Minutes Board of Natural Resources Meeting April 4, 2023 Webinar/In-Person, Olympia, Washington

BOARD MEMBERS PRESENT

Dr. Dan Brown, Vice Chair & 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

Dr. Wendy Powers, Dean, College of Agricultural, Human, and Natural Resource Sciences,

Washington State University

BOARD MEMBERS ABSENT

The Honorable Hilary Franz, Chair & Washington State Commissioner of Public Lands

1	CALL TO ORDER		
2	Vice Chair Br	Vice Chair Brown called the meeting to order at 9:00 a.m.	
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4	Boardmembe	Boardmembers provided self-introduction. A meeting quorum was confirmed.	
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6	WEBINAR/SAFETY BRIEFING		
7	Ms. Tami Kellogg, Board Coordinator, provided an overview for viewing and		
8	participating in a combined webinar and in-person meeting.		
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10	APPROVAL	APPROVAL OF THE MINUTES – March 7, 2023	
11	Vice Chair Brown requested consideration of a motion to approve the minutes of March		
12	7, 2023.		
13		and the second s	
14	MOTION:	Commissioner Janicki moved to approve the minutes as published.	
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16	SECOND:	Dean Powers seconded the motion.	
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18	ACTION:	The motion carried unanimously.	
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LIGHTNING TALK - Information

Trust 101

Michael Kearney, Division Manager - Product Sales and Leasing Division and Sarah Ogden, Trust Outreach Specialist, Strategic Planning Office

Ms. Ogden reported that as the manager of three million acres of state trust lands, the Department has legal fiduciary responsibilities to generate revenue and other benefits for each trust, in perpetuity, preserve the corpus of the trust, exercise reasonable care and skill, act prudently to reduce the risk of loss for the trusts, maintain undivided loyalty to beneficiaries, and act impartially with respect to current and future beneficiaries.

State lands were federally granted through the Enabling Act of 1889 and affirmed by the State Constitution and are governed by statute. Trust obligations were reaffirmed by the 1984 Skamania vs. State of Washington lawsuit and more recently by the Washington State Supreme Court. Trust beneficiaries are primarily public schools, universities, and colleges. Revenue distribution is variable dependent on the beneficiary with 31% retained as DNR's management rate. Ms. Ogden reviewed the beneficiaries in each of the primary categories.

Over 617,100 acres are state forest lands located in 21 counties comprised of state forest purchase and state forest transfer lands. Transfer lands are true trusts while state forest purchase lands are not considered trust lands in statute. Transfer lands were originally privately owned forestlands forfeited to counties in the 1920s and 1930s because of unpaid property taxes. Those lands were transferred to the state and are managed by DNR with counties and junior taxing districts designated as beneficiaries of the revenue. Ms. Ogden reviewed revenue distribution for state forest transfer lands.

State forest purchase lands were purchased and are owned by the state and managed by DNR comprised of approximately 80,000 acres. Those lands are intended to serve as working forests, such as the Capitol State Forest. Ms. Ogden reviewed revenue distribution for state forest purchase lands.

Mr. Kearney provided information on the Forest Board Repayment - Trust 42 in response to previous questions by members. Large tracts of Forest Board Land that were unstocked, understocked, and of a younger age class were designated for management by DNR by the Legislature. The Forest Development Account at that time had insufficient revenue from sales of merchantable timber to manage the land. However, the Resource Management Cost Account, used for management of federally granted trust lands, was receiving more funds than expending on federal trust land management. Funds were borrowed from the Resource Management Cost Account to fund the work necessary to improve and manage the lands to create healthy productive forests. As of 1986, the debt was over \$65 million with debt allocated between Common School (29.6%), University (22.08%), Normal School (11.42%), and Capitol Trusts (36.54%). A repayment arrangement was established in 1988 following an audit by an independent accounting firm to identify ways to repay the debt. The Legislature passed a bill authorizing the Board of Natural Resources to approve transfer of timber cutting rights to repay the debt. Some parameters included percentages of timber that could be transferred. DNR created selection criteria to identify timberland that would be suitable for repayment. Selection criteria required lands under Forest Board purchase ownership (Trust 02), must be

located in one of five contiguous blocks across the state, land use was in even-aged forest management, an age class of 40 years or older, and the parcel size of any selected parcels had to be at least 40 acres in size. The five contiguous blocks was eventually reduced to one block because the full amount of the loan repayment was not possible unless harvesting was split between multiple blocks. One block contained sufficient land to provide a full payment, which is Capitol Forest. Capitol Forest was selected for Forest Board purchase for repayment.

In March 1990, following selection of the areas, the Board adopted a resolution directing the transfer of cutting rights through timber deeds of the selected parcels with 32.95% designated in timber rights for loan repayment and the remaining 66.05% for either the Forest Development Account or other beneficiaries. Of the initial amount, \$50 million was repaid to Common School, Capitol Building, and Normal School Trusts. The University Trust beneficiaries requested cash payment from the Forest Development Account in lieu of timber deeds. Several payments were made to the University Trust from the Forest Development Account; however, since the amount was never fully paid, the University Repayment Trust was created.

Mr. Kearney displayed a pie chart depicting the State Forestland Purchase by percentage (County, General Fund (State), and Forest Development Account) and another chart depicting Forest Board Repayment of approximately 32.5% in payments to Common School, Capitol, Normal School, and the Resource Management Cost Account (as directed by the Legislature). The remaining amount of approximately 50% was distributed as State Forestland Purchase Lands. He cited an example of how a timber sale was distributed under the Trust 42 Distribution model.

 Policies by the Department included the development of an Inter-fund Loan Repayment Administrative Manual outlining procedures on how DNR would manage the transfer cutting rights. Some guiding principles included durability over a 40-50 year timeline, termination of rights/reversion/and compensation, uncertainty of future timber value, and imposition of a review in 2030 of any remaining timber cutting rights if the Forest Development Account was sufficiently healthy to purchase any remaining debt.

