control and homogenize forests is a great disservice to all living things. In a
34 natural forest, each tree depends on an unaccountable number of other organisms from microbes
35 to other trees for survival. Each tree in turn supports the life of thousands of other living
36 creatures. Not long ago, old growth forests were routinely described using derogatory terms
37 such as over mature and decadent. Perhaps in some quarters, those terms are used today. Since
38 the 1980s, scientific knowledge followed by popular understanding has demonstrated how the
39 enormous mass and diversity of living organisms in an old growth forest produce clean air,
40 clean water, and fertile soil. Older, naturally regenerated legacy forests are ecologically
41 complex and resilient in ways that tree plantations are not.
42

43 **Joshua Wright, Legacy Forests Defense Coalition**, reported late last year, the Board
44 approved the Last Crocker Sorts timber sale, which was appealed in Jefferson County Superior
45 Court alleging DNR has failed to meet old forest targets and to properly account for old forests.
46 The judge granted an injunction against timber sales after the sale had been auctioned to 11

1 timber companies. Instead of enabling the court proceedings to move forward, DNR canceled
2 the timber sale and other timber sales. A precedent was established that DNR acted
3 inappropriately. However, he questioned why the Department would cancel a timber sale after
4 a successful auction because of the allegation that the Department has not met old forest targets.
5 DNR is now attaching addendums to each timber sale citing that the sale meets the
6 Department's old forest targets, which are based on flawed datasets that account for riparian
7 zones as a primary area of future old forest while concurrently ignoring the policies in the HCP
8 that speaks to how to account for old forest targets. To be clear, DNR has committed to meeting
9 10% to 15% old forest targets in each planning unit. Each planning unit would have fully
10 functioning forests (150 years old) except on the westside of the Olympics. DNR is unable to
11 meet that target as it is currently logging oldest forests today. The argument could be applied
12 to every timber sale containing mature forests including the Stepping Stone Sorts and Tigerilla
13 timber sales, which should not be approved.
14

15 **Donna Albert, resident of Montesano**, said she reviewed the Jefferson County injunction with
16 county commissioners to help them understand why it would be important to save the forests
17 in Grays Harbor County. She is concerned with the cutting of forests that are maturing to old
18 growth or have the potential of being part of the 10% to 15% DNR goal. She shared a
19 photograph of a logged site that many people wanted to protect in Grays Harbor County, which
20 resembles a moonscape. The site is adjacent to MM MM Good, which has been auctioned.
21 Actions by DNR are impoverishing Grays Harbor County and destroying the last of the Willapa
22 Hills.
23

24 **Kyle Krakow** referred to a recent letter to the Board in which Superintendent Reykdal
25 expressed a need for more transparency. His letter indicated that receiving public testimony
26 about timber sales the same day they are presented and approved is not a practice or process of
27 sincere listening. He agrees, as do many others who attend Board meetings. He echoed the
28 suggestion for a new schedule that allows for in-depth discussion on each timber sale before
29 approval, especially for the disproportionate number of sites containing legacy forests. To
30 remaining Board members and Chair Franz, he demanded a moratorium on the logging of
31 mature, naturally regenerated forests in Western Washington because inconceivably complex
32 ecosystems are on the line. DNR bears the blame for their destruction for wiping out the habitat
33 of countless animals present and future, for worsening floods, and for exacerbating the climate
34 crisis. It is time to rethink and restructure how the Board engages with the public in the timber
35 sale approval process. It is also time to stop logging what little remains of the state's legacy
36 forests.
37

38 **Paul Butler, resident of Thurston County**, cited Superintendent Reykdal's warning at the
39 January meeting that the lack of a older forests policy would "come back to bite us." He agrees
40 a policy is essential. Staff developed criteria to determine which stands to include in the 2,000
41 acres of older forests recently set-aside. While not all were supportive of the Department's
42 determinations, everyone was aware of the criteria. Contrast that approach with numerous
43 situations where timber sales were presented and then withdrawn leading to confusion and
44 frustration. The current timber sale process for stands containing older forests appear to be
45 arbitrary in terms of how data are presented in the sales packet. Prior summary pages contained
46 an average age for each sale whereas today, each sale includes a range of ages for stand origin.

1 Lacking is the acreage in each decadal increment given that someone was able to calculate an
2 average age. That information is also required for the Sustainable Harvest Calculation (SHC).
3 Additionally, it appears a disproportionate number of older trees are logged while the number
4 of acres is vague. He asked how those figures were determined and whether the acres would
5 have been protected regardless. Over the last two years, public comments have increased
6 dramatically with most focused on protecting older forests. By not having an older forest
7 policy, DNR is making the Board's job much more difficult. He urged the Board to refuse to
8 approve any sales of older forests until a clear policy is established.
9

10 **Lynn Fitz-Hugh** thanked the Board for voting to remove Thurston County Cabbage Patch
11 parcels from a timber sale. Next month, a parcel contested in Mason County will be presented
12 for sale. There are serious issues with the Determination of Non-Significance (DNS), which
13 should be withdrawn, and an Environmental Impact Statement (EIS) completed or cancel the
14 sale. The Board should not consider Evergreen Gold or Cape Walk in Thurston County in
15 accordance with the wishes of Thurston County. Last month a group of activists from Seattle
16 visited the Carrot timber site and removed logging flags. Just as there is no complete agreement
17 within the timber industry there is no agreement among tree advocates either. None of the
18 individuals who turned in flags has ever testified before the Board nor did they consult with
19 Thurston tree advocates before acting, so others cannot be painted with the same brush. As
20 climate change bears down on the world and as permafrost rapidly melts releasing more stored
21 methane, desperation will increase driving all kinds of actions. If the Board continues to release
22 staggering amounts of carbon with each legacy forest cut, it is not difficult to imagine that more
23 of those actions will occur. That is not a threat but rather an observation of human response to
24 crisis.
25

26 **Miguel Perez-Gibson, Washington Conservation Action**, described Trusts 41 (University
27 Repayment) and Trust 42 (Forest Board Repayment). To facilitate \$65 million of an interfund
28 loan repayment between the county and the federal trust, Trust 42 was created. In 1990, through
29 an 80-year timber deed signed by the Governor, timber rights for 35,000 acres of Forest Board
30 purchased lands in Capitol Forest were transferred to the Federal Trust Common Normal
31 Capital. Once the asset was transferred, \$50 million of the debt including interest was retired.
32 Approximately 900 mmbf was appraised at \$154 million based on a 30- to 40-year removal
33 basis at approximately \$170 per mbf. Only a third of the revenue from harvest is paid to the
34 federal trust with the remaining for county distribution. Trust 41 declined timber rights and
35 opted for \$15 million in cash with distribution directly from the Forest Development Account
36 (FDA); however, the University eventually decided to pursue timber-cutting rights, which
37 created Trust 41. A reconciliation audit was to occur no later than 2030 and the Board has the
38 option to request the audit as it would be in the best interests of the counties because there is a
39 reversion mechanism in place that would clear up the issues surrounding the management of
40 the trusts. Any small remaining amount could be transferred from the FDA per RCW
41 79.64.030. Given the volume of growth and product quality over the decades it would not be
42 surprising that DNR is very close to reversion to the county.
43

44 **Matt Comisky, American Forest Resource Council**, provided information on the shortfall of
45 timber volume for the decade year-to-date. With only several months remaining in the planning
46 decade, it is likely the Department will fall short with a serious arrearage. Certainty was

