
Minutes
Board of Natural Resources Meeting
May 3, 2022
Webinar/In-Person, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County

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

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

The Honorable Chris Reykdal, Superintendent of Public Instruction

Dr. Richard Koenig, Interim Dean, College of Agricultural, Human, and Natural Resource
Sciences, Washington State University

CALL TO ORDER

Chair Hilary Franz called the meeting to order at 9:00 a.m.

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

WEBINAR FORMAT BRIEFING

Ms. Tami Kellogg, Board Coordinator, provided an overview for viewing and participating in a combination webinar and in-person meeting.

APPROVAL OF MINUTES

Chair Franz requested approval of the minutes for the April 5, 2022 regular Board of Natural Resources meeting.

MOTION: Dr. Brown moved to approve the minutes.

SECOND: Mr. Cahill seconded the motion.

ACTION: The motion carried unanimously.

LIGHTNING TALK

Rights-of-Way

Scott Nelson, Acting Leasing Assistant Division Manager, Products Sales and Leasing

Mr. Nelson reported five Rights-of-Way Specialists in Olympia and 11 Rights-of-Way Specialists within DNR's regions staff the Rights-of-Way Program. Staff members have a diverse background, spanning commercial, utility, municipal, arboriculture, real estate,

1 foresters, law, negotiations, project management professionals, and transaction
2 experience. Specialists can grant and acquire legal access. When granting access, DNR
3 provides access for external stakeholders using permits or easements for many purposes.
4 Some access requests for resource extractions are mandatory. Some automatic access
5 applies to certain utilities and government stakeholders with condemnation authority.
6 Staff utilizes multiple legal documents to acquire access from third parties for trust land
7 management activities. Some tools are easements providing the state with real property
8 rights on the land and permits and licenses used for temporary access. Legal access is
9 typically a written document, an easement, permit, or a license granting clear access
10 rights. The purpose is important in terms of whether the access allows timber haul,
11 ingress or egress, administrative use only, or for resource extraction. County roads and
12 state highways also provide the state with legal access. The Rights-of-Way Program
13 grants access for multiple purposes including electric, water pipelines, communications,
14 utilities, third-party timber sales, agriculture land management, county roads, and
15 residential access. The program also completes transfers of jurisdictions with state
16 agencies and conducts easement exchanges. All grants must be valued at full market
17 value per statute. DNR does not readily grant residential access; however, residential
18 access can often conflict with land management activities and imposes safety concerns.
19 Some of those concerns are roads built for resource management and not for residential
20 use. Roads are often narrow and maintained only as needed during active timber sales.
21 Easement exchanges are completed with other large landowners, such as industrial timber
22 landowners or grazing landowners to grant and acquire easements. The exchanges are
23 often managed to ensure permanent access is obtained without expending large sums of
24 funds. The Rights-of-Way Program acquires legal access from third parties for resource
25 management and administration of state trust lands. Agency policy is to acquire perpetual
26 access via easement documents. When required, a road use permit can provide temporary
27 access.
28

29 Accomplishments during fiscal year 2021 included generating \$1.48 million in revenue,
30 granting 90 new easements or road use permits, granting 75 land use licenses, obtained
31 73 agreements for gaining access from third parties, and managed 7,703 active
32 agreements. The Rights-of-Way Program is a critical component of timber sales
33 planning entailing early development of access for removal of timber. Planning includes
34 options and alternatives to meet site-specific needs of the individual timber sale.
35 Planning must meet the needs of the long-term goals of the agency and not just for timber
36 sales. Outreach to property owners occurs in advance to address known concerns or
37 resolve any potential issues. The program guarantees legal access prior to the timber sale,
38 resolves access issues before hauling during timber sales and reserves access for future
39 opportunities. The program ensures full compensation for the trust for encumbrances
40 placed on state uplands and assists proponents with access needs.
41

42 **PUBLIC COMMENTS**

43 **Rod Fleck, City of Forks**, asked for a review of the policy decision or the announcement
44 in April of 12,500 acres of large trees released as part of the long negotiated and long-
45 term Marbled Murrelet conservation strategy. Many questions continue about
46 procurement and administrative processes; however, Section 2 of RCW 43.30.215
47 charges the Board to establish policies to ensure the acquisition and management of state

1 lands based on sound principles and design to achieve the maximum effective
2 development in the use of those lands consistent with applicable laws. The notice to the
3 press prior to the Board meeting did not spark questions from the Board. A month later,
4 the Board should be asking questions. Additionally, it appears the sale was a poor bargain
5 for beneficiaries. The Board should examine those issues.
6

7 **Heath Heikkila, AFRC**, cited a letter to the Board by numerous purchasers of DNR
8 timber. They requested that the Board step up, review, and request an extensive process
9 to analyze the impacts of a decision, as well as approve any lease of DNR trust lands for
10 carbon. As cited earlier, the RCW places decisions at the purview of the Board. The
11 Board is uniquely suited to make a decision because of examining the issues for years, as
12 well as approving Marble Murrelet long-term conversation strategy resulting in the
13 release of many acres. The Board developed and approved the Sustainable Harvest
14 Calculation, which the recent decision has effectively changed. Members have the ability
15 to consider all facts rather than listening to concerns about harvesting in one area versus
16 considering global implications of decisions for both the environment and economics.
17 Some significant legal questions exist about the action based on the RCWs that clearly
18 denotes lands be managed under a sustained yield basis.
19

20 **Ed Bowen, Clallam County**, commented on the lengthy amount of time required to
21 understand why Units 2 and 9 were not included in the Tye Ridge timber sale since the
22 release of the original packet for public review. He assumes the withdrawal is a function
23 of recent action for an interim policy on older forests. He recently learned the withdrawal
24 was because of unstable slopes. However, it speaks to Jefferson County's petition to
25 withdraw the Beaver Valley Sorts sale. He learned of a failed bond issue for an
26 elementary school in the same taxing area where DNR plans to withdraw a sale that could
27 benefit the construction of a school. It appears climate change is at the center of
28 decisions. The Board needs to understand the reality as communities rely on timber sales
29 for their survival.
30

31 **Robert Mitchell** urged county commissioners who are beneficiaries of DNR's timber
32 extraction revenues to network and reach out to those in the carbon market field because
33 it is possible to bring wealth into those communities. County treasurers should ask DNR
34 why the state does not have a \$3.1 billion investment portfolio similar to Idaho's
35 endowment fund to fill the revenue gap. He asked whether Idaho is a better fiduciary to
36 its trust beneficiaries than DNR and questioned whether it is a statutory authority issue. If
37 so, changes to statute are possible. He cited the process for selling converted virtual
38 assets and declared how public garbage is a public policy problem and that some people
39 are not comfortable during DNR organized garbage pickup days.
40