 Commissioner Janicki commented that when the lands were logged and abandoned in the 1930s and 1940s, it took approximately 50 years for DNR to manage the lands at significant cost and investment. Harvesting the land would be used to pay for the investment incurred in 1990 dollars. If repayments were not provided, escalation would reflect current market rates. Mr. Kearney confirmed that the timber existing on the landscape today at its current market value would reflect repayment of the debt.

Vice Chair Brown offered that if the Department elected not to harvest the lands, which is reflected as the value to be repaid to the trusts, then the value owed to the trusts would be the current market value of what was foregone.

Commissioner Janicki thanked staff for sharing the information, as the issue is complicated.

 Vice Chair Brown asked whether staff has tracked harvesting of the lands within Trust 42. Mr. Kearney referred to a map reflecting the original deeded land and the remaining land, which can be provided to the Board.

PUBLIC COMMENTS

Ed Bowen, Clallam County, noted no active timber sale proposals for Clallam County for some time while there have been several successful regional sales included in the current sales proposal. He complimented the creativity of regional staff for offering the proposed sales; however, it is unlikely the sales will make up for the lack of volume as calculated in the Sustainable Harvest Calculation (SHC). Consequently, Clallam County will experience more arrearage in timber volume. Another sale that should have been included is the TCB 23 sale, which continues to be delayed. All other timber sales are of concern because it appears those sales will be diverted to the next fiscal year. The SHC for Western Washington should be addressed now. Additionally, some of the information scheduled for the Board's review does not match with the 3 million acres referenced during the Lightning Talk.

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Matt Comisky, American Forest Resource Council, thanked regional staff for continuing to offer timber sales and for the enlightening information provided during the Lightning Talk. As referenced, the library is the same system, Timberland Regional Library covering five counties. DNR timber revenue has provided the library up to 10% of its operating budget. The Chair Report includes complex information. However, the Technical Advisory Committee (TAC) has not met since November. It is the responsibility of staff to distill data for stakeholders, as well as for the Board. Staff should also provide sources because it was difficult to locate information on the assumptions. He did not agree with the climate water deficit definition compared to the U.S. Geological Society definition. The correlation does not mean causation. Having authored over 100 forest management plans, he checked the soils data for a parcel located in the northeast Spokane County, which somewhat aligns with the map within the presentation material. DNR's data website does not match for ecotypes, which speaks to the importance of identifying the source of data.

Ed Martin, Western Forest Products (WFP), said the company owns three manufacturing facilities employing over 200 employees in the state. The company produces a green energy wood product called Crossarms and is unable to meet market demand because of log supply shortages. Solar, wind, and biomass projects across the state and the nation are rapidly increasing the amount of wood needed to support the transmission of electrical energy from renewable sources. To make the product, the company needs timber 80 years or older. Access to that type of timber on working forests of DNR land is critical. The withholding and inconsistent offerings of timber sales that meet the age criteria from trust lands over the last two years has crippled WFP and its customers. Instructions to staff have been confusing with respect to older forests because it speaks to whether the Board knows the answer or whether DNR is withholding timber sales in conformance with the HCP. He asked whether stands approved in the HCP are actively being planned or are being modified because of older forest noise. Based on his understanding, there should be no change from previous years. It is important to ask whether there are any encumbrances or directives staff must address. The Board should be asking questions so that everyone can be informed.

 Rod Fleck, City of Forks, commented that the Lightning Talk was a good introduction to trusts. While most counties distribute to junior districts it is not precise, as state law requires proceeds from trust assets to be distributed in the same manner as general taxes except for counties under 16,000 in population that have incurred indebtedness. The proceeds in that case must be applied to reduce the county's indebtedness before distributing revenue to junior taxing districts. Additionally, a good percentage of net sales proceeds are allocated to the state general fund. The state is also a recipient and needs to understand that those funds are not supporting regional economies. Another pending presentation reaffirms the significant contribution to ecological needs of multiple species with approximately 50% of the lands withheld from harvesting. The Board should actively engage in the rules and issues where money might become available to add land for conversation needs. The Board should also lead a discussion on the mitigation approach where carbon emissions and urban growth are being offset by rural communities needing to restructure economies; two issues include money to operate and activity for jobs.

Doug Cooper, Hampton Lumber, reported the company operates sawmills in the communities of Darrington, Morton, and Randall. For fiscal year 2022, DNR's timber volume reflected a shortfall of 125 mmbf from the plan target of 564 mmbf with an average sales price of \$410 per mbf representing a loss of revenue to the Department and beneficiaries of \$52.9 million. On March 23, 2023, the Department posted a new revenue and economic forecast planning to offer 530 mmbf for fiscal year 2023. Despite the new forecast, which is not accurate, the Department continues to fall short of the SHC planned sale volume. In July 2022, the planned sale volume was 564 mmbf, which has now been readjusted to reflect 480 mmbf or a shortfall of 84 mmbf at an average price of \$380 per mbf or a shortfall of \$31.9 million. The total shortfall of revenue over two years of \$85 million will cripple mill infrastructure. The current legislative bills and budget requests have been submitted resulting in a reduction in harvesting from state lands. The Department also indicates that only 20% of the acres burned in recent years needing reforestation have been reforested because of the lack of funding. The Board needs to do something to turn around the failure of the Department to generate needed revenue and timber for the health and benefit of state trust lands, beneficiaries, and the economy.

Paul Butler, Thurston County, said that as a son of a cabinetmaker and the manager of his family's forest, he supports a viable forest products industry in Washington. He has managed the family's holding for over 15 years, which includes logging selected areas to improve forest health while sending the trees to local mills. He does not support logging the remains of unprotected older forests in the lowlands of Western Washington. With nearly 50 years of experience as a geoscientist, he believes the state is experiencing troubling times which will likely worsen if the current trajectory continues. He has measured precipitation at his home since 1995. The trend can identify climatic trends as well as confirming significant variability. The last two summers were very dry. Precipitation for January through March was only 62% of normal. Rivers in Western Washington are at historic lows. Those conditions do not speak to the survival of newly planted seedlings. Given this, the issue is why the state would continue to log older forests and turn them into plantations. Older forests are nearing their capacity to store carbon. The message to the Board and DNR is to "chill" and postpone all sales of older

forests until the Legislature has completed its work. Many in the House and Senate are willing to spend money to protect older forests and to ensure trust beneficiaries are adequately compensated.