1 something the HCP was intended to provide to the beneficiaries and to their customers.
2 However, auction timber sales that have been approved and then change creating risks. Risks
3 occur to the value and to morale of agency staff who are highly credible professionals working
4 diligently to follow the HCP and other regulatory requirements. Although some occasional
5 mistakes do occur, the work completed by staff is accurate. As a prior speaker pointed out
6 about Grays Harbor County becoming impoverished because of the harvesting of lands, it is
7 likely many school districts are suffering in Wahkiakum County based on recent advocacy
8 efforts. Community members should consider system outcomes of their requests.
9

10 **Brel Froebe, Center for Responsible Forestry**, expressed appreciation for the Lightning Talk
11 and the incredible work accomplished by DNR forest ecologists and the old growth team. The
12 talk was informative in terms of the agency's process and the thoroughness of the work. He
13 learned that in 2004, the Legislature required DNR to complete an inventory of old growth.
14 Twenty years later in the face of the climate crisis, the Legislature has identified carbon dense,
15 structurally complex forests as a natural climate solution because of the ability to store and
16 sequester massive amounts of carbon. The Legislature invested \$70 million during the last
17 session with another possibility of an investment of millions more during the current session.
18 The Legislature also directed the establishment of a work group to study the issue. As Dr.
19 Donato indicated, age alone is not a good indicator of structural complexity as it speaks to the
20 need for an inventory of mature forests as well. He encouraged the Board to direct DNR to
21 complete an inventory of mature, structurally complex forests on the landscape to ensure the
22 work group can move forward with its work, as well as directing DNR not to offer timber sales
23 of carbon dense, structurally complex forests.
24

25 **Kate Lunceford** said she is speaking on behalf of the League of Women Voters of Washington
26 to request the Board cancel timber sales of mature forests on public lands in Washington State.
27 After careful study and consensus, the League finds that all benefits of the forest are
28 interconnected. There are win-win solutions to both fund communities and preserve mature
29 forests. DNR's policies require the agency to develop a plan to restore old growth conditions
30 across a minimum of 10% to 15% of state forestlands before logging any mature or structurally
31 complex forests. Currently, only 3% of state forestlands in North Puget Sound can be classified
32 as old growth forests, and yet, DNR continues to cut the oldest remaining forests in the region
33 at an alarming rate. Ten state timber sales are planned in Snohomish County that would log
34 more than 500 acres of mature forests. The Snohomish County League of Women Voters has
35 been advocating for the protection of the forests for many months. The Snohomish County
36 Council sent a letter to DNR with a unanimous request for participation in the Natural Climate
37 Solutions Program to protect mature forests. The Board should cancel the Stilly Revisited
38 timber sale located on a steep slope just above the Stillaguamish River near a tribal salmon
39 restoration project and residential neighborhoods. DNR's geology report cites that it is not
40 possible to predict slope movement with certainty with available scientific knowledge. A
41 failure of the steep slope could send mud and debris into the river valley endangering
42 communities and the environment. The Board should cancel the timber sales of Ridge Ender
43 and Bologna that would destroy another 160 acres of mature forests in the county and consider
44 the forest's greater value if left standing.
45

46 **Carol Price** thanked the Board and DNR on behalf of the Kitsap Environmental Coalition for

1 transferring the Eglon trust lands to Kitsap County through DNR's Trust Land Transfer
2 Program. She thanked and acknowledged former State Senator Christine Rolfes,
3 Representative Steve Tharinger of the 24th District, and Superintendent Reykdal for their work
4 and support in revitalizing the Trust Land Transfer Program. Members of the Coalition
5 participated by contacting local residents and legislators, sponsoring walking tours of the Eglon
6 forest, and posting online petitions for citizens to sign. Along with other organizations, the
7 Coalition was actively involved in efforts with the Legislature and DNR to fund the Trust Land
8 Transfer Program and the transfer of four trust lands. The 707 acres of Eglon Forest and
9 wetlands are designated to become a park in Kitsap County's Heritage Park System. The
10 Coalition looks forward to assisting the county in preserving the future park for residents to
11 enjoy, as well as the opportunity for nature to thrive on those acres.

12
13 **Jim Oliver** recognized this moment in history and expressed gratitude to two important groups
14 – the trees and advocates for forests. He thanked trees for the air, homes, fires that keep humans
15 warm, the endless creativity through diversity, homes provided to animals, and for teaching
16 humans how to reach for the stars while staying true to their roots. He thanked everyone across
17 the state who have been advocating so strongly for legacy forests. He thanked County
18 Commissioners of Thurston, King, Pierce, Snohomish, Jefferson, Whatcom, and Kitsap
19 Counties who have been political champions for legacy forests and for standing strong in the
20 face of timber industry propaganda. He thanked the community of elders in Thurston County
21 who drew a line in the sand last month regarding the Carrot timber sale and politely and
22 respectfully informed DNR that the time of clearcut in Thurston County is ending. He thanked
23 conservation groups that have advocated for Natural Climate Solutions funding, conducted rare
24 plant surveys, organized community forest walks, and built the movement from the ground up.
25 He thanked everyone who has testified at Board meetings informing policymakers that
26 Washingtonians across the state believe forests are worth more standing. There is a growing
27 consensus that forests should remain intact and not clear-cut for private profit. He urged the
28 Board to seize the moment and join efforts on the right side of history by enacting a mature
29 forest policy.

30
31 **Carole Wahlers** referred to New York City's High Line Park. High Line is a public park built
32 on a historic freight rail line elevated above the streets on Manhattan's West Side. New York
33 City planners and staff wanted the tracks demolished and destroyed. New Yorkers had other
34 ideas they had vision and rallied to convince those in authority that the tracks should be salvaged
35 as a park. Citizens persevered and because of them, that area of Manhattan has flourished and
36 is a destination for people from all over the world. Citizens led the way and fought destruction.
37 As advocates for an urban park, they have much in common with many citizens that speak to
38 the Board monthly. It is important for the Board to understand what saving legacy forests
39 means to communities for today and tomorrow. It took foresight and vision to create and look
40 ahead. The citizens of Washington are asking the Board to think long-term and understand that
41 decimating the forests for profit is not the answer. She asked the Board not to allow further
42 destruction of legacy forests.

43
44 **Doug Cooper, Hampton Lumber**, reported the company operates three sawmills in the state
45 that are dependent on DNR timber sales program. The mills are part of the critical
46 manufacturing infrastructure needed in Washington to supply carbon-friendly wood products,

1 sustain healthy forests, and support rural and urban economies. He acknowledged the Lightning
2 Talk featuring fieldwork conducted by staff to ensure compliance with Department guidelines
3 and policies that support management of trust land sustainable harvests. As noted at the
4 February meeting, during fiscal years 2022 and 2023, the loss of revenue was approximately
5 \$90 million because of the shortage of planned timber sales volume. In fiscal year 2024,
6 information for the Board later in the meeting indicates an initial planned sales volume of 582
7 mmbf while the actual sales volume is 473 mmbf, a drop of 109 mmbf. Since the February
8 meeting, the updated planned sales volume decreased by 12 mmbf. In less than three years,
9 over \$100 million has been lost in revenue for the Department and beneficiaries. This is during
10 a period when the Department pursued funds to pay for reforestation it says it cannot afford and
11 to purchase private forestlands without disclosure of a management and financial plan that
12 justifies the investment. He asked what action, direction, or support the Board is taking to
13 provide assurance that the Department meets the plan sales volume for fiscal year 2024.
14