41 **Bill Turner, Sierra Pacific Industries**, cited how each DNR timber sale undergoes a
42 rigorous review and SEPA analysis that by a wide range of DNR foresters; geologists;
43 road engineers; wildlife and fisheries biologists and others in addition to consultations
44 with tribes; local and other state government agencies; and federal agencies. The Board,
45 beneficiaries, and the public should be assured of professional, high quality management
46 of state lands. Clean water, healthy wildlife, and thriving communities depend on
47 productive working forests. This year, the Board through April approved 21 timber sales

1 in Western Washington of over 3,000 acres. Each one required a separate SEPA analysis.
2 DNR announced through a press release the set-aside of 10,000 acres without any SEPA
3 analysis. He questioned whether a press release is the legally required method and
4 whether a SEPA analysis and the Board's oversight are required. The establishment of
5 the Board was to ensure the representation of beneficiaries in all major policy decisions
6 that may affect them. The proposed sale of carbon is a policy decision because it changes
7 the current and future sustainable harvest calculations. The Board must analyze and
8 discuss the economic, social, and environmental tradeoffs. He asked the Board to pass a
9 motion exerting its authority to approve moving forward on any carbon sales program.

10
11 **Paul Butler** reported he listened to an interview on YouTube of Jerry Franklin on the *21*
12 *Century Challenges in Douglas Fir Forests*. He urged the Board, DNR managers, and
13 staff to view the presentation. The take away is the immediate need to protect all
14 remaining mature and older forests naturally regenerated in Western Washington.
15 Managed forests need to consider an array of ecological, economical, and cultural values
16 as the global society addresses climate change. He works hard to implement
17 Dr. Franklin's ecological forest management strategies to his forest for the last 15 years
18 and is dedicated to continuing the approach. He welcomed a visit from Commissioner
19 Franz, Board members, and DNR staff to visit his property.

20
21 **Matt Comisky, American Forest Resource Council**, spoke to issues surrounding the
22 lack of certainty, as DNR needs to sell 120 MMBF while the public encounters
23 difficulties trying to identify which units are disappearing, what is overlapping in the
24 carbon project, and how it affects the sustainable harvest calculation as well as other
25 issues. The state of Idaho, much like Utah, has billions of dollars available within its
26 fund; mining revenue from mining royalties; and statutory differences in how revenues
27 are distributed to beneficiaries. He spent time with many representatives of timber
28 purchases and their loggers. Certainty was the theme of the discussions as those
29 companies need certainty of volume and certainty of work to continue. He referred to the
30 State of the State Lands Report and highlighted the importance of recreation and the
31 allocation of funds for recreation. DNR plans to propose a pilot project during the
32 legislative session for the removal of approximately 5,000 acres from trust land transfer.

33
34 **Daniel Harm** complimented the efforts of the DNR carbon team. He recently listened to
35 numerous lectures from leading ecologists representing a variety of international and
36 national institutions. The main message was about the attack on native older forests and
37 ecological systems with the most important assets available to combat climate change and
38 honoring indigenous nature wisdom as essential in navigating a crisis western
39 industrialism caused. Following a recent lunch discussion with his former sponsor when
40 he was a pro-athletic, it became obvious to him that his friend understands what DNR has
41 failed to do. For example, there is only 1/10th of 1% of lands in the South Coast Planning
42 Unit that currently meet the threshold, yet DNR still plans to clear-cut. In this day and
43 age, there is no argument or justification for destroying the last remains of native older
44 forests. He agrees with supporting poor rural communities, but DNR has sufficient
45 plantations and general wealth in the state to support those communities. As eloquently
46 summed up by the late Edward O Wilson, "Destroying rainforest for economic gain is
47 like burning a Renaissance painting to cook a meal." DNR is destroying the most

1 valuable assets the state has in watersheds that are on the brink of collapse, such as the
2 Nooksack River. Approximately 80,000 acres of unprotected native and mature forests
3 should be permanently conserved as the most valuable long-term social and ecological
4 assets of the state.
5

6 **Doug Cooper, Hampton Lumber**, reported the family-owned company celebrated its
7 80th year in 2022 operating sawmills in the rural communities of Darrington, Morton, and
8 Randall. Timber harvested from DNR lands is critical to sawmills and the communities.
9 DNR is on track to fall short of the targeted annual harvest volume at the end of the fiscal
10 year. In April, DNR staff shared that the volume offered in fiscal year 2022 would fall
11 short by 100 mmbf. The timber sale program generated 8% of the gross revenue in fiscal
12 years 2020 and 2021. Placing the program back on track should be the Board's first
13 priority. The Board should expect staff to provide an update each month on the status of
14 the program and progress to meet plan volume. Hampton Lumber and the American
15 Forest Resource Council sent letters requesting the Board take immediate action and
16 pause the DNR proposed carbon project. The letter clearly states why the Board must act
17 not the least of which is DNR's own determination that displacing timber revenue with
18 voluntary carbon offset revenue will result in a loss of \$192 million in revenue.
19

20 **Jessica Randall, Jefferson County**, spoke against all timber harvests containing
21 complex forests with older trees, such as Penny Wise, Beaver Valley Sorts, Yetis Yard,
22 and others in the Capitol State Forest. Solid peer-reviewed science proves preserving
23 intact complex forest environments help to mitigate the increasingly devastating effects
24 of global warming including wildfire and extinction. She is hopeful university scientists
25 on the Board, such as Dr. Brown and Dr. Koenig will represent the science. Their choices
26 also represent tens of thousands of students burdened with the results of their choices. It
27 must be difficult to listen to so many complaints, conflicts, and corrections during the
28 meetings and policy-making must be grueling under these circumstances of juggling the
29 diverse needs of everyone including nature. She asked the Board to stay firm on
30 conservation and not back pedal with the carbon offset initiative and add more acres of
31 preserved forests instead of harvesting more mature trees.
32

33 **Edward Chadd, resident of Clallam County**, agreed with several previous speakers
34 that DNR and the Board should adopt a coherent policy on climate mitigation and
35 adaptation and keeping communities whole. He disagrees with many of the speakers that
36 climate change is the "Kool-Aid" of the day and that the state can afford to blithely
37 continue business as usual. The entire world needs to be involved in dealing with the
38 climate crisis because if not, the world will no longer have communities to add taxing
39 districts to support. The policy needs to be developed not only by the Board and DNR but
40 also in conjunction with the state and federal representatives, because it will require a
41 change in funding mechanisms. Data for the plan must come from the best independent
42 science. Unfortunately, most state legislation is not based on best science and much of the
43 research emanating from this institution does not reflect best science. There is a way to
44 access funding sources that will support communities while addressing the climate crisis.
45

46 **Brel Froebe, resident of occupied Lummi-Nooksack Territory of Bellingham,**
47 **Washington**, thanked members and staff for their service to the state and for initiating

1 the carbon project. It is a good first step in exploring how to use the carbon market as a
2 tool to conserve forests and generate funds for trust beneficiaries. It is important to
3 distinguish between the carbon project and a DNR older forest policy. The carbon project
4 will protect 10,000 previously unprotected acres yet there are thousands of acres of
5 mature and naturally regenerated forests that continue to be logged. One example is the
6 Yetis Yard timber sale. Yetis Yard is a 100-year old legacy forest in Skamania County.
7 He urged the Board not to approve the timber sale and create an older forest policy to
8 protect forests such as Yetis Yard. The protection of 10,000 acres is not close to
9 protecting 80,000 acres of unprotected legacy forests on state lands. DNR needs a policy
10 to protect ecological functions and habitat. He asked for inclusion of a number of forests
11 for protection. Previous comments from timber industry lobbyists and others speak to
12 how protecting less than .5% of state forests would somehow affect the affordability of
13 lumber. If that was true and private timber cared so much about affordability of local
14 lumber, companies would stop exporting logs overseas. He asked about the difference
15 between the voluntary market and the California compliance market in terms of the
16 carbon market.