Robert Mitchell pointed out that the least popular person in the country has the same rights as the most popular person. He commented on his recent forest walk and recommended the Department provide trash resources by supplying buckets and dumpsters to keep the forest litter-free and to discourage others from littering. At the last meeting a speaker dismissed environmentalist concerns as emotional while the logging industry arguments are just as emotional. A logger might view logging as producing 350,000 houses while he views them as toxic prisons priced out of his range. He asked about taxing realtors for creating affordable housing. The dynamic is very complicated. In terms of finance, jobs, and economic activities, DNR staff have indicated that protecting Capitol Forest through trust land transfer or otherwise would not be in the best interests of the trust. It might be possible to sell ecosystem services of Capitol Forest of 100,000 acres at \$6,700 per acre to generate \$670 million. That return would eclipse current Capitol Forest revenues and should be a fiduciary priority by shopping around a price for Capitol Forest ecosystem services to produces more lucrative financial market returns for beneficiaries that current Capitol Forest timber revenue.

Dr. Julie Ratner delivered to the Board watercolor painted medallions with letters from individuals across the state urging the Board to consider a paradigm shift. Many DNR policies were enacted before the climate crisis. She cited part of a letter from a young mother of a daughter enrolled in preschool. The mother wrote that when she visits a legacy forest she feels at peace and is inspired. The letter warned of her child not knowing the beauty of the natural world and that she fears for a world left to her child and other children. If efforts are not pursued to minimize the impact on the planet, she is fearful for her child and all children, and although they might be able to survive, they would be unable to thrive.

 Daniel Harm said in the great equilibrium of the universe the faster and the more authentically DNR aligns with the laws of nature the more genuine long-term wealth and stability DNR can bring to humans and living creatures who call this land home. In this age of hyper-humanity we are often stuck in loopholes attempting to convince each other of one human claim over another. We are creatures who cleverly trick others to serve our objectives. We have a long history of examples. While treating each other with misinformation, faulty balance sheets, and entire chunks of ecological equations missing from political and economic arguments, what we too easily forget is that we cannot trick nature. We cannot change the laws of nature that have existed eons before humans developed civilization and contemporary law; laws that are often based on maximizing profit over ethics and maximizing power over conditions supporting life. The ultimate joy, the ultimate expression of human existence is to care for this planet and every creature on it. As the future unfolds, the ultimate test of will is to transcend the shackles of a status quo in order to respect and nurture the systems and relationships that give us life.

Melinda Hughes, resident of Thurston County, reported she is the Executive Director of Thurston Climate Action Team (TCAT). The mission of TCAT is to reduce

greenhouse gas emissions and pursue climate justice by working with local Thurston County jurisdictions through the regional Thurston County Climate Mitigation Plan. Auctioning off legacy forests located anywhere in the region, such as Sure Wood in Mason County directly counters a collaborative effort and partnership successes to reduce greenhouse gas emissions. Additionally, it is direct conflict with the state's climate goals. She worked on ecosystem and forest issues for nearly 30 years across the country including in heavy timbering areas of Pennsylvania, New York, and Alaska. She has a Master's degree in environmental law and policy. Clearcutting promotes wildfire and ecosystem decimation. Older forests, when kept intact are barriers to these tragedies. The proposed auctions include pre-1945 legacy forests. She asked the Board to stop auctioning legacy forests and instead auction the working plantations.

Brel Froebe, Whatcom County, read a statement on behalf of a Squaxin Island Tribal member urging the cancellation of the Sure Wood timber sale and preserving all remaining legacy forests. Knowing that Sure Wood Forest is one of the last remaining forests around the Squaxin territory where he can harvest from the same trees his ancestors harvested from is disheartening as trees can live for hundreds of years but yet there are not many left that are over 70 years old. It seems that nobody respects the oldest souls on the planet much anymore. Once again, money is more important than life.

 Sherri Dysart, resident of Mason County, asked for removal of the Sure Wood timber sale from the sales list. She and her husband settled in the area after graduating from Washington State University where they both earned degrees in forest management. She worked for a privately owned timber company for 30 years and her husband owned and managed his own forest management company for 15 years. They understand the importance of the industry and for the jobs and goods it provides. They are also aware of a global climate crisis and the need to limit burning of fossil fuels and drawing down dangerous levels of carbon pollution in the atmosphere. The most effective way to draw down carbon is by conserving mature forests. There has been an astonishing distortion of science promoted by the timber industry. It is important to evaluate who is funding the research. Much of the research underpinning state laws and influencing state agencies has been funded by the timber industry. The Board should wake up and listen to the best available science before it is too late. Forestry can be managed differently, such as increasing rotation ages or selective harvesting. Most importantly, the last few thousand acres of mature forests must be preserved.

Lynn Fitz-Hugh thanked the Board for removing a timber sale located near a women's prison from the sales packet. Trees help to cool the facility in the summer and warm the facility in the winter reducing electrical costs for the facility. Merely being able to see trees from a window reduces depression rates in humans. She joins with others calling for the removal of the Sure Wood timber sale. Every parcel under consideration includes pre-1945 origins. It appears the Board is only cutting legacy forests. As many have referenced for months, the average age of trees in parcels has been removed from sale packages. It is unfortunate because removal of data will not remove the truth of what is occurring. The Board is in a difficult moral position as it is tasked with carrying out a fiduciary responsibility defined over 100 years ago that makes no sense in the face of the level of threat facing the planet. That legally defined responsibility and the planet's survival cannot coexist. There is no agreement about the eminent crisis or even the role

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that the largest trees play in drawdown. However, the signs of climate crisis are bearing down on the planet. The decisions each month will become harder as the number of community members testifying continue to increase. The Board should consider how in the future with back-to-back catastrophes they will feel about the choices they make.