15 **Heath Heikkila** spoke to debunking the fallacy that using Climate Commitment Act funds to
16 set-aside more DNR state trust lands benefits the climate. Last month he shared information
17 on a new case study showing significant climate benefits of harvesting forests compared to the
18 no-harvest alternative, which increases benefits over the long-term even accounting for leakage
19 and substitution, words never uttered by those who dominate public comment at Board
20 meetings. By shutting down more state forests, the export of wood products increase from other
21 countries to include countries with weak protections for the environment, democracy, and social
22 justice with the industry substituting far less climate-friendly building materials such as
23 concrete and steel to meet building needs. With half of DNR lands conserved, he questioned
24 how that results in a climate solution. The latest target is Capitol State Forest by anti-forestry
25 activists and their accolades in county government. The forest is managed under the Forest
26 Stewardship Council, which is supposed to be the gold standard for forest management. Mature
27 stands have reached an age where sequestration rates are slowing and the forest is surrounded
28 by other managed stands and do not provide the habitat connectivity that other set-asides might
29 provide. At the December COP28 UN Climate Change Conference in Dubai, the U.S. joined
30 other countries to commit to the increase in wood for construction as a vital decarbonization
31 strategy. Within the Pacific Northwest, one of the best places in the world to grow forests and
32 manufacture wood products, the state is setting aside more forests and reducing sustainable
33 forest management. That is not sustainability but another form of colonial exploration as the
34 country sources wood products from other sources.
35

36 **Christine Rolfes, Kitsap County Commissioner**, thanked the Board for considering the
37 transfer of the Eglon Forest to Kitsap County. Kitsap County has no national parks or forests
38 with the state and county forests lands are important to the county for quality of life and
39 watershed protection. The county has proven it is a great community land manager with
40 sustainable forestry operations ongoing in parks. The county would be careful stewards of the
41 700 acres.
42

43 **Nina Sarmiento, Port Angeles**, commented that mature forests in the Pacific Northwest are
44 the best natural climate solution. She referred to the Power Station timber sale of 160 acres of
45 over 80 year old trees. Unit 4 is over 100 years old and is the type of forest the agency should
46 be protecting to assist the state in meeting climate commitment goals and DNR's commitments

1 to restore old growth. The sale has not been approved by the Board to afford time for discussion
2 prior to action. SEPA responses received for the sale last month generated approximately 2,000
3 emails in opposition to the timber sale. The forest is ecologically diverse with many large trees
4 with Western hemlock up to 45 inches in diameter, Douglas fir between 60 inches and 70 inches
5 in diameter, and large areas dominated by cedar over 40 inches in diameter. The forest is
6 important to the community as it contains over five miles of trail systems and borders a marbled
7 murrelet occupied area. She appreciated the Lightning Talk on old growth assessments and
8 encouraged DNR to consider how the process is subject to failure to protect ecologically
9 important forests by using the example of the harvest of the Aldwell timber sale in the Elwha
10 watershed. The Aldwell forest received an old growth assessment but did not meet the criteria.
11 The timber unit was subsequently clear-cut with only eight trees left per acre with most of the
12 remaining trees blown down. It serves as an example on the importance of protecting mature
13 forests.

14
15 **Sally Keely** said she applauds Superintendent Reykdal's letter to the Board dated February 27,
16 2024. It was clear, strong, and a timely call for greater transparency. Superintendent Reykdal
17 pointed out that changing to a longer cycle between timber sales presentations and voting on
18 the proposed sales would provide time for both members and the public to review, consider,
19 provide comments, and engage in discussion. Public comments prior to the Board's action does
20 not provide the public with an opportunity to study the sites and provide helpful comments.
21 The Board also lacks an opportunity to consider public comments prior to voting. Scheduling
22 the process over two meetings would increase transparency and collaboration. She looks
23 forward to the Board's discussion on Superintendent Reykdal's suggestions in an effort to
24 improve Board practices. As the state's forests are the best natural climate defense, all
25 remaining older carbon dense forests must be protected and the Board should declare a
26 moratorium on logging any forests for the remainder of the year to enable the Carbon and Forest
27 Management Work Group to complete its work and submit recommendations.

28
29 **Sherri Dysart** yielded her time to Julianne Gale.

30
31 **Julianne Gale** spoke on behalf of Skokomish Tribal members who object to the SEPA DNS
32 issued for the Next Contestant timber sale located on the tribe's ancestral territory where the
33 tribe hunts, gathers, and harvests natural resources. Paul Peterson, senior Skokomish Tribal
34 member and a Native American artist and woodworker, stresses the importance of cedar trees
35 because they have always been part of the tribe, which uses and cherishes cedar trees. Handed
36 down through the generations, the tribe will fight for them. Everything the tribe has today
37 comes from Mother Nature and without her, the tribe would have nothing. Rita Andrews, a
38 Skokomish Tribal elder, asked her to explain the bond the Skokomish people have with the
39 environment, which includes trees as family. The trees are destined to grow to their fullest
40 potential and the careless cutting of trees are damaging the tree family as their roots are
41 separated from the life they have been feeding. The impact of the death among the tree family
42 is not pretty. A tree can sustain many species of life from the crawlers, winged, and four-legged
43 creatures. The weight alone of a forest being removed is enough to force the land to become
44 imbalanced in an unnatural way. It is so sad when aware that a forest is alive and has feelings
45 and can communicate with other trees. Another tribal member asks the Board to cancel the
46 Next Contestant timber sale because of the habitat supporting the lake, animals, and birds.

1 Leave something for the grandchildren. Tribal members are people of the cedar tree. David
2 Ware, Skokomish Tribe Young Adults, asks the Board to cancel the Next Contestant timber
3 sale because cutting timber takes his home away. Ms. Gale asked the Board to listen to
4 Skokomish Tribal member voices and withdraw the DNS for the Next Contestant timber sale,
5 and at a minimum, issue an Environmental Impact Statement.
6

7 **Sheryl Ahlblad** said she is a resident and taxpayer citizen in three counties. She spent 27 years
8 working in the corporate environment and has some knowledge about companies and profit.
9 Timber sales should not be managed as a similar business model. Although DNR has an
10 obligation to beneficiaries, those needs could be achieved with plantation timber not with
11 structurally complex older forests. Only 2% of the school budgets are from timber sales. She
12 is a concerned citizen as the state has a proud history of vast old forests. Sadly, as of today,
13 only three percent of older growth forests remain due to continued logging. She has visited
14 many of the timber sale sites and observed many trees of large diameters exceeding 50 inches
15 or more. They were not marked as leave trees. Old growth forests add value beyond aesthetics
16 as they provide recreation and tourism, vital ecosystem benefits including sequestration of
17 carbon, and clean water for humans and species.
18

19 **Tom Lannen, Skamania County Commissioner**, thanked Duane Emmons and the Uplands
20 Management Team for their commitment to managing lands for critical revenues that support
21 public services that communities could not otherwise provide or afford. The Deep River Wood
22 purchase is a topic of controversy as many encumbered land counties, the Legislature, and
23 others, wish to use the lands for their purposes. The original three encumbered land counties
24 were not included in recent negotiations with a number of environmental organizations and
25 Washington State Association of Counties. Those counties were denied requests to receive
26 detailed information and we were asked to provide no positive comments. However, after
27 learning that the information was duplicitous, he plans to rescind the press release. The goal is
28 to ensure encumbered land counties have parity and remain current with future purchases within
29 the DNR acquisition area. He also has concerns with the direction Superintendent Reykdal
30 requested in his letter to the Board. As none of the entities has the same needs and one size
31 does not fit all. It is important to engage in more conversations.
32