17
18 **Mary Jean Ryan, resident of Jefferson County**, thanked the DNR team and workgroup
19 members for efforts on the new and improved Trust Land Transfer (TLT) Program. She
20 is looking forward to working together to secure a significant legislative appropriation for
21 the TLT Program during the next legislative session. She thanked staff for meeting with
22 many stakeholders to answer questions about the carbon reserve pilot. She was able to
23 walk through Penny Wise timber sale unit 7 comprised of a structurally complex mature
24 legacy forest that should be conserved. Many of the units date back 98 years and leaving
25 the units intact would help the planning region meet its HCP older forest targets. It could
26 also be a good candidate for Phase 2 of the Carbon Reserve or TLT. The logging plan for
27 Penny Wise affects 14 creeks and streams flowing into Quilcene Bay. The SEPA
28 Checklist mentions the use of chemical herbicide and the air quality section of the SEPA
29 analysis cites the possibility of emissions from trucks but is silent on emissions from
30 logging activity. Harvesting timber produces the largest source of greenhouse gas
31 emissions in Jefferson County. She asked about the possibility of staff providing a
32 briefing and discussion session on the options considered for the Commissioner's
33 upcoming recommendation for a new older forests policy.

34
35 **Jane Lanigan** noted the mission statement of DNR reflects an enormous amount of
36 responsibility and while her comments speak specifically to a proposed timber sale, she
37 pointed to the Board's obligation to protect Summit Lake located below the 60° plus
38 slope of the proposed timber sale. Maintaining one of the few biodiverse forests around
39 Summit Lake better serves future generations. Equally important is how the proposed
40 harvest would threaten Summit Lake; a natural resource DNR is responsible for
41 protecting. Summit Lake is a hidden gem where people enjoy recreation and fishing. She
42 emailed DNR a video of current runoff from one of the three streams in Delica 1 during
43 heavy rain. Runoff would be magnified 10-fold after the timber harvest and carry with it
44 chemicals known to harm freshwater fish and other aquatic species. She is concerned
45 because evidence does not show that it is safe for humans to be exposed to those
46 chemicals. An absence of evidence is not the same as safe.

1 **Tom Anderson, resident of Summit Lake,** spoke against the proposed 15-acre Delica
2 timber sale. He lives on six acres adjoining DNR land and has experienced wind damage
3 to his forested area from previous logging activities. His family has owned a cabin for 18
4 years off Summit Lake Shore Road, known as the Cove. The historic cabin is located
5 within a grove of 100+ year old trees and was built in 1942. The cabin has a seasonal
6 stream originating from the proposed harvest upland and to the south. In the early 1960s,
7 the stream was barely a trickle. From October to May the stream flows under Summit
8 Lake Road and enters a 15-foot by 30-inch culvert. For several hundred feet before
9 entering another culvert it enters the lake. For the last 15 years, the area has experienced
10 three major floods. One event ripped the 15-foot culvert from the ground and nearly
11 destroyed the cabin and a neighbor's home. In doing so, the flood deposited tons of rock
12 and silt throughout his yard and into the lake. His concern is that any logging activity
13 could and would destabilize an already fragile watershed and he and his neighbors would
14 suffer the consequences and the financial loss. The 1991 Summit Water Quality
15 Protection Plan includes goals to ensure that all harvest plans and forest management
16 activities are reviewed, coordinated, and conducted in a manner that will minimize
17 impacts to water quality.
18

19 **Karen Anderson, resident of Summit Lake,** said that for the last 45 years, she has
20 observed the 15-acre Delica area as one of the last remaining stands of natural forests
21 within the lake basin. Some of the conifers are 80 to 100 years old. Three creeks originate
22 on the parcel above the lake which flow down steep slopes onto privately owned
23 properties emptying into the lake and an area where landlocked kokanee salmon spawn.
24 Natural springs exist along the slopes where the proposed cut is planned. In the winter, a
25 significant volume of water flows into the stream between her property and her
26 neighbor's. She is concerned logging will affect the ability of soils on the slope to absorb
27 and filter excess flows. She quoted from the 1991 Summit Water Quality Protection Plan
28 about past hydrology studies indicating logging of the upland has resulted in localized
29 flooding and significant input of sediment with negative and cumulative effects on water
30 quality. DNR's 1991 60-Year Harvest Plan predicted an annual runoff increase by more
31 than 4% with some individual drainage up to 30% following logging. Hydrologists also
32 acknowledge runoff production will increase after timber harvesting because trees
33 remove up to 25 inches of rainfall per year. The majority of the 600 residents depend on
34 lake water for drinking and are concerned extra sediment will contribute to toxic algae by
35 increasing nitrogen and phosphorus and affecting water quality.
36

37 **Richard Spero, resident of Summit Lake,** remarked that the majority of timber sales
38 considered by the Board are in remote areas where no one cares as much; however, the
39 Delica timber sale is in his neighborhood at the edge of a recreational area next to homes
40 and drinking water. Although the approvals are likely routine for the Board, he can assure
41 the Board that the approval is not routine for him and his neighbors. The Board will vote
42 and move on while the neighborhood has to live with the decision. The runoff caused by
43 cutting down trees will destroy roads and houses that the community will have to live
44 with. If the herbicides affect the drinking water and the community is forced to buy
45 drinking water, the community will have to live with it. Looking at the slash wasteland of
46 the cut every day for years is just one more thing the community will have to live with. If
47 anything goes wrong, potential damages will be much more than what the sale is worth.

1 He asked if that is a risk the Board is willing to take. Should the Board live next to the
2 cut, he asked whether they would vote to approve the sale. He would hope not and
3 questioned why the Board is putting his community at risk. He asked the Board to do the
4 right thing and vote no.