Jim Oliver said following the March meeting, he left with optimism that perhaps the corner had been turned on the tide of debates of the past and that perhaps it would be possible to achieve consensus on how to put differences aside and work together for a timber harvest policy that acknowledges the realities of the 21st century. However, the proposed list of timber sales is shocking. He cited several timber sales and the amount of legacy forests contained in each sale. The highly controversial Sure Wood timber sale of 154 acres scheduled to be clearcut includes up to 20 acres of legacy forest. The combined total minimum bid value is \$16.3 million. That amount could buy two-thirds of Russell Wilson's house in Denver. For the price of hundreds of acres of the state's nicest legacy forests auctioned off each month, it is not possible to purchase an entire home from a NFL quarterback.

Erin Greenlee said she has reflected on the unique situation of the Board. Together, members make decisions that have a significant impact on climate change. Most people will never have an opportunity to make decisions of such magnitude. She imagines members have spent time in the nation's national and state parks and felt intense gratitude that there were people who had the foresight to set-aside lands in perpetuity before it was developed. Mature complex naturally regenerated forests serve a key role of what is required to fight climate change. Once the forests are gone, so is the opportunity to help save the earth before it is too late. The Board has the opportunity to save legacy forests as they serve a critical function for the planet now and for future generations. Today's situation is much different than when DNR was created or when trust management policies were enacted. It is possible to change the course of considering the value of mature forests only as timber to considering its value as absolute treasures in the fight for the planet and in everyone's future.

Joshua Wright thanked DNR for removing the Plumb Bob timber sale from consideration because of the presence of an imperiled plant community. The Sure Wood timber sale would log some of the last structurally complex legacy forests in the Sherwood Creek watershed. There is no reason the Department should be targeting the oldest and most structurally complex legacy forests. Instead of targeting the oldest legacy forests, DNR can and should be logging younger forests instead of older forests. Most of the 80 attendees of a community meeting located near the Sherwood Forest had not heard about the proposed timber sale prior to the Board meeting. Most of the attendees opposed the sale and were surprised DNR did not adequately pursue public engagement.

Karen Rice, resident of Mason County, reported she is retired teacher who agrees with other educators who believe legacy forests are worth more alive than harvested. She addressed the role of DNR in the use of public and private lands and the value of intact forests. She is a daughter of a family who worked closely with Minnesota's Department of Natural Resources to preserve 88 acres of forest and lakeshore resources. The land housed numerous historic natural resources and a 100 species of birds as well as a mile of

shoreline. Her family spent five years seeking a conservation agency to conserve the land. The Minnesota Department of Natural Resources placed the first easement of its kind on the parcel designating the land as a scientific natural area. She was grateful for the acts of the Department and believes Washington's DNR can pursue similar actions. As a teacher she taught many students about the value of old forests. Today, young people are more aware of the decisions by the Board affecting their future. She urged the Board to generate revenue from replanted lands rather than from old growth intact forests.

Beverly Parsons, Hansville, Kitsap County, acknowledged that many members of the public who attend the monthly meetings realize the Board is under tremendous pressure from the timber industry to support their particular approach to forestry. She urged members not to be misled because there are so many ways to approach the well-being of rural and other communities, as well as the forests. During a recent discussion about the climate and the humanitarian crisis that everyone faces, participants were asked what they could do to shift the course of history away from destruction, consumption, and disregard for the full range of life on the planet. She considered the Board's work and committed to attend each meeting with the same call to stop the harvesting of pre-1945 forests. Today, she especially calls for the stop of the sale of Sure Wood. The Board is in a position to shift the course of history away from destruction, consumption, and disregard for the many forms of the life within the forests and through them, the life of the whole planet. The Board has the opportunity to think beyond rules and regulations to the bigger picture. She suggested the lightning talks should include presentations by scientists who can provide the best available science including the bigger picture of the impact on the health of everyone through logging occurring through timber sales.

Brian Karnes, Cascade Hardwood Group, reported the company employs 221 employees in two facilities in Washington and many other jobs indirectly in the areas of the Olympic Peninsula and Southwest Washington. He thanked state legislators for funding the alder and cedar salvage program for the last several years and to DNR staff for their accomplishments. Legislators are attempting to fund the project for two additional years. The program has a chance of making a lasting impact on alder and cedar volume that are offered on DNR lands. He supports DNR timber sales to make up 20% of the volume that is annually harvested. It is important for consistency within the DNR timber sales program, as the company's raw material needs requires planning, scheduling, and consistent quotas of wood to remain efficient and competitive. Cascade Hardwood Group is concerned with the shortfall in volume during the last fiscal year and this year. No plans have been shared as to how DNR plans to make up the lost volume. He thanked the Board for its work to offer HCP compliant timber sales and for continuing to try to meet its fiduciary responsibilities.

Superintendent Chris Reykdal joined the meeting at 10:15 a.m.

Peter Goldman Washington Forest Law Center, spoke to his appreciation of the Trust 101 presentation. DNR timber sales generate approximately \$100 million each year for counties, an infinite small slice of the \$60 billion budget. Any future forest management options must make counties equitably whole. No one on the conservation side sees differently, and no one wants to see them suffer more. In terms of managing carbon rich

forests differently today, he cited Commissioner Franz comments published in Bellingham's Cascadia Daily News on March 31, 2023 where she cited the following:

"Washington's working forests, farms and other public lands are essential to who we are. We have used them to build up and support our communities for more than 130 years. These lands have produced billions of dollars of revenue that have built our schools, hospitals, universities, fire stations, libraries and even our capitol dome.

But a lot has changed — we're not the same state we were in 1889. We've grown, we've developed new industries and we're facing new challenges. So the way we manage our public lands needs to change too, to reflect the tremendous advances we have made in understanding the full value of our forests, farms and waters.

And it is past time we capitalize on that value to increase revenues for our schools and communities, reduce costs to taxpayers, and improve the health of our forests, farms and aquatic lands.

Commissioner Franz cited House Bill 1789, which enables DNR to tap into a new source of revenue by accessing the state's newly created carbon exchange. Although very important words, the bill, unfortunately failed in the Senate and for good reasons as the policy did not match the rhetoric.