33 **Bill Turner, Sierra Pacific Industries**, noted that each member of the Board is employed and
34 engages in planning and output targets. County and state governments both have many
35 departments dependent upon budgeting and follow through for securing resources as needed in
36 a timely manner. Public schools and universities also at every level establish similar schedules
37 and set aside resources necessary to effectively teach. As noted many times, DNR's planning
38 is a five-year process for the layout of a timber sale. Since 2019 after the Board approved the
39 marbled murrelet long-term strategy amendments to the HCP, DNR has attempted to implement
40 what the Board is tasked to complete of metering older timber stands set-aside the previous 22
41 years. None of the sales generating protests should be of surprise to the Board. DNR is
42 following direction of the Board upon the passage of the HCP and the amendments, which is
43 the older forest policy. Additionally, each timber sale has been through strict environmental
44 review at many levels. State and county governments, public schools, and universities are not
45 the only entities that plan and invest time in resources wisely. When DNR fell short of its
46 timber targets by significant amounts over the last two years, planning, scheduling, and

1 allocating resources becomes chaotic. For DNR, beneficiaries, and the timber community, the
2 Board should support the good work DNR pursues to fulfill its mission. Do not withdraw
3 individual timber sales as the Department is set up to manage an overall estate where
4 approximately 50% of the land is already conserved.
5

6 **Michael Siptroth** reported he is a member of the Mason County Climate Justice Group and
7 urged DNR to withdraw the DNS for the Next Contestant timber sale and not cut timber as the
8 forest has significant environmental and cultural importance. It is important to ensure that there
9 is a deep environmental study of the trees in the unit. There has not been adequate in-person
10 fieldwork to determine reasons for not moving forward with the sale.
11

12 **Court Stanley, Washington State Association of Counties**, commented that over the last 45
13 years, the forest management industry has made significant strides. DNR has been in the
14 forefront of progressive forestry practices. DNR has been able to adapt with society and
15 balancing habitat functions and revenue for the beneficiaries. DNR should be commended for
16 leading the way and maintaining longer rotations as the industry standard has moved to financial
17 rotation age. DNR maintains state forests of older stands that provide habitat. He believes
18 DNR is being penalized for doing a good job and it is affecting beneficiaries. The direction of
19 setting aside older second growth forests has had a significant demoralizing effect on foresters
20 in the field. As a result, he believes the ultimate consequence is that DNR will implement
21 shorter rotations and plantation forestry losing all the benefits of longer rotations. It also is
22 against the goal of DNR managing for all seral stages across the landscape. The question is
23 whether there is a desire to invent an industry today that produces clean air, clean water, habitat
24 for wildlife, recreation, and products for low-income housing as DNR has accomplished.
25

26 **Bryan Pelach, Washington Conservation Action**, expressed appreciation for DNR's
27 flexibility and diligence in working with Clallam and Jefferson Counties to shift 111 acres from
28 Jefferson County to Clallam County as part of the nominated 2,000 acres of carbon dense,
29 structurally complex forests. The acreage has greater carbon sequestration potential than the
30 original nominated areas in Jefferson County. The adjustment reflects a win-win situation for
31 local residents in addressing the county's initial concerns and for the application for state
32 National Climate Solution (NCS) funds to help mitigate the impacts of climate change.
33

34 **WAC AMENDMENT –Action**

35 **WAC 332-10-041**

36 **Todd Welker, Deputy Supervisor, State Uplands**

37
38 Chair Franz reported over the last several months, staff engaged in conversations about potential
39 improvements to the Board's process. The Board also provided some feedback for potential
40 improvements. The proposed amendment addresses some improvements. Staff and the Board
41 will continue working over the next several months to improve other processes for consultation
42 and discussion by the Board.
43

44 Mr. Welker briefed the Board on the proposed changes to Washington Administrative Code
45 (WAC) 332-10-041. The Board of Natural Resources is authorized under RCW 43.30.215(6)
46 to adopt and enforce rules of the agency. RCW 43.30.225(1) requires the Board to hold regular

1 monthly meetings. The Board adopted WAC 332-10-041 implementing the statutory
2 requirement and providing for the remote attendance of Board members. The amendment
3 proposes changes to two sections (proposed changes underlined):
4

- 5 1) *Regular meetings of the board of natural resources shall be held on the first Tuesday of*
6 *every month except August. If a regular meeting falls on a holiday or the day after a*
7 *holiday, such regular meeting shall be held on the next business day. A schedule of*
8 *meetings will be published in the Washington Register in January of each year. Changes*
9 *to the schedule will be published in the state register pursuant to RCW 42.30.075. Special*
10 *meetings may be held pursuant to RCW 42.30.080. Any person may obtain information*
11 *about locations and meeting times by contacting the Department of Natural Resources,*
12 *P.O. Box 47001, Olympia, Washington 98504- 7001. The public is invited to attend and*
13 *comment at all meetings.*
- 14 2) *Members of the board of natural resources may participate by telephone or other means*
15 *of remote access in any regular or special meeting so long as a board discussion can be*
16 *heard by those attending the public meeting and the members can hear what is stated in*
17 *the meeting. If more than one board member is participating by telephone or other means*
18 *of remote access, then each such board member shall join the meeting separately, such as*
19 *by a separate telephone or electronic meeting link. Board members participating by*
20 *telephone or other means of remote access may vote on any matter and shall be considered*
21 *as part of the quorum.*

22 The proposal falls under the expedited rules and requires no hearings or is subject to public
23 comment. If approved by the Board, staff will submit the amendment to the Code Reviser for
24 review by the Board in May for final approval. Staff requests approval of the proposed
25 amendment as presented.
26

27 MOTION: Dr. Brown moved to approve the amendment to WAC 332-010-041 as
28 presented.
29

30 SECOND: Superintendent Reykdal seconded the motion.
31

32 ACTION: The motion carried unanimously.
33

34 *Chair Franz recessed the meeting from 10:57 a.m. to 11:10 a.m. for a break and adjusted the*
35 *agenda to accommodate meeting schedules of several Board members.*
36

37 **TIMBER SALES – Action**

38 **Auction Results for February 2024, FY 24 Update, & Proposed Timber Sales for April** 39 **2024**

40 **Michael Kearney, Product Sales and Leasing Division Manager**
41

42 Mr. Kearney presented the results of February timber sales. Eight sales were offered totaling
43 32 mmbf for \$11.7 million for an average of \$367 per mbf with an average of 3.6 bidders per
44 sale.
45

46 Mr. Kearney reviewed the status of third quarter Fiscal Year 24 planned timber volume of the

1 current plan for auction volume, forecasted volume for the remainder of the year, sold volume,
2 fiscal year 24 reoffered volume, and timber sales reoffered from previous fiscal year.

3
4 Proposed timber sales for April 2024 total eight sales of approximately 31.2 mmbf at an
5 appraised minimum delivered value of \$7.6 million or \$246 per mbf. Three sales are in the
6 Northeast Region, one sale is in the Northwest Region, three sales are in the Pacific Cascade
7 Region, and one sale is in the South Puget Region.

8
9 Of the five westside sales, 896 acres were evaluated for timber harvesting with approximately
10 27% of the original acres preserved to protect riparian areas, unstable slopes, cultural resources,
11 and the required leave trees representing 246 acres leaving a harvest area of 647 acres or 73%
12 of the total acreage evaluated for the westside harvest.