5
6 **Jim Stoffer, Sequim School Board, representing the WSSDA Trust Lands Advisory**
7 **Committee**, conveyed appreciation for the ongoing work by the Trust Lands Transfer
8 Working Group. The group appreciates the work of the Board and DNR staff and the
9 complexities of the public conversations and the process. It is important to ensure the
10 fiduciary responsibilities to the beneficiaries, especially public education. Revenue
11 derived from Common School trust lands and state forest lands support education
12 programs and facilities. Regardless of the sales in Jefferson County, if the bond had
13 passed for the Quilcene School District, the district would have received a state match
14 from the Common School trust lands account.

15
16 **Sharon Prager** referred to the Delica timber sale and invited Commissioner Franz to
17 visit Summit Lake and tour the site of the proposed timber sale. Summit Lake is a
18 beautiful community with the lake over 100 feet deep. Less than mile from the lake
19 slopes rise up to a 1,000 feet. The 15 acres for logging are located on the slope and will
20 cause runoff into the lake creating sediment damage and chemical contamination toxic to
21 freshwater fish, as well as creating algae blooms. The lake and the cut are less than two
22 miles from the Ranch House, a BBQ restaurant destroyed by a landslide in 2007. DNR
23 settled with the restaurant for \$800,000, more than the timber sale will generate. The
24 community is concerned about landslides, such as the Oso mudslide in 2014 that killed
25 43 people.

26
27 **Patricia Jones, Olympic Forest Coalition**, referred to the Penny Wise timber sale in
28 Jefferson County and requested DNR defer the sale to meet older forest targets required
29 by the Habitat Conservation Plan (HCP), avoid aquatic impacts on important salmon
30 habitat and watershed, and to correct clear deficiencies in the SEPA analysis. Unit 7
31 features a cohort of structurally unique old growth trees of many species. DNR
32 misapplied the Van Pelt maturation analysis in the SEPA. The stand meets the definition
33 of older forests. DNR claims that variable retention harvested stands will become older
34 forests. Other units in the sale are evidence as to how wrong those assumptions are.
35 Harvested 100 years ago, those stands are not a mature structurally complex forest.
36 Climate is forecast to be 2° to 5° warmer by the end of the HCP. Increased summer
37 temperatures, drought, and carbon impacts are inadequately addressed in the SEPA.
38 Herbicides and other impacts will further impact the Big Quilcene River, Quilcene Bay,
39 impair waters of Hood Canal, and are not adequately analyzed in the SEPA documents.
40 Coordination with state and federal agencies, such as the federal fish hatchery located in
41 the watershed is unclear in the SEPA and would likely score high in a high conservation
42 value assessment and as a strong candidate for including it within the recently launched
43 DNR carbon offset project. It is irrational to harvest one of the very few stands of this
44 quality remaining on the Olympic Peninsula and pretend that everything will just turn out
45 okay.

1 **Beverly Parsons, Hansville, Washington**, requested the Board boldly establish the
2 legacy forest policy and TLT Program and not be intimidated by those who focus on
3 extracting life from forests. The Board should stand up for the ongoing life-giving role of
4 legacy forests and trust lands now and for future generations. It is important to consider
5 that humans do not inherent the earth for consumption, but rather borrow from their
6 children and grandchildren. It is important to recognize the life forests provide on a daily
7 basis. Return to the next generation this life that is being borrowed and more abundantly
8 than used. The motto should be borrow, use, and return rather than take, make, and waste,
9 which is the dominant pattern of recent settlers of the land. The Board should listen to the
10 young people who call on the Board to return with greater health what is being borrowed
11 from them. Youth understand sustaining the cycles of life rather than the cycle of current
12 day markets as it opens new possibilities for an economic and socially healthy future. The
13 Board should provide the leadership for the direction needed for the well-being of
14 everyone.

15
16 **Court Stanley, representing Washington State Association of Counties (WSAC)**, said
17 the non-profit association serves 93 counties with a membership of elected officials,
18 council members, and executives. The carbon project announcement and the attempt to
19 set-aside an additional 10,000 acres of harvestable timber is a surprise. WSAC is aware
20 DNR has considered alternative methods for generating revenue from trust lands to
21 provide additional resources to beneficiaries. The Trust Land Performance Assessment
22 completed in 2020 clearly stated that intent. Once the Deloitte Report was completed,
23 DNR asked WSAC to review the recommendations for trust lands and provide feedback.
24 WSAC was also asked to tell the agency how counties would like to engage in the
25 process for evaluating and implementing recommendations. WSAC responded in writing
26 that WSAC would like to be consulted with any decision regarding county trust lands and
27 for any other trust lands of interest by WSAC. It was the understanding that DNR agreed
28 with the request. Trust lands are managed on behalf of counties and other beneficiaries
29 that would like and appreciate being part of the conversation before a proposal is
30 released. The process to register carbon credits takes several months and the request is to
31 include WSAC in the process moving forward. WSAC believes carbon is an important
32 forest product today and in the future but has serious concerns when DNR intends to
33 replace harvested wood products with carbon credits.

34
35 **Peter Goldman, Washington Forests Law Center**, said the proposed carbon project is a
36 step in the right direction. While many in the conservation community have important
37 reservations and questions about the pace and scope of the project, stakeholders
38 appreciate the efforts by Commissioner Franz to better capture the monetized carbon
39 value of state forest lands for the benefit of the trust and for all people. For those that
40 have verbally responded and threatened legal action against the project, there is nothing
41 behind those legal and policy claims. Until the State Supreme Court issues a ruling in
42 *Conservation NW v Franz*, no will know DNR's authority and duties. But in the 1996
43 Attorney General's Opinion No. 11 on how DNR manages state forests, it was clear
44 advice that DNR has the discretion to diversify and preserve trust assets for the future and
45 to sacrifice short-term financial gains for longer term returns when the steps are deemed
46 to be in the best interests of the trust. No one knows today how valuable carbon-saturated
47 forests will be in a climate challenged future. And who knows how climate change will

1 affect the growth of DNR's forests in the future. DNR today has the authority to take
2 those factors into account even if means receiving less board feet for the trusts for the
3 short-term. DNR manages for the beneficiaries and not for the timber buyers or even for
4 local political considerations. DNR can achieve sustainable and fiduciary duties in many
5 ways other than auctioning every sale. He urged DNR to ensure the transparency of the
6 process.

7
8 **Andy Zahn** requested cancellation of timber sales of older forests to be presented later.
9 The Board should cancel sales in forests regenerated prior to 1945. While DNR's carbon
10 project is a step in the right direction, it does not go nearly far enough. Ten thousand
11 acres is inadequate for protecting legacy forest on state lands. DNR must protect all
12 legacy forests before it is too late. Those forests are irreplaceable. As a study recently
13 published, habitat loss as a result of logging older forests leads to the long-term decline of
14 bird populations. It is imperative the Board act to preserve legacy forests.