Teresa Jennings spoke on behalf of Sherwood Forest and all legacy forests. Legacy forests, such as Sherwood hold the potential of becoming old growth forests and are an asset not only for Washingtonians but also for the world and future generations. Once clearcut, the reestablishment of those forests require tremendous will, effort, and funds already demonstrated as unlikely. More likely is the conversion to a monoculture plantation forest harvested on short rotations. What has become clear is forest practices which have brought about legacy forests have produced higher value forestlands and more marketable timber than plantation forestlands. DNR should engage with the timber industry to increase forest acreage that follows similar practices of thinning rather than clearcutting, preserving understory, supporting wildlife particularly pollinators, supporting new markets for harvest debris, and longer rotations between harvests. The Board should use its power to stop clearcutting critical habitats of legacy forests and remove the Sure Wood timber sale and all auction parcels containing legacy forests. She recommended establishing a moratorium on cutting forests, support identifying other alternative funding for trustee beneficiaries, and engage with the timber industry to create lands that produce higher value trees and more fire resistant forests.

Ed Chadd, resident of Clallam County, accused the Board of quoting Jerry Franklin in vain by trying to pretend that Mr. Franklin approves cutting of older forests in the state portfolio, which is absurd. Recent presentations from the Center for Sustainable Economy reflects that on a per acre carbon flux basis, DNR is the worst manager of timber in the state because of cutting legacy forests. Approximately 77,000 acres remain and everyone is worried about the mills because some of the mills use the larger logs. At the current rate of harvest, those acres will be logged in five years. He questioned why the Department has not figured out actions today before heading over the cliff. There are tricky issues surrounding rural economies, industrial infrastructure, and local land

 management capacity that will need to be addressed. It is important to pursue options today and establish a precedent for the country.

Miguel Perez-Gibson, Washington Conservation Action, commented that of the 19 million acres of westside working forestland, private industry accounts for 63% while DNR state forestlands accounts for 8%. The SHC is an opportunity to differentiate the quality/volume of logs from state land in the marketplace over the next 100 years. Private industry has been moving towards younger rotation. He questioned the role DNR should play in growing older forests in the market, or the average rotation age, or the type of management to consider. The pending presentation later in the meeting speaks to 1.5 million acres, which includes 200,000 acres of NAP/NRCA land that are not trust lands. Two of the NAP/NRCA forests include uneven aged management producing a shifting mosaic of older forests across the landscape. The HCP states the integrated management phase is the final period of the HCP in which knowledge gained through research should be applied to larger areas and monitoring has moved forest management to a point where commercial timber harvest and maintenance of functional spotted owl nesting habitat coexist throughout spotted owl management areas. One presentation slide notes 250,000 acres of GEM lands managed rather than through an integrated management approach. Approximately 30 mmbf remains in the riparian areas. As part of the HCP, the Board should explore moving beyond a preservation/production dualistic approach to older forests that are forever part of an integrated landscape and where ecologically-based climate smart forestry is practiced.

Julianne Gale, resident of Mason County, thanked the Board for removing the Plumb Bob timber sale from the sales list. As only one person, she speaks with many voices. As a co-founder of Mason County Climate Justice, she speaks on behalf of the hundreds of Mason County residents who have petitioned to cancel the Sure Wood timber sale. As a former teacher and current youth program manager, she is speaking on behalf of young people and future generations who will have to live with the consequences of the decisions made by adults today. She also speaks on behalf of the 100-year old structurally complex Sherwood Forest and all the 137+ species that thrive in the forest. The Board is asked to vote no on the Sure Wood timber sale. As members in positions of great power, decisions today will result in either life or death, abuse of power, or public service. History will and our grandchildren will judge us by our greatest acts of courage and integrity. She asked how the Board would like to be judged.

Zephyr Elise said she is co-founder of Mason County Climate Justice. Today instead, she speaks of her ancestors who by law were defined as property who were bought and sold to raise profit on the ledger. She is speaking with the power of her ancestors who were caretakers of their ancient forests 2,000 years old. Those forests did not survive when three different conquests came and took them. She has no ancient tree to return to in this time of climate crisis. Her people have a story and an idea of how things have come to be that stretches across the span of time and space. They understand cosmic laws that are just now barely coming back into mainstream dominant culture or ways of thinking. She is grateful for the ways that the Board excels and the brilliance each member brings to the Board for everyone has to digest and figure out data and occurrences that no one has ever seen. It is the interconnection of all beings, air, water, land, and the communities above and below land that allow everyone to thrive on ancient

mother earth. She asked the Board to pause and listen. She is calling for everyone to be courageous and do things never done before.

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Michael Siptroth remarked that Sherwood Forest represents clean air, clear cold water, healthy earth, and biodiversity. He is speaking for the trees and other species, which are saying, "save us." The UN has predicted humans have 10 years to control climate change before it is too late. He is a salmon and water protector and has planted hundreds of trees. He asked why the Department would cut the wonderfully healthy and diverse forest. He has led enviro camps for Belfair Elementary School Environmental Studies clubs. Children love and need nature and cutting Sherwood will not enhance their lives. He lives at Trails End Lake, which flows into Sherwood Creek. The area serves as his watershed. Many residents signed petitions and sent comments opposing the clearcutting. The Trails End Community Club Board representing hundreds of households voted to support keeping Sherwood Forest for the wildlife, trees, people, and for their legacy. The forest contains cultural, spiritual, recreational, earth healing qualities DNR can promote according to the Washington State Supreme Court. The Board is called on to save Sherwood Forest.

Janine Lindsey said she works with the Thurston Climate Action Team and others regionally to protect forests. The Board is a small group of women and men who make gigantic decisions. Chosen from high places, she asked whether there is something akin to a sacred responsibility each member feels and what each member believes is their responsibility. Each tree on earth breathes our air for everyone and prepares it for life, similar to a mother sustaining a child. Trees are our oxygen, shade, our home, and our solace. The issue is how to treat these mothers, the ones that nurture and give us every good thing. The timber sales are wrong. She urged the Board to find other mechanisms to feed the human machine.