13
14 Mr. Kearney addressed public comments about unstable slopes. Unstable slopes are addressed
15 under Forest Practices Rules. DNR's HCP does not specifically cover steep slopes; however,
16 the HCP contributes to avoidance of the areas through additional buffers. During field reviews,
17 if the area is determined to be a relic, DNR pursues an expert opinion. Two strategies employed
18 in approaching unstable slopes include the primary strategy of avoidance and an alternate
19 strategy if the unstable slope is located within a sale area through evaluation to determine
20 potential mitigation and the likelihood of any contribution or acceleration of the landform.

21
22 Two of the April timber sales are examples of each of the strategies. The Fruitful timber sale
23 is a two-unit timber sale in Cowlitz County in the Columbia HCP Planning Unit. The harvest
24 site totals 91 acres with 39 acres in riparian and leave tree areas. Mr. Kearney reviewed
25 photographs of the site reflecting an example of the avoidance strategy.

26
27 The second example is the Rapid Creek timber sale, a six-unit timber sale with two right-of-
28 way units in the Winston Creek block in Lewis County. Sixty-six acres were identified for
29 harvest with 52 acres in riparian and leave tree areas equating to 44% of the site set-aside for
30 conservation. The sale is an example of when the field review lacked indications of instability.
31 A qualified expert was consulted to evaluate the proposed harvest and the suitability of the
32 proposed harvest. A licensed engineer geologist evaluated the site using a multitude of remote
33 data including historic maps, aerial photos, geologic maps, as well as visiting the site with the
34 information to assist in the on-site evaluation. Mr. Kearney displayed a map of the site and
35 described the unit boundary, leave tree areas, glacial deep-seated landslide, an upslope glacial
36 groundwater recharge area, and the path the expert walked to evaluate the site. Based on the
37 site review, the glacial deep-seated landslide was deemed relic and lacked any evidence of
38 recent activity. The expert determined that the proposed activity was very unlikely to increase
39 the risk of slope stability or sediment delivery.

40
41 The Kick Stand VRH (Variable Retention Harvest) VDT (Variable Density Thinning) timber
42 sale is located in Snohomish County 12 miles southeast of Granite Falls. The proposed harvest
43 area totals 207 acres with 118 acres categorized as nesting, roosting, and foraging habitat for
44 the spotted owl managed under the HCP. The site includes riparian thinning within those areas
45 to enhance habitat quality. Mr. Kearney displayed a map of the site illustrating due diligence
46 field staff completed in identifying all available options for management and different treatment

1 options. VRH units are non-habitat with Unit 4 identified as VDT. Thinning occurs from below
2 leaving the best trees (largest diameter and full crown trees). The riparian area has the same
3 prescription but also includes five enhancement trees per acre. Photos depicted unique
4 ecological features captured within the leave tree areas within the VRH units.
5

6 The Tigerilla VRH & VDT timber sale located in Lewis County is 79 acres of harvest of which
7 41 acres are nesting, roosting, and foraging habitat and riparian thinning to enhance habitat
8 quality. A map illustrated due diligence by staff to identify all available options for managing
9 the area. The proposal required a mitigation plan for the wetland management zone to
10 accommodate a spur road. Unit 1 is a VRH in northern spotted owl habitat in a management
11 unit that is above its habitat threshold. DNR is able to harvest some of the habitat exceeding
12 the threshold. For the northern spotted owl and riparian VDT, the goal is to enhance trajectory
13 of existing northern spotted owl movement habitat and riparian areas to higher quality spotted
14 owl movement nesting, roosting and foraging habitat. Thinning prescriptions include retaining
15 large dominant conifers while retaining small shade-tolerant trees in the remaining stand across
16 all diameters to encourage understory development and diversification. An additional five trees
17 per acre is prescribed as downed trees and snags to further the riparian habitat.
18

19 Mr. Kearney reviewed a pie chart of estimated timber revenue by trust.
20

21 Superintendent Reykdal noted that despite the shortage in planned timber volume, most of the
22 actual timber sales are generally 20% to 30% higher than the minimum bids. As mills have
23 conveyed frustration with the lack of volume, he asked to receive and schedule a discussion on
24 a decadal revenue sales spreadsheet with minimum bids per sale in the last decade versus
25 revenue generated as it is quite possible trust beneficiaries have been receiving more revenue
26 than the minimum bids despite a reduction in timber volume.
27

28 Mr. Cahill expressed appreciation for receiving information on the thinning sales.
29

30 Mr. Kearney requested approval of the proposed April timber sales.
31

32 MOTION: Dr. Brown moved to approve the April timber sales as presented.
33

34 SECOND: Mr. Cahill seconded the motion.
35

36 ACTION: The motion carried unanimously.
37

38 **LETTER TO THURSTON COUNTY – Action**
39 **Jim Cahill, Designee for Governor Jay Inslee**
40

41 Mr. Cahill reported that following the February meeting with a vote to delay the auctions of
42 Units 4 and 5 of the Cabbage Patch timber sale, he recommends sending a letter to Thurston
43 County to notify them of the Board's action and the reason. He also reviewed the letter with
44 Dr. Brown. Mr. Cahill presented the letter for consideration by the Board. Potential
45 amendments to the letter are possible. The intent of the letter is to provide an explanation of
46 the Board's decision to delay the auction primarily because it was to recognize Thurston

1 County's desire to develop a plan and a proposal for considering areas for protection in Capitol
2 State Forest. The Board requested a plan by October 1, 2024, which speaks to the need to notify
3 Commissioners of the request. Additionally, the letter reminds Thurston County of the Board's
4 financial and fiduciary responsibility and that it would not be possible to set-aside all lands in
5 Capitol State Forest. Other mechanisms are available that could be used to compensate
6 beneficiaries.

7
8 Chair Franz advised of the many meetings between DNR and Jefferson, Clallam, Whatcom,
9 King, Thurston County, Kitsap, and Mason Counties to discuss lands DNR manages on each
10 county's behalf and other beneficiaries to ensure a clear understanding of future timber sales
11 and sales of concern to assist counties in developing a plan. DNR staff and Jefferson County
12 officials worked closely to identify the areas of concern and lands to consider for the Trust Land
13 Transfer Program or conserved as part of the 2,000-acre set-aside. Staff has met with Thurston
14 County a number of times and anticipates moving forward with a plan on how the county want
15 the lands managed to meet the county's needs, as well as the needs of the junior taxing districts.
16 She supports forwarding the letter because progress with the county has been slow.

17
18 Dr. Brown thanked Mr. Cahill for drafting the letter. He noted that he has several suggested
19 amendments.

20
21 MOTION: Dr. Brown moved to approve the letter to the Board of Thurston County
22 Commissioners as drafted by Mr. Cahill.

23
24 SECOND: Commissioner Janicki seconded the motion.

25
26 Commissioner Janicki thanked Mr. Cahill for drafting the letter. She had an opportunity to talk
27 to several Thurston County Commissioners to discuss an option of forming a community forest
28 that would meet the county's needs but there are concerns about the cost of acquiring the
29 property. Her main concern surrounds the removal of Units 4 and 5 from the timber sale and
30 the response from staff that removal of those units would result in a non-viable timber sale. She
31 asked about the deadline and whether the units would be included in a viable timber sale.