15
16 **Erik Steinhoff** reiterated Jennifer Belcher's opening letter for the 1997 Habitat
17 Conservation Plan stating, "Our HCP will provide certainty, stability, and flexibility to
18 both the trusts and wildlife." He complimented DNR for taking a bold first step with the
19 carbon pilot project announced last month. The project is an excellent example of
20 exercising the flexibility on behalf of wildlife that dearly departed former Commissioner
21 of Public Lands Jennifer Belcher described. He recently went for a hike in the upper
22 reaches of Beatty Creek, an area recently conserved as part to the carbon pilot. He asked
23 Commissioner Franz to announce revocation of the Smuggler Unit 2 timber sale because
24 it is a legacy forest naturally regenerated since World War II and immediately adjacent to
25 the carbon reserve.

26
27 **Lisa Riner** said the forest industry is denuding forests in Washington and it is apparent
28 Weyerhaeuser has control over the Legislature to a large degree. The Board is
29 represented by few elected officials. Many of the other speakers have worked for elected
30 officials because many believed they would be responsive. Living in a small community
31 in Grays Harbor County as a young woman, she realized extractive industries are not
32 sustainable. She witnessed the denuding of Wynoochee River Valley. Continuing
33 denuding the valley and legacy forests has broken hearts, is not sustainable, and will not
34 help the economy. She is hopeful smaller communities complaining about timber
35 harvests will wake up as it is important to work together to have industry that are not
36 extracting industries. The Washington State Legislature should be listening as it must
37 take the lead on the issue.

38
39 **Miguel Perez-Gibson, Washington Environmental Council (WEC)**, spoke in support
40 of the carbon project as a first step for increasing carbon storage on state forest lands.
41 However, a 10,000-acre project is not sufficient to meet the challenges of the climate
42 crisis and a more holistic approach should be considered for all state lands. The
43 discussions by the Board, stakeholders, and DNR are too often focused on the overly
44 simplified either/or choice between business as usual, clearcutting, or complete
45 preservation. It is hoped the carbon project does not further solidify this binary
46 perspective because the Board should develop a full carbon planet policy that holistically
47 manages all 2.1 million acres of state forest lands rather than initiating and ending

1 discussion about climate and forests on state lands with a 10,000-acre carbon project. A
2 wide range of strategies are required on carbon and climate that align with other
3 management objectives. WEC is not advocating for carbon projects or preservation on all
4 state forest lands, but wants various climate smart management practices incorporated
5 across the landscape including on lands managed for timber. Staff should propose a more
6 ecologically-based management practice across the landscape to generate revenue for
7 timber harvests while protecting other benefits derived from the forest. He cited
8 excerpts provided to the Board from the Policy for Sustainable Forests on innovative
9 silviculture as an example of practices that can be accomplished within existing policies.

10
11 **Dennis Olsen, Stella-Jones**, said his company manufactures utility poles. The state's
12 public working forests are critical to the utility pole industry across the nation. The
13 various age stands the state offers are critical to the national infrastructure. The Board
14 should protect and save public working forests as they are critical for combating climate
15 change, for rural communities for jobs, and for state beneficiaries. Decisions should not
16 be based on emotion or political agendas, but based on science and mandates. He asked
17 for a halt of the 10,000-acre carbon project until the completion of a full analysis on the
18 carbon benefits. Carbon storage as well as carbon sequestration should be considered
19 rather than a one-time lock-up of carbon. The Board should consider what makes the
20 most sense for the state's beneficiaries.

21
22 **Jillian Froebe, resident of Whatcom County**, thanked DNR for initiating and
23 implementing the carbon project as a first step in a long-range comprehensive plan to
24 protect all older intact forests on state land for the purpose of carbon storage instead of
25 timber harvest. She joins others to specifically request the Board not approve the timber
26 sale of Yetis Yards in Skamania County and all other legacy forests under consideration.
27 She asked that Whatcom County's legacy forests, such as the Upper Rutsatz be included
28 in Phase 2 of the carbon project. It is hoped that the carbon project is a beginning of a
29 multifaceted policy that is climate smart protecting every acre of century old forests
30 across Western Washington. DNR has younger plantations of trees for harvesting that
31 would supplement private logging and sustain employment in rural communities. Legacy
32 forests are not mono-cropped tree plantations but are lifeboats for biodiversity and for all
33 children today and tomorrow. Older trees sequester carbon at higher rates within the
34 nation.

35
36 **Sarah Gardam, resident of Whatcom County**, spoke as a concerned citizen advocating
37 on behalf of older forests. Some battles are worth fighting on principle no matter the
38 outcome and this fight to save the last few irreplaceable older forests is one of those
39 battles. She is glad to learn that some temporary protection was granted to a few forests.
40 However, protecting 10,000 acres is not sufficient to maintain the ecological health of
41 this biosphere. She asked to increase protection to 80,000 acres or the last remaining
42 acres of structurally diverse naturally regenerated legacy forest left in the Puget Sound
43 lowland. Most speakers are asking for action that is moderate and reasonable as most are
44 asking DNR to preserve a tiny fraction of the forest currently managed for timber
45 harvesting on public land. The Board should create an older forest policy that is at least
46 robust enough to protect the region's last remaining older forests.

1 **TIMBER SALES (Action)**
2 **Auction Results for April 2022, & Proposed Timber Sales for June 2022**
3 **Patrick Ferguson, Product Sales & Leasing Division**
4

5 Mr. Ferguson presented the results of the April 2022 auctions. The Department offered
6 four sales totaling 14 mmbf. All sales sold totaling \$5.3 million for an average of \$375
7 per mbf with 2.2 bidders per sale on average. The number of bids was lower than usual
8 factoring more on the location of the timber sales rather than the market.
9

10 Mr. Ferguson addressed timber sales volume to date. To date, the Department has sold
11 328 mmbf. Approval of the proposed June sales increases sale volume to 440 mmbf for
12 the fiscal year.
13

14 Mr. Ferguson invited questions from the Board.
15

16 Dr. Brown questioned the total fiscal year deliverable versus the target based on the
17 Sustainable Harvest Calculation. Mr. Ferguson explained that the beginning year target
18 was approximately 560 mmbf. The Department anticipates experiencing a shortfall of
19 approximately 120 mmbf for the fiscal year. Some sales were delayed or deferred
20 because of the lack of staff capacity, snowfall, and other issues. Those sales will move
21 forward during the first quarter next fiscal year.
22

23 Mr. Ferguson presented the proposed sales for June 2022. Twelve sales totaling 52.6
24 mmbf with an estimated value of \$17.8 million and a stumpage of \$338 per mbf are
25 proposed for auction during June representing a delivered value because a sort sale is
26 included in the package.
27