TIMBER SALES - Action

Auction Results for March 2022, Fiscal Year Update, and Proposed Timber Sales for May 2023

Joe Koontz, Assistant Division Manager of Timber Sales, Product Sales & Leasing Division

Mr. Emmons presented the results of March sales. The Department offered and sold 16 timber sales. Several log sorts in February were reoffered and sold in March. The total volume from the 16 sales was approximately 58 mmbf of timber totaling \$19 million. The average price was \$329 per mbf with the auctions generating an average of 2.7 bids per sale. Mr. Koontz invited questions. The Board offered no comments.

 Mr. Koontz reviewed the status of Fiscal Year 23 planned volume. The graph reflects current plan for auction volume, forecasted volumes for the remainder of the year, sold volume, and timber sales reoffered. The projected fiscal year for Western Washington has been adjusted to reflect 417 mmbf. For Eastern Washington, the amount is 63 mmbf for the fiscal year. The new projection reflects a decrease of approximately 25 mmbf from the previous month. Approximately 23 mmbf of the reduction was caused by six sales moved to fiscal year 2024 with the remaining due to lower volume than the estimated plan volume.

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Mr. Koontz invited questions on the fiscal year update.

Mr. Koontz presented eight proposed sales totaling approximately 42.9 mmbf with an estimated value of \$16.4 million. The expected stumpage price is \$382 mbf. Mr. Koontz reviewed the type of sales offered for auction. Staff prepared an additional graph for sales in Western Washington. The six proposed sales in Western Washington consisted of 1,300 gross acres reviewed for harvest. Following field inspections, approximately 25% of the original acres were conserved to protect potential unstable slopes, cultural resources, riparian areas, wetlands, wetland management zones, and the minimum eight leave trees per acre. Conserved acres total 459 acres creating a net harvest area of 867 acres. Mr. Koontz reviewed a pie chart depicting the estimated revenue to be generated

Vice Chair Brown asked whether the shortfall volume would be moved to fiscal year

2024. Mr. Koontz confirmed that the sales would move to fiscal year 2024.

for each trust.

Mr. Koontz invited questions on the proposed timber sales.

Superintendent Reykdal said it appears stumpage is higher because of sorts or delivered sales. He asked for additional information since the actuals are consistently higher than the minimum bids. Mr. Koontz explained that the appraised values are completed several weeks prior to presentation to the Board. Markets change during that period. Some bids were very competitive. Staff employs best available data to determine appraised values. Bidders are not aware of the total number of bidders for any auction. The appraisals are completed by DNR staff and are based on surveys of local mills. However, when a purchaser is considering a sale, they often apply higher values to the sales because of forecasted lumber markets.

 Mr. Koontz referred to comments on the Sure Wood timber sale. The Sure Wood timber sale is located in area west of Allyn Washington and includes four units representative of a working forest. When first analyzed, the stand was identified as 218 gross acres. The net harvest acres after deducting buffers, streams, wetlands, and meeting the leave tree targets total 154 acres. Approximately 30% of gross acres were excluded from the sale's original area. The average log diameter ranges between 13 to 19 inches at breast height. The stands have little to no structural diversity. The origin date of the stand ranges between 1937 and 1974. Scattered older trees exist on the site with origin dates ranging from 1983 to 1930. Many of those trees are marked as leave trees. The beneficiary of the sale is Trust 3 – Common School.

Upon a public request, the site was evaluated and considered for addition to the natural area program; however, the habitat, stand structure, and the fractured nature of the forested area make the location unsuitable for consideration for the program. As reflected in an image, Mr. Koontz reported the Sure Wood timber sale is bounded to the southeast by an active railroad right-of-way serving Puget Sound Naval Shipyard and Bangor Sub Base. Another image reflected a wide corridor of electric transmission line forming the northwest boundaries of Units 1 and 2. Mason County owns and operates a wastewater treatment plant servicing the neighboring community, which is adjacent to Units 3 and 4. The county leases a portion of DNR ownership for up to 300,000 gallons

per day of Class A reclaimed wastewater safely applied to the forest floor. The lease area is instrumental in maintaining the water quality of Case Inlet. The remainder of the area is bounded by private timber lands to the south and west and a residential development to the east. The right-of-ways enable efficient transportation and material transport via rail and the transmission lines provide critical power to the electrical grid to consumers in the region.

The Sure Wood timber sale is a good example of a working forest. Timber sold provides jobs and revenue to the local economy through harvesting and milling logs to produce a variety of wood products for consumers.

Superintendent Reykdal asked whether the U.S. Navy provided input on the process. Mr. Koontz said staff worked with the Navy on a right-of-way issue as the timber sale was in development. The Navy did not address any issues concerning the timber sale.

Commissioner Janicki asked whether the timber sale was one of several held during litigation. Mr. Koontz said the timber sale was not on the list of sales temporarily paused. The forest consists primarily of Douglas fir regenerated after harvesting with some other species included such as cedar in some areas, which have been marked as leave trees.

Commissioner Janicki mentioned her previous suggestion to provide information on the cumulative timber arrearage because the projections for the 10-year program will likely require the Board to formulate a policy to address the timber arrearage. Ongoing tracking of the cumulative shortage would assist the Board with that process. Mr. Koontz advised that many timber harvests are being deferred to fiscal year 2024. However, staff does anticipate arrearage at the end of the sustainable harvest period.

Mr. Cahill asked whether any tribes expressed concerns about the timber sale. Mr. Koontz responded that no concerns were addressed by the tribes during the initial consultation.

Mr. Cahill noted the gradient appears to be gradual based on the topography map. He asked whether any analysis had been completed for landslide potential. Mr. Koontz affirmed geotech analysis was completed with no issues identified of any potential landslides on the site. The harvesting operation would be ground-based.

Superintendent Reykdal asked whether the tree diameter is an average standard. Mr. Koontz said the average tree diameter is 13 to 19 inches and can vary from stand to stand.

Vice Chair Brown mentioned conversations on the carbon project and the enrollment of stands within the project. One of the key considerations for enrollment is high conservation value forests. He asked whether the stand has the characteristics that would qualify the stand for inclusion in that category. Mr. Koontz said he does not believe the stand would qualify, which is why a national heritage assessment was completed to identify any conservation value under the national heritage program. The assessment did not identify the unit as a high conservation area. The paper assessment review examined

the fractured nature of the stand, the age of the stand, the condition of understory, and the size of the timber.