32
33 Dr. Brown said one proposed edit responds to the issue of the deadline of October 1, 2024. He
34 recommends adding language after the first paragraph advising Thurston County that if the
35 Board does not receive a viable plan by October 1, 2024, the Board anticipates moving the
36 Carrot Timber Sale forward. It is important the county understands that the Board is seeking a
37 response by a particular date as the Board needs to take action at some point.

38
39 MOTION: Dr. Brown moved to amend the motion adding language to the end of the first
40 paragraph stating that if the Board does not receive a viable plan by October 1,
41 2024, the Carrot timber sale will move forward.

42
43 SECOND: Commissioner Janicki seconded the motion.

44
45 ACTION: The motion carried unanimously.
46

1 MOTION: Dr. Brown moved to amend the motion adding to the third paragraph a
2 reaffirmation of the Board's constitutional mandate as trust managers and revise
3 the first sentence that states, "In developing your plan, it is important to us,
4 consistent with our constitutional mandate as trust managers, that it makes trust
5 beneficiaries whole monetarily."
6

7 SECOND: Commissioner Janicki seconded the motion.
8

9 Mr. Cahill questioned whether the Board's obligation is constitutional or a fiduciary
10 responsibility. Dr. Brown responded that during a recent court case, the court found the Board
11 has a constitutional obligation.
12

13 Chair Franz explained that the Board has a fiduciary responsibility based on constitutional and
14 statutory laws pertaining to the trusts.
15

16 *Dr. Brown offered a friendly amendment to state, "In developing your plan, it is important to*
17 *us, consistent with our fiduciary responsibility as trust managers, that it makes trust*
18 *beneficiaries whole monetarily." Commissioner Janicki supported the friendly amendment.*
19

20 ACTION: The motion carried to amend the motion. Superintendent Reykdal opposed the
21 amendment.
22

23 ACTION: The motion carried unanimously to approve the letter as amended.
24

25 **LAND TRANSACTIONS – Action**

26 **Eglon Trust Land Transfer, 02-104163, Resolution 1631**

27 **Martin McElliott, Exchange Project Manager, Strategic Planning Office**
28

29 Mr. McElliott presented the proposal of the Eglon Trust Land Transfer Program located in
30 Kitsap County. The five parcels are located north of the Town of Kingston and the Carpenter
31 Lake Preserve totaling 705.80 acres of 224.79 acres of Common School Trust land and 481.01
32 acres of University Trust land. The acres are zoned Rural Residential 1/5 per acre and Rural
33 Wooden 1/20 per acre. No buildings exist on the property and the proposed receiving agency
34 for the Trust Land Transfer is Kitsap County. The parcels would add habitat and recreation
35 value to the local community. The parcels have high ecological value and isolated and would
36 benefit the trust by replacing the parcels. The parcels are difficult for DNR to manage as trust
37 lands because of the abundance of wetlands and public interest in maintaining the land as long-
38 term forest cover. Kitsap is well suited to manage the parcels within its current forest
39 stewardship policy framework. The state will use the proceeds of the transfer to purchase
40 replacement lands for each trust. The appraised value of the parcels is \$8,813,360.
41

42 With no questions from the Board, Mr. McElliott requested approval of Resolution 1631, Eglon
43 Trust Land Transfer, 02-104163 as presented.
44

45 MOTION: Superintendent Reykdal moved to approve Resolution 1631, Eglon Trust Land
46 Transfer, 02-104163.

1
2 SECOND: Dr. Brown seconded the motion.

3
4 ACTION: The motion carried unanimously.

5
6 *Chair Franz recessed the meeting at 11:55 a.m. for lunch.*

7
8 *Chair Franz reconvened the meeting at 12:25 p.m.*

9
10 **CHAIR REPORT**

11 **State of the State Lands Report – Part 2**

12 **Todd Welker, Deputy Supervisor, State Uplands**

13
14 Mr. Welker outlined the elements of the briefing and introduced each presenter.

15
16 Candace Montoya, State Uplands Budget Manager, reviewed operating fund sources for State
17 Uplands comprised of the Resource Management Cost Account (RMCA), Forest Development
18 Account (FDA), General Fund – State, Forest Health Revolving Account, Access Road
19 Revolving Account, and other smaller accounts. Generally, management funds earn revenue
20 from leasing and timber activities. Leasing activities are typically stable providing a reliable
21 year-to-year estimate of earnings from leases for the RMCA or the FDA accounts. The
22 Agricultural College Trust Management is a legislative appropriation and is not a revenue
23 generating account. Timber funds are challenging to forecast which speaks to the challenges
24 of managing trusts that are separate but integrated. The management rate of the RMCA is 31%.
25 In FY 2019, the Department began experiencing a decline in revenue through FY 2020 and
26 2021 with an increase beginning in FY 2022 and 2023. Although the Department was able to
27 achieve revenue during that biennium, the amount of forecasted revenue in the RMCA was not
28 achieved requiring the Department to reduce budgets to match revenue with expenses.

29
30 The high values and low expenditures in FY 23 were due in part to position vacancies creating
31 a higher fund balance ending the biennium with \$23 million. The ending balance is only part
32 of the equation as month-by-month management is necessary. Managing through a biennium
33 requires a review of expenses of revenues month-by-month as well as forecasting for the next
34 biennium. Quarter 2 revenue forecast predicts lower timber prices, lower timber sales volumes,
35 and lower timber removal volumes. For the end of FY 2023, DNR forecasts higher revenue to
36 ensure the current biennium is successful. The current prediction for the RMCA is decreasing
37 but still maintains the three-month minimum fund balance.

38
39 Fiscal years 2019, 2020, and 2021 reflect a higher level of revenue going into the FDA. The
40 forecast was \$22 million to \$25 million each year; however, in FY 2020 and 2021, the revenue
41 was close to \$30 million each year. Staff predicts a healthy fund balance at the end of FY 2023
42 but moving to the current biennium, staff predicts revenue to be under \$10 million. The healthy
43 fund balance earned in the last biennium is assisting the Department in weathering the shortfall
44 this biennium.

45
46 The Forest Health Revolving Account (21Q) and the State Lands Forest Health Program were

1 fully implemented in FY 2018. The account retains 100% of the revenue earned from forest
2 health activities. The funding model was created specifically as Eastside forests have a lower
3 timber value but higher risks of wildfire, insects, and disease. The 21Q and the State Lands
4 Forest Health Program enables DNR to conduct treatments on those forests without the pressure
5 of profitability because the goal of the program is to create healthy forests and resilient forests
6 against wildfires. DNR uses the State Lands Forest Health Program on the Eastside of the state;
7 however, legislation creating the program and the account allows expanding the use if
8 conditions warrant. The RCW requires the Department to manage the account on a calendar
9 year basis. Calendar year 2023 distribution is estimated to be \$6 million to the beneficiary.

10
11 Mr. Welker responded to questions about increasing treatments explaining that the Eastside
12 SHC is based on higher numbers than the new SHC is forecasting. Within the Northeast
13 Region, most of the volume was produced which will likely decrease. More treatments are
14 planned in the Southeast Region to reverse negative sales. The account was created for those
15 purposes.

16
17 Ms. Montoya said that following distribution from the account, the fund balance would drop
18 below \$20 million with the balance decreasing even more during the current biennium because
19 of the forecast of lower timber volume and prices.

20
21 Mr. Cahill asked about the management philosophy when the RCW speaks to anything over
22 \$10 million to be distributed. Ms. Montoya cited the statute requirements that speak to \$10
23 million over obligations. Staff calculates the amount in the current spending plan for the
24 calendar year, such as contracts but not contract harvester payments because of the uncertainty
25 of the number of contracted harvesters. The amount calculated in the annual spending year is
26 added to the \$10 million.