28 Mr. Ferguson invited questions and comments from the Board. No comments or
29 questions were offered.
30

31 Mr. Ferguson recommended approval of all sales as proposed.
32

33 Chair Franz asked for consideration of a motion to approve the proposed sales as
34 presented.
35

36 **MOTION:** Commissioner Peach moved to approve the proposed sales.
37

38 **SECOND:** Superintendent Reykdal seconded the motion.
39

40 **ACTION:** The motion was approved unanimously.
41
42

1 **CHAIR REPORT**

2 **Carbon Project**

3 **Csenka Favorini-Csorba, Policy Advisor**

4
5 In response to public comments surrounding DNR’s carbon pilot project, Chair Franz
6 explained that as stewards of state public lands, the agency must take the right actions in
7 the right places at the right time. A one-size-fits-all approach for forests, watersheds, and
8 other landscapes would be disastrous for society, the environment, and the economy
9 today and in the future. The Board and many members of the public raised questions
10 about the impacts of carbon pollution in the state and how policies from the Board can be
11 brought to bear on the most existential issue facing the planet today - climate change. In
12 2018, principles for addressing climate change were developed, and in 2020, the agency
13 published its plan for climate resilience providing a roadmap to fight offensively and
14 defensively against climate change using abundant natural resources and ecosystems. In
15 2020, the Trust Land Performance Assessment completed by Deloitte identified carbon
16 markets as an opportunity that should be included as another tool in the management of
17 trust lands. In 2021, the State Legislature and the Governor passed the Climate
18 Commitment Act to reduce state greenhouse gas emissions.

19
20 Over the last year, several Board members have requested the agency consider the value
21 of state forests for mitigating climate change and securing value for carbon. Private forest
22 sectors have been using carbon markets to protect and ensure the value of forests for
23 carbon. Subsequently, the DNR team considered options by recognizing the value of
24 forests for climate defense. DNR is already a leader in sustainable forest management
25 using rigorous science-based and environmentally sound practices. DNR recently
26 launched the next generation of carbon projects as a transformative approach for
27 preserving the most ecologically valuable forests while continuing to provide essential
28 funding for government services that support communities throughout the state and
29 provide the most sustainable carbon-rich building products by using an internationally
30 recognized and well-established methodology. DNR will identify forests with high
31 conservation values that are best suited to generate revenues as carbon projects. Criteria
32 include areas with significant concentrations of biodiversity, crucial ecosystems for
33 habitat and species, critical watershed areas experiencing increasing drought, and sites or
34 resources that are fundamental to the cultural heritage of indigenous populations. DNR’s
35 goal for the carbon project is to protect 10,000 acres of ecologically valuable forest in
36 Western Washington and using carbon markets to generate tens of millions of dollars for
37 schools, libraries, hospitals, counties, and public safety. The project prices are carbon-
38 based on the true value of state forests helping to ensure stable resources for beneficiaries
39 that rely on the forests to fund essential services. Because of climate change, the agency
40 refocused and is accelerating efforts daily to ensure the sustainability of forests and
41 communities for today and future generations. The pilot is another tool in a toolbox
42 lacking sufficient tools to address the needs to protect high value ecological forests and
43 climate resilience. The only tool available today is the limited Trust Land Transfer (TLT)
44 Program.

45
46 Today, the agency is attempting to manage forests to respond to climate change, to
47 provide value to beneficiaries, protect high ecological value functions, and address

1 climate challenges with only one tool. The carbon project provides another tool in the
2 toolbox to manage lands for multiple generations. The tool is finely tuned and place-
3 specific and enables targeting the project to the unique needs of each forest, ecosystem,
4 and surrounding communities. The carbon project balances a commitment to store more
5 carbon in the forests and provide local mills with local grown wood from sustainably
6 managed forests. Agency efforts have proven the ability to manage for multiple
7 outcomes, which is what the carbon project represents.

8
9 Chair Franz recommended the Board not revise existing old growth and older forest
10 policies that are based on sound science from some of the most preeminent forest
11 scientists, such as Jerry Franklin. Those policies were developed through an extensive
12 public process. She suggested focusing on developing the right tools that best steward
13 and manage state forest lands while considering the total ecological function and value
14 through a climate change lens to generate the economic and social benefits for
15 communities as well as providing clean air, clean water, and environmental benefits for
16 generations. Carbon projects in Washington have the potential to shift carbon markets
17 nationwide and give value to the state's forests. Chair Franz said she looks forwards to
18 working with the Board and the community.

19
20 Angus Brodie, Deputy Supervisor for State Uplands, noted the agenda also includes a
21 second Chair Report.

22
23 Duane Emmons, Acting Deputy Supervisor for State Uplands, introduced Csenka
24 Favorini-Csorba, Policy Advisor, who is leading the carbon pilot project at the agency.

25
26 Ms. Favorini-Csorba outlined the process leading to the announcement of DNR's carbon
27 pilot project.

28
29 Ms. Favorini-Csorba reviewed how the Board adopts policies that guide DNR's work to
30 achieve multiple objectives to generate revenue for beneficiaries, for determining long-
31 term sustainable use and harvest levels, and maintaining intergenerational equity through
32 stewarding assets and providing lasting benefits to current and future generations.

33
34 Policies and actions are not static and are responsive to changing conditions both in the
35 physical and cultural landscape. Over the last several decades since the adoption of the
36 HCP, the management of forests has undergone substantial change with goals to better
37 balance timber production with ecological values. Today, the planet is in a climate crisis.
38 Climate change is undeniably the largest and most consequential challenge facing the
39 agency. Recent Intergovernmental Panel on Climate Change (IPCC) reports declare a
40 rapidly closing window to secure a livable future. As a land manager and the state's lead
41 in wildfire response, DNR is aware of how climate change has impacted the state and is
42 responding to the challenge.

43
44 For years, strategic plans and assessments identified the need to capitalize on
45 opportunities to use carbon markets as a new tool enabling the generation of revenue for
46 beneficiaries while addressing climate change. Recent interest by the Board and the
47 public has focused on how DNR manages its lands while considering carbon and the

1 climate crisis. Over the last year, DNR engaged in a series of conversations aimed at
2 clarifying the role of older forests and mitigating climate change and how management
3 practices can contribute to increased carbon sequestration. After nearly two years of
4 exploring options for entering carbon markets, while meeting fiduciary responsibilities to
5 the trust, DNR recently announced the first of its kind carbon project on state lands.

6
7 The project is grounded in science and focuses on high conservation value forests and
8 high stock forests to ensure protection of those forests that are best suited for carbon
9 storage and sequestration. Using the forest areas to enter carbon markets, DNR will
10 continue to generate consistent and long-term revenue for beneficiaries while ensuring a
11 tangible climate benefit by establishing high standards for the quality of the project to
12 reduce emissions and contribute to carbon removal.

13
14 On April 6, 2022, DNR announced a 10,000-acre carbon project to set-aside high
15 ecologically valuable forests to generate revenue by storing and sequestering carbon. The
16 forests are extremely carbon rich in Western Washington and store more carbon than any
17 other forest in the nation. Stands selected are important ecologically and culturally and
18 are uniquely suited for removal from the planned harvest schedule as set-aside for
19 conservation while continuing to generate revenue for beneficiaries. The project is
20 divided into two phases beginning with the announcement and the identification of 2,500
21 acres for inclusion in the set-aside. The acreage is the subset of operable acres within the
22 stands and represent the acreage generating carbon credits by avoiding emissions and
23 future growth.