With no further questions from the Board, Mr. Koontz requested the Board's approval of the proposed May sales as presented.

MOTION: Commissioner Janicki moved to approve the proposed sales as presented by staff.

Superintendent Reykdal said when considering proposed sales, he assesses whether the Department completed due diligence where staff has identified significant risk to the community and where more analysis might be warranted to identify any additional environmental factors and protections, such as buffers along trails or improvements to water systems. Periodically, a county may approach the Department and request reconveyance of a parcel. The Board has not typically protracted the sales process because some individuals are upset. The system, for the lack of detail, is based on forest growth of 1% a year with harvesting at 1% each year, which reflects the principle of sustainable harvesting. The Board considers when to harvest consistent with the beneficiaries based on current law to meet sustainable harvest calculation targets while protecting forest species, edges, and water. Based on information from staff, the sales are consistent with harvest considerations approved in the past. He thanked community members for attending, as it is important to hear different voices. The Board must proceed with timber sales when substantial staff evidence reflects completion of due diligence and the public has weighed in.

MOTION: Superintendent Reykdal seconded the motion.

Mr. Cahill said he is torn and is appreciative of the work by community members who live in the area; however, he agrees with Superintendent Reykdal as due diligence has been completed by staff. An option could include additional delay but he is not confident the Department would discover additional information that would warrant a delay.

Several members of the audience offered unsolicited comments.

Vice Chair Brown pointed out that the Department has an estate that must be managed, which provides forest products for housing and other products used by everyone. The Department has established a sustainable harvest plan. He also believes staff has pursued best efforts to ensure criteria established by the Board have been satisfied. The timber sale is not located in an old growth forest although some older trees exist.

ACTION: The motion was approved unanimously.

Several members of the audience objected to the Board's adoption of the motion.

Vice Chair Brown recessed the meeting at 11:05 a.m. for a break.

Vice Chair Brown reconvened the meeting at 11:10 a.m.

CHAIR REPORT - Information

Eastern Washington Sustainable Harvest Calculation – Vegetation Ecotypes and Climate Change Impacts

Kate McBurney, Assistant Division Manager, Forest Resources Division

Ms. McBurney's presentation covered information on creating vegetation ecotypes using climate variables, identifying future ecotypes shifts, and how those shift could be used in the Eastern Washington Sustainable Harvest Calculation.

Using climate variables to group forests research has been used across the Pacific Northwest. Bob Van Pelt identified old trees and forests in Eastern Washington for the agency in 2008 and produced a guide. The region is divided into forested vegetation zones based on dominant tree species. Each forested vegetation zone is subdivided into plant associations. Plant associations group plant species across the landscape based on environmental tolerances reflecting different temperature and precipitation regimes. Tree species are organized along environmental gradients.

Forested vegetation ecotypes on DNR eastern trust lands include:

- 1) Subalpine
- 2) Cool Moist Mix Conifer
- 3) Warm Moist Mix Conifer
- 4) Dry Mix Conifer
- 5) Ponderosa-Douglas fir
- 6) Ponderosa
 - 7) Non-commercial Ponderosa; Oregon Oak

Ms. McBurney outlined how future climate variables are factored to determine how forests might change in response to climate change. One variable is climatic water deficit which quantifies how much moisture stress a tree would experience if solar radiation is high. It examines the difference between potential and actual evapotranspiration to captures moisture and temperature variability. Variables include solar radiation from the sun, precipitation, temperature, wind/humidity, and soil structure for supporting plant growth. The information produces a raster map reflecting an analysis of the climatic water deficit across Washington State. The map reflects areas of low climatic water deficit or areas experiencing moisture stress.

The next step is organizing the seven vegetation ecotypes along the climatic water deficit gradient. A major component of the analysis was assigning all ecotypes along the gradient and assigning all inventory plots current and past to an ecotype and identifying existing tree species based on the tree list. Another step was working with field staff and silviculturists to validate and verify if the assignments were accurate with adjustments as needed. With each ecotype along the gradient, other environmental variables are considered to assist in creating the break between cool and warm mixed conifers, which are often elevational breaks as both species have moisture availability but the cool and warm illustrates the break in temperature. The information produces a "rainbow" map of Eastern Washington forests color-coded based on the assignment of vegetation ecotype. The maps differentiate forested areas with a low climatic water deficit because of the availability of moisture compared to other areas. Approximately half of the land base is assigned to the dry mix conifer ecotype.

Commissioner Janicki commented on the possibility of pursuing the analysis through the Technical Advisory Committee (TAC) as a joint effort to agree mutually on the science for utilizing the projections across the larger landscape rather than only on DNR trust

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lands. That might benefit DNR by ensuring the right seedlings are grown and plantings are staggered consistently. She asked about the role of the TAC in assisting the Department analyze and produce information. Ms. McBurney advised that in prior meetings with the TAC, components of the information has been presented to members. Commissioner Janicki noted that the effort presents a tremendous opportunity because the body of work should be completed collaboratively to produce an outcome as accurate as possible.

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Mr. Cahill inquired as to whether any other jurisdictions or timber companies have completed similar forest estate modeling. Ms. McBurney said she was not able to identify any other entity undertaking a similar process. However, some entities are reluctant to share planning processes. The Bureau of Land Management has completed some similar modeling. The modeling effort is relevant as a model without any disturbance or climate shifts in Eastern Washington would not be recommended as a basis for decision-making. It is important to understand future risks and how it might change decisions.

Overview of DNR Managed Lands

Todd Welker, Deputy Supervisor for State Uplands and Bill Wells, Acting Forest Resources Division Manager

Mr. Welker briefed the Board on conservation acres on DNR managed lands and shared information on the new organizational structure of State Uplands Programs. He assumed the position five months ago replacing Duane Emmons and Angus Brodie.

Mr. Welker thanked the Board for acknowledging the work completed by staff within the regions. He consistently hears their concerns surrounding the work and the low morale in the State Lands Program because staff often believe their work is meaningless when they complete work following laws and policies. He plans to include information about the outcome of the meeting in a monthly newsletter to each region that reflects the support by the Board.