27
28 Ms. Montoya shared a pie chart of all operating funding sources managed by State Uplands.
29 Approximately 56% of the operating funds directly support timber and forestry.

30
31 Ms. Montoya reviewed budgeted FTEs for each of the programs. The Recreation and
32 Conservation Program received \$3 million in operating budget during the biennium but was
33 allocated for current contracts or contracts with the Department of Ecology to purchase crew
34 time for the Conservation Corps Programs. The operating budgets and the FTE charts do not
35 include capital or reimbursable grants.

36
37 Ms. Montoya reviewed the difference of funding sources for the Recreation and Conservation
38 Division. Approximately 40% of the funding is from reimbursable grants and capital, which
39 changes each biennium based on the ability to compete for grants and capital grants.

40
41 Cameron Crump, Division Manager, Forest Resources Division, reported the division is
42 comprised of Silviculture, Webster Nursery, HCP & Scientific Consultation, and Informatics.

43
44 The Silviculture Program includes Webster Nursery, Seed Plant, Meridian Seed Orchard,
45 Silviculture Research, and Forest Health. Funding was received from the Capital Budget to
46 replace the Seed Plant. DNR recently awarded a contract in February with construction to be

1 completed in June 2025. A number of research projects are in progress or close to completion.
2 The Post-Fire Reforestation Research & Implementation Study monitored post-fire natural
3 regeneration as well as studying replanting methods to increase the speed of regeneration using
4 different seedling types and vegetation control. Another project is a pilot of a young stand data
5 collection process on a mobile platform to enable field staff to record data on how well seedlings
6 survive after a year of planting. Another project involves research on pre-commercial thinning
7 through a collaborative study with Washington State University to test innovative methods of
8 pre-commercial thinning without negatively affecting snowshoe hares and Canadian lynx.
9

10 Challenges include treating a backlog of silviculture treatments in Western Washington for
11 forest productivity and resilience. The program received \$13 million in Climate Commitment
12 Act funding. If the Climate Commitment Act is repealed, that source of funding will no longer
13 be available for silviculture treatments. Additionally, the Legislature has made some substantial
14 investments in major facility replacements and expansions; however, minor works and funding
15 ongoing maintenance has been insufficient. Inflation has acerbated the high costs the
16 Department is experiencing when upgrading facilities and IT systems. Staff is developing a
17 strategic facilities plan to include plans for funding. Seedling demands in the Pacific Northwest
18 exceed supply by approximately 25%. As climate changes, it is important to ensure sufficient
19 quantities of genetically adapted seeds are available for reforestation. DNR has a healthy seed
20 source adaptation research program, but it is likely that over the long-term the state will require
21 seed from Oregon to assist in the state's reforestation efforts.
22

23 Opportunities for silviculture include the investment by the U.S. Forest Service to establish
24 seed orchards throughout the Pacific Northwest in the 80s and 90s. However, since the advent
25 of the Northwest Forest Plan, the orchards have not been managed and are overly dense and
26 susceptible to disturbance. With \$900,000 from the Legislature and Climate Commitment Act
27 funding, collaboration has been possible between the Forest Resilience Division and the U.S.
28 Forest Service to restore and protect the orchards through thinning and vegetation management.
29

30 DNR received a grant of \$1.4 million from the U.S. Forest Service for the Webster Nursery to
31 purchase equipment, modify existing facilities, and improve irrigation systems. With an
32 additional \$700,000 in capital funding from the Legislature, staff is pursuing predesign and
33 scoping, stormwater planning, and archeological assessments for a nursery expansion. Staff
34 plans to submit a 2025/27 legislative budget request for construction.
35

36 Through a combination of internal and cooperative research, the Department continues
37 optimization of silvicultural practices to improve stand productivity and resilience.
38

39 Activities by the HCP & Scientific Consultation section include reporting, research, and
40 monitoring for the trust lands HCP and scientific consultation by archeology, geology, and
41 biology experts for trust lands management for the HCP forest practices and policy
42 implementation. Current projects include T3 Watershed Experiment Implementation in the
43 Olympic Experimental State Forest (OESF), continued certifications by Forest Stewardship
44 Council® and Sustainable Forestry Initiative®, and the identification and conservation of 600+
45 acres of old growth. Since 2005, over 2,400 acres have been identified and conserved.
46

1 Challenges include providing scientific consultations on legislatively funded forest
2 management goals with limited qualified scientist recruitment pool and providing scientific
3 information to decision makers and stakeholders regarding policy decisions.
4

5 With \$10 million from the Climate Commitment Act, DNR is able to accelerate HCP habitat
6 attainments through legislatively funded goals, completing HCP Headwaters Strategy, and
7 contributing to U.S. Fish and Wildlife Service on its draft Barred Owl Management Plan. DNR
8 is a cooperating agency in the process and is providing data and feedback on planning efforts.
9

10 The purpose of the Informatics section is to develop and deliver innovative technology, data,
11 and analysis to support the sustainable management of DNR's State Uplands programs. Teams
12 in Informatics include IT Project Management, Application Development, GIS, Forest
13 Inventory, Unmanned Aerial Systems Program, Biometrics, and Forest Harvest Planning. The
14 section's achievements are tied to all other successes of Uplands projects through the provision
15 of data, a suite of analytical tools and models, and the guidance and expertise and technical
16 support.
17

18 Recent projects include collecting over 3,600 plots for current inventory system and 19,600
19 plots across Western Washington for a separate intensive inventory system, completion of a
20 comparative analysis of the two systems per House Bill 1168, and formulating and documenting
21 the SHC technical modeling project structure with documentation of steps, requirements, and
22 methodology.
23

24 Challenges include significant deliverable delays and staff turnover due to the 2019 SHC
25 lawsuit, additional large and detailed requirements (inventory plots, model reviews, audit,
26 statistical and modeling analyses), and seeking clarity in SHC policy interpretations to inform
27 SHC model formulations.
28

29 Opportunities involve the Sustainable Harvest Calculations and decisions by the Board on the
30 format of problem statements for model formulations and an opportunity for the Board to test
31 and assess risk of policy decisions on harvest planning.
32

33 Mr. Cahill asked about the status of vacancies within the division. Ms. Crump advised of the
34 recent hiring of a Lead Biometrician and a data management position. The division is currently
35 staffed.
36

37 Kristen Ohlson-Kiehn, Division Manager, Recreation and Conservation Division, provided an
38 overview of division programs of Recreation, Conservation, Natural Heritage Program, and
39 Natural Areas.
40

41 The Recreation Program manages recreation across three million acres of trust lands and
42 170,000 acres of natural areas. It appears the Legislature is supporting the agency requested
43 legislation giving DNR the authority to recover costs through charging fees for organized
44 recreation event permits without compromising recreation immunity. It is the same authority
45 Parks and the Washington Department of Fish and Wildlife have had for decades. The fee
46 schedule must be approved by the Board. Staff plans to present a proposal to the Board to

1 establish a recreation commercial use fees policy.
2

3 The Legislature also approved funding to address target shooting. Three parts of the legislation
4 establishes designated target shooting sites in Stevens and Clallam Counties. The second is to
5 convene work groups to locate additional designated shooting sites and the third action is to
6 conduct an assessment to determine the cleanup costs for places where target shooting has
7 become concentrated leading to high lead levels. Staff is also exploring the model of creating
8 commercial leases for those areas affording the ability for experts to manage the sites.
9