24
25 The project areas in some instances include riparian buffer zones and other conservation
26 zones. Those areas would not generate credits as part of the carbon project and would not
27 count as part of the 10,000-acre goal. Phase 2 will use the high conservation value criteria
28 as a framework to guide the selection of the remaining 7,500 acres.

29
30 After all 10,000 acres have been identified, DNR will enter into a lease agreement for the
31 project areas to retain trees to generate revenues through the sale of carbon credits. The
32 lease areas will continue to grow and sequester carbon generating credits throughout the
33 lifetime of the project to provide beneficiaries with consistent and long-term revenue
34 streams.

35
36 DNR is developing the project with an extremely robust calculation rather than using
37 hypothetical worst case scenarios of what could have happened in the absence of a
38 carbon project. DNR anticipates setting a new standard for the price of carbon as staff has
39 engaged in discussions with several companies and anticipates working with a buyer
40 willing to pay the true value. Throughout the development of the project, the best
41 interests of the trust have been foremost with the project mitigating climate change to
42 protect assets today and in the future. The project represents a new revenue stream for the
43 agency, which diversifies its portfolio, but also provides steady, predictable, and long-
44 term revenues.

45
46 Throughout the project, staff will continue soliciting feedback from the Board and
47 communities to ensure the project is moving forward appropriately.

1
2 During Phase 2, staff will identify the remaining 7,500 acres to complete the full 10,000
3 acres, as well as developing lease terms and ensure the project can be listed with the
4 carbon registry. Once listed, the formal process includes inventorying and verifying the
5 credits generated by the project based on the protocol.
6

7 Ms. Favorini-Csorba invited questions and comments from members.
8

9 Dr. Brown offered that his questions surround two major categories with the first
10 surrounding the process. Public comments offered about the project are in the context of
11 the agency's management of forests generally and that the decisions made by the Board
12 and the Department are subject to SEPA evaluation. He asked whether the project
13 includes a SEPA process. Mr. Emmons explained that typically, for a lease project, the
14 agency completes a SEPA process; however, for the pilot project, we would not complete
15 a SEPA because the project does include the conversion of land use. As the project is
16 new for the agency, staff plans to speak to SEPA officials within the agency and with the
17 Department of Ecology to determine whether a phased SEPA would be appropriate.
18

19 Dr. Brown suggested that the question as to whether the project is a change in land use is
20 not a foregone conclusion, as the project would convert rotation forestry to conservation.
21 However, with respect to the Board and Department's responsibilities, the project falls
22 outside of typical categories because of the direct implications on the Sustainable Harvest
23 Calculation and the degree to which the Board meets its obligations within that
24 calculation. For example, a lease for solar or wind would not have any effect on other
25 parts of the agency's business, while the pilot project would affect other parts of the
26 agency's business. He questioned potential implications in terms of the interlinkage
27 between the leasing activity and the sustainable harvest.
28

29 Mr. Brodie affirmed the projects connection to the Sustainable Harvest Calculation and
30 staff is evaluating how and if the 10,000-acre set-aside affects the calculation. If so, staff
31 will present the Board with recommendations on whether to retain the sustainable harvest
32 level for the planning decade, identify potential implications in the future, or consider
33 changing the Sustainable Harvest Calculation. The SEPA analysis will accompany the
34 recommendation(s).
35

36 Chair Franz pointed out that with respect to leases for solar or wind, those uses also
37 impact revenue generation responsibilities. Whenever the Department converts land use
38 to a different use, it has either a positive or negative revenue outcome. The project is a
39 lease for up to a 50-year period for the carbon value of the forests. The project also
40 affords the opportunity to pursue forest health management and employ other
41 management tools to keep storage of carbon ongoing while maintaining the health of the
42 forests.
43

44 Superintendent Reykdal requested additional clarification on what is entailed within each
45 of the phases. Ms. Favorini-Csorba explained that the phasing would be based on
46 selection of the protocol of either using the American Carbon Registry volunteer market
47 protocol, which enables cohorts or the California compliance market protocol that does

1 not allow cohorts. DNR has not selected the protocol at this time. It is likely the 10,000
2 acres would be processed at one time.
3

4 Mr. Brodie added that the initial concept enabled the announcement of the project and
5 initiated discussions with the Board and stakeholders as staff works through the process
6 and with potential carbon market buyers. DNR has never pursued this type of project and
7 the process will dictate the necessary steps, such as the SEPA process and the leasing
8 process.
9

10 Superintendent Reykdal asked whether the level of engagement by the Board would be
11 consistent between the phases or whether Phase 1 engagement would be minimal. Mr.
12 Brodie advised that the level of engagement by the Board would be consistent throughout
13 the entire scope of the project. Ms. Favorini-Csorba noted that once the project is listed,
14 DNR undertakes a process of conducting the inventory of the stands to calculate the
15 amount of carbon storage and the official amount of carbon credits that would be
16 generated, which occurs through the mechanism of the protocol and the carbon registry
17 requiring 12 to 18 months to complete.
18

19 Mr. Cahill inquired as to whether the same criteria used to identify the first 2,500 acres
20 would be used to identify the remaining 7,500 acres. Ms. Favorini-Csorba said that
21 essentially, we would use the same criteria. For the first 2,500 acres, staff reviewed
22 stands with different ecological and cultural values as an example of the quality of the
23 stands for consideration while acknowledging the importance of geographic spread, and
24 impacts to counties, local government, tribes, and local mills. The first phase was
25 essentially a layered approach for identifying the acres.
26

27 Chair Franz reported the approach is representative of consolidating acreage that can be
28 shared with the Board to show how the criteria were applied during Phase 1.
29

30 Superintendent Reykdal noted that one criterion listed for identifying Phase 2 acreage
31 cites rare, threatened, or endangered ecosystems and habitat. He asked how those specific
32 areas are not currently captured by DNR based on the protection of spotted owl, marbled
33 murrelet, and other species habitat. He asked whether DNR harvests timber from areas
34 with rare, threatened, or endangered ecosystems and habitat. Mr. Brodie responded that
35 for individual species covered under the Endangered Species Act and the HCP, existing
36 strategies protect those areas. If the species is not covered under the HCP, DNR pursues
37 consultation processes. Additionally, globally and statewide endangered or threatened
38 ecosystems listed on the Natural Heritage Plan are also protected.
39

40 Superintendent Reykdal said it appears only harvestable land would qualify for inclusion
41 within the 10,000 acres. He asked about circumstances involving carbon-protected forests
42 that are lost to wildfire. Ms. Favorini-Csorba said the protected acreage would be located
43 in Western Washington where fire risk is significantly less than in Eastern Washington.
44 The proposal also includes buffer pools and insurance within carbon protocols with DNR
45 generating much more in credits than able to sell on the market because a portion of the
46 credits are allocated to buffers and the insurance pool in the event a catastrophic wildfire
47 occurs.