Mr. Wells said the briefing will cover the different land classes DNR manages in Western Washington that are conserved for different reasons.

DNR managed lands are allocated into seven land class categories. He cited information on the breakdown of three age classes located within each of the seven categories. Each land class is mutually exclusive. For example, Land Class 3 – Riparian Areas is comprised of all riparian areas not covered in Land Class 1 and Land Class 2. Land Class 1 is comprised of NAP/NRCA/Non-Commercial Forested to include riparian areas that exist within the class. The age is based on DNR's inventory that provides age estimates at a 1/10th acre pixel scale. Given the ages within a stand, the median is the most appropriate characteristic of stand age than the mean when evaluating with no field verification. Using the median age helps to reduce the edge effects of pixels from adjacent stands that influence the overall age of the stand of interest.

Mr. Wells added that DNR policies and data influencing implementation are complex and create challenges when allocating DNR managed lands into distinct management categories. For example, non-forested areas are included in Land Class 1. Non-forested

categories also include DNR roads and power line corridors. Additionally, many areas are excluded from any type of harvest activity but in some specific areas may be harvested. One example is DNR's Marbled Murrelet Long-Term Conservation Strategy which allows special habitat areas to be thinned in some specific situations to meet Northern spotted owl habitat goals. Areas listed Class 7 – GEM Lands (General Ecological Management) are reflected to be open to all types of management; however, unstable slopes that are not field verified but identified during a timber sale layout often cannot be considered for any type of harvest activity. The class categories are intended to reflect a high illustration of how different age classes are distributed across different categories on DNR lands with a range of forest management options. Overall, the categories reflect the acres restricted from harvest and conserved, acres subject to harvest restrictions, and acres primarily available for harvest activities. He noted that a prior public comment citing a shortfall of GEM lands within the presentation did not account for the total acreage of GEM lands across the landscape.

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Mr. Wells described the seven land classes and allowed activities within the landscapes:

- I NAP/NRCA/Non-Commercial Forested
- 2 Long-term Deferral
 - 3 Riparian Areas
 - 4 Post-2000 Final Harvest
 - 5 SOMU/ROS/Unstable Slopes
 - 6 Short-term Deferral
 - 7 Remaining GEM Lands

 Superintendent Reykdal asked whether Class 5 lands are areas considered to house legacy forests. Mr. Wells said he was not able to speak to whether the current auctions are located in Class 5; however, as one example, the Olympic Experimental State Forest (OESF) includes a requirement for 11 admin units to achieve a goal of preserving 40% for owl habitat. Typically, the stands are older. When an admin unit is below the threshold of 40% no owl habitat can be harvested. If an admin unit is above the 40% threshold, the unit can be harvested above the 40% without dropping below the threshold. In many areas, acres of pre-1900-1944 trees may not be available for harvest at any one given time because of the need to maintain thresholds.

Mr. Welker noted that the lands containing legacy trees are typically located in Class 7 – GEM Lands.

Vice Chair Brown asked whether most timber sales are located within GEM lands. Mr. Wells affirmed that most timber auctions are located within GEM lands. GEM lands include both conserved and managed land. Managed lands can be harvested.

Mr. Welker prefaced his land map presentation by sharing that the information is meant to reflect conservation efforts and good management of DNR lands. The visual examples identify conservation areas within the landscape resulting in small areas that are harvestable. Several maps were shared reflecting land classes identified by different map layers resulting in remaining lands that could be harvested in specific areas. In pre-1900 age stands, 72,500 acres are located in Western Washington on DNR managed lands with

only 5,100 acres harvestable. Ninety-three percent of those lands are set-aside in conservation. In 1900 to 1945 stands, 100,000 acres of 139,900 acres are conserved providing 39,500 acres of that specific age class for harvesting. Of the pre-1945 land base, only 44,000 acres or 21% of the 212,000 acres could be harvested. More than half of all DNR lands are in a conservation status.

Mr. Cahill cited the chart on younger forests in management of 780,000 acres. He asked about the amount of acreage that could be harvested today. Mr. Welker explained that none would be harvestable as the HCP is less than 25 years old. It is possible for a harvest in the next decade. Mr. Wells noted the young forests are older than 1945 and have not been previously harvested since the HCP was adopted in 1997. Mr. Wells added that age is only one component of a harvesting decision. Other factors include access, roads and bridges, harvest types, location on the landscape, and staffing resources.

Mr. Welker noted that of the conserved acres of DNR managed lands, standing carbon sequestration totals nearly 53 million tons and 40 million tons on managed acres based on modeling. Across Western Washington, approximately 1.9 million acres exist in government ownership. Approximately 1.2 million acres of 1900-1945 forests exist in government ownership with 3.9 million of younger and non-forested areas existing in Western Washington. Total acreage in ownership by the state and federal government is 7 million acres. DNR's ownership represents a small portion of the total acreage with 93% of pre-1900 acres conserved and 79% of all pre-1945 acres conserved.

Mr. Welker referred to quotes from Jerry Franklin. Mr. Franklin has offered many positive comments about DNR in both books and recently in an article in the *Seattle Times* stating, "We see, for example, Washington DNR doing things very differently than they did 25 years ago, leaving trees, reserving older forests."

Vice Chair Brown thanked staff for supporting the work as the information provided good context to support decisions by the Board.

ADJOURNMENT

Vice Chair Brown adjourned the meeting at 12:30 p.m.

Approved this day of
Approveduia Webinar
Hilary S. Franz, Washington State Commissioner of Public Lands
Jin Capill
Jim Cahill, Designee for Governor Jay Inslee
1150/
Chris Reykdal, Superintendent of Public Instruction
Approveduia Webinar
Lisa Janicki, Commissioner, Skagit County
Absent
Dr. Wendy Powers, Dean, College of Agricultural, Human, and Natural Resource Sciences,
Washington State University
04/2
Dan Brown, Director, School of Environmental and Forest Sciences, University of Washington
Attest:
Dami Del Passo
Tami Kellogg, Board Coordinator

Prepared by Valerie L. Gow, Recording Secretary/President Puget Sound Meeting Services, psmsoly@earthlink.net