10 The Recreation Program continues to pursue outdoor access and a responsible recreation
11 planning process. The process was initiated at the Tribal Summit last year. In January, staff
12 presented a purpose statement and goals developed with tribes to the Board and received
13 feedback. Since January, DNR has hosted a beneficiary workshop and five public meetings
14 with plans to host a workshop for recreation partners to consider the strategies in more detail.
15 Staff continues to engage with state agency partners and tribes to address the issue of
16 recreational impacts on natural and cultural resources.
17

18 Some conservation programs include Kitsap Natural Area Preserve and Stavis Natural
19 Resources Conservation Area. The Washington Natural Heritage Program houses the agency's
20 conservation science. The Natural Heritage Team is comprised of ecologists and botanists
21 working in the field to identify important features of Washington's ecological heritage. They
22 use a methodology that is shared by 60 heritage programs across the country and Canada to find
23 rare and sensitive plants and ecosystems in the state. The data is available to anyone to guide
24 land use planning. The agency's six regions collaborate to conserve rare, sensitive plants, and
25 ecosystems in accordance with the Natural Areas Preserve Act and the Natural Resource
26 Conservation Act. Over 167,000 acres of conserved areas are located in NAPs and NRCAs.
27

28 The Conservation and Acquisitions Group focuses on the transactions that are required to
29 acquire properties. The team's three primary functions include the acquisition of land within
30 designated NAPs or NRCAs and managing two federal conservation programs on behalf of
31 Washington State with the U.S. Forest Service and U.S. Fish and Wildlife Service.
32

33 The division is implementing the Climate Commitment Act funding and other funding sources
34 received during the last legislative session enabling the division to establish capacity that has
35 been lost to the program since the great recession. Capacity includes hiring natural area staff
36 of managers, scientists, and a planner. Staffing provides the capacity to complete restoration
37 work within natural areas and re-initiate natural area plantings.
38

39 Mr. Welker outlined the responsibilities of the Engineering Division involving Title and
40 Records Office, Rights of Way, Forest Roads, Land Survey, and Photogrammetry.
41

42 The Title and Records Office houses title reports containing ownership information for
43 management decisions for activities on state lands. DNR has requested funding from the
44 Department of Transportation to process requests from WSDOT for easement applications for
45 WSDOT injunction fish barrier restoration projects, which currently exceeds the staffing
46 capacity of the office. WSDOT is behind in meeting deadlines for replacing culverts and has

1 contacted the office with numerous easement requests with an expectation of processing the
2 requests quickly.
3

4 Challenges encountered by the Forest Roads program is aging road infrastructure out-pacing
5 current funding sources. Many temporary bridges have been installed because of existing
6 bridges with structural deficiencies. The program developed a prioritized list of replacement
7 bridges. The Legislature has provided some funding. Many residents use DNR roads to access
8 homes requiring DNR to maintain the roads and ensure bridges meet standards and weight
9 capacities. Most DNR roads are accessed for different purposes (log trucks, private passenger
10 vehicles). DNR lacks a funding mechanism to assist in maintaining roads.
11

12 The Records Office maintains all maps and aerial photos. Staff is pursuing funding to preserve
13 old maps and photos by scanning to create electronic records to avoid the loss of historical
14 records. The office also houses all records on endangered species, right-of-way documents,
15 easements, and other records involving state lands.
16

17 The State Lands Survey Unit is insufficiently staffed for surveying boundaries of Trust Land
18 Transfer acquisitions and boundaries for timber sales. The office is achieving some progress
19 on scanning and archiving older survey records with many records to complete.
20

21 Duane Emmons reviewed the responsibilities for Acquisitions and Divestitures, Projects and
22 Planning, Trust Outreach, and Special Projects within the Strategic Planning Office.
23

24 Within Acquisitions and Divestitures, recent efforts are focusing on the \$70 million proviso to
25 set-aside up to 2,000 acres for conservation and acquisition of new forest land, home sites due
26 to the change in statute during the last session in House Bill 1460 giving DNR the ability to
27 directly transfer home sites to the homeowner without a public auction, and commercial real
28 estate transactions (typically high value). Some of the challenges include 130+ pending
29 transactions categorized as both high value and urgent transactions that will benefit the trusts.
30 Recent work with the Legislature resulted in a change in statute (to be signed by the Governor)
31 for compensating tax. When private forestland is sold for development, the owner must pay
32 for back tax at a higher tax rate retroactive to seven years. Unfortunately, the statute stipulates
33 that a sale to a governmental entity that is not subject to ad valorem tax regardless of whether
34 the land remains in forest status requires the seller to pay the compensating tax, which requires
35 DNR to pay many hundreds of thousands of dollars on transactions because the agency does
36 not meet any of the exemptions. The Legislature changed the statute. Additionally, during the
37 work with the Legislature, staff learned of a statute change in 2020 changing the real estate
38 excise tax from a flat rate to a graduated rate. Staff plans to work with the Legislature to address
39 that issue. Another challenge is the cost of appraisals, which has nearly doubled over the last
40 several years. The process for Trust Land Transfer Program requires several years to present
41 to the Board. Although the Department received funding for the Trust Land Transfer Program,
42 it is likely funding will be exhausted before processing all Trust Land Transfers previously
43 approved.
44

45 The Projects & Planning Group is responsible for strategic planning. Work is focused on a
46 number of legislative provisos involving older forests and carbon sequestration, ecosystem

1 services and the potential for ecosystem service markets, and work on the Eastside Sustainable
2 Harvest and Westside Sustainable Harvest, which is not currently staffed sufficiently creating
3 some issues. Opportunities include updating the procedures during the update of the
4 Sustainable Harvest Calculations. The work on carbon sequestration in older forests and the
5 impacts to wood supply will help inform the Department and could lead to the Board asking
6 questions about potential alternatives to consider for the Sustainable Harvest Calculations.
7

8 Mr. Cahill questioned whether the Department should consider additional staff to ensure the
9 work is manageable. Mr. Emmons said the issue is continually considered but it boils down to
10 identifying areas of investment and the balance of generating revenue and investing in other
11 areas that do not generate revenue. Investments for additional employees may not be available
12 in the next several years if the revenue forecast reflects a reduction. Fiscal notes will always
13 indicate a need for more staffing.
14

15 Mr. Cahill pointed out that the Sustainable Harvest Calculation is on a timeline that he hopes
16 the Department can maintain. He is appreciative of efforts by staff and acknowledged the
17 potential of funding sustainability. He encouraged staff to consider investments to ensure
18 continued progress. Mr. Emmons noted that staff is considering contracting some of the work.
19

20 Commissioner Janicki asked about the possibility of outsourcing some of the real estate
21 transactions if funding from the legislation enables outsourcing. Mr. Emmons advised that staff
22 was able to contract with entities to assist in facilitating some of the larger transactions. Funding
23 of \$500,000 was provided enabling DNR to contract with American Forest Management to
24 provide consultation and real estate services.
25

26 **ADJOURNMENT**

27 With there being no further business, Vice Chair Brown adjourned the meeting at 1:39 p.m.
28
29
30

Approved this 2nd day of April, 2024


Hilary S. Franz, Washington State Commissioner of Public Lands


Jim Cahill, Designee for Governor Jay Inslee


Chris Reykdal, Superintendent of Public Instruction


Lisa Janicki, Commissioner, Skagit County

approved via webinar
Dr. Wendy Powers, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University

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

Attest:


Tami Kellogg, Board Coordinator