1
2 Chair Franz added that another reason a carbon project represents significant opportunity
3 and value is because those types of projects enable DNR to protect lands while generating
4 revenue for beneficiaries. It also enables DNR to pursue forest health efforts critical for
5 ensuring forest stands continue to thrive and survive, and do not struggle as some
6 unmanaged forests on federal and other private lands have.
7

8 Dr. Brown said it appears not all carbon storage within the forest could be sold because
9 of buffer reductions or for global carbon leakage to accommodate for market demands.
10 He asked whether DNR is able to identify the magnitude of that reduction in terms of the
11 overall amount of existing carbon storage and the amount that could be sold. Ms.
12 Favorini-Csorba replied that it would depend on the protocol DNR selects. One important
13 aspect of entering the carbon market is the ability to influence more conservation of
14 forests.
15

16 Chair Franz said another benefit of the carbon project is the work by DNR with small
17 forest landowners who represent a significant amount of working forestlands throughout
18 the state facing threats of conversion. For the first time in its history, the state has dipped
19 below 50% of its land as working forestlands. DNR is also exploring carbon projects in
20 the context of reforestation in those areas that were burned or areas historically forested
21 but have been harvested and prime for reforestation for both wood products and carbon
22 benefits.
23

24 Dr. Brown said that as a supporter of experimentation, he would support the project as an
25 opportunity to experiment but it appears the choice is not to cut or it is part of the
26 operable land base. As a public agency, DNR has an opportunity and the responsibility to
27 seek opportunities to enter into the carbon market in ways not strictly for conservation
28 versus working forests. The project might provide an incentive to generate revenue for
29 more experiments to operate in different ways than simply conserving stands.
30

31 Chair Franz responded that staff is exploring different types of carbon projects. The
32 proposal is only one that recognizes the value of highly ecological forests in response to
33 the enormous number of discussions over the last year from public comments, local
34 government leaders, and others are about certain types of highly ecological value forests
35 that are within DNR's managed lands. The proposal is one tool while continuing to
36 explore the context of other carbon projects in managed lands that generate carbon in
37 stored wood products, reforestation, and other projects.
38

39 Superintendent Reykdal asked about the typical lease term for a carbon project. Mr.
40 Emmons replied that leasing for a carbon project is unique even within the carbon
41 market. DNR elected to pursue leases because statutes prohibit the sale of valuable
42 material without removal, such as timber, stone, gravel, and other valuable materials.
43 Because DNR lacks the authority to sell the value of material not removed, the lease
44 proposal enables the leaseholder to market and sell the carbon with DNR compensated
45 based on the value of the carbon on a per-acre basis and the amount of carbon
46 sequestered. The lease option could be up to 40 years.
47

1 Dr. Brown asked whether a financial benefit exists for beneficiaries by involving an
2 intermediary, such as Planet Carbon. Mr. Emmons replied that an entity, such as Finite
3 Carbon would offer the carbon project to the registry as DNR would not sell directly to
4 one of the registries. The intermediary verifies the project and offers the project. Dr.
5 Brown questioned why DNR would not directly offer the project to the registry.
6

7 Ms. Favorini-Csorba explained that it relates to the complexity of the protocols and the
8 existence of entities specializing in the completion of an inventory and translating the
9 inventory into carbon credits following a formal process. Theoretically, DNR could
10 complete the process but would need to contract with a carbon specialist to guide DNR
11 through the process. DNR lacks the expertise for a large-scale carbon project with
12 complicated scenarios.
13

14 Mr. Cahill asked whether the credits would be auctioned. Ms. Favorini-Csorba replied
15 that DNR would advertise the project and if more interested parties compete for leasing,
16 DNR would pursue a public process. Carbon credits are typically auctioned or DNR
17 could enter into a negotiation with a buyer for a specific price with a price escalation
18 included in the life of the lease term. Mr. Emmons added that leases also include an
19 escape clause or periodic evaluation. Ms. Favorini-Csorba added that carbon protocol is a
20 contractual agreement and a future Board would be unable to cancel or withdraw from
21 the contract without some form of consequence providing certainty for the carbon
22 market.
23

24 Dr. Koenig inquired as to the timing of the decision and the Board's role for rendering a
25 decision. Mr. Brodie replied that as the Board and DNR work through the phases of the
26 project, the Board will receive briefings on the structure of the leases and selection of the
27 protocols. The project presents a substantial learning process and an opportunity for the
28 Board and the Department to work through the project together.
29

30 Dr. Brown acknowledged the uncertainty of the price for carbon other than an estimate
31 that DNR would receive one-third of the revenue from a carbon market versus timber
32 sales dependent upon the details of the contract specifications. The question of whether to
33 approve or not approve the project would like entail a vote by the Board. He asked
34 whether the Board's consideration would factor on two options of either releasing the
35 stand to the carbon market or releasing the stand for logging. Mr. Brodie advised that at
36 this time, no clear structure exists other than engagement with the Board. DNR has
37 authorities authorized by the Board through Rules for leasing. As the proposal is
38 considered a new leasing structure, staff believes it is important to engage and learn with
39 the Board as the process proceeds.
40

41 Chair Franz offered that the project presents a good opportunity for the Board to tour the
42 sites of the first 2,500 acres to assist in learning how staff identified the acreage and to
43 provide an understanding as to how DNR identifies the next 7,500 acres.
44

45 Mr. Cahill questioned the formula for an effective project as he does not foresee issuing
46 credit for endangered species habitat or credits for clean water. He understands the
47 pricing of carbon within the different markets and although there are some benefits by

1 structuring the project differently, he has many questions in terms of how it would
2 provide benefits in the long-term to meet fiduciary responsibilities. For example, should
3 DNR not receive the full price, another option might be necessary to include if DNR
4 believes lands need to be protected, such as TLTs or some other mechanism to help close
5 the gap. Ms. Favorini-Csorba explained that pricing is not reflective of one for one timber
6 for carbon because it is structured entirely different providing a new and more consistent
7 and predictable revenue stream. The project is worthy of exploring as there will be other
8 opportunities where timber harvest might not be appropriate but the Department wants to
9 generate revenue from those stands. The project is offered for consideration as one of
10 those possibilities to protect highly ecological forests where timber harvest might not be
11 appropriate while the Department could continue to generate revenue.

12
13 Dr. Brown agreed to the importance of considering the options holistically, as well as the
14 state of the landscape and forests holistically as directed by policies for Sustainable
15 Forests and the Habitat Conservation Plan developed by Board action. The issue is how
16 to weigh the values of revenue, communities, habitat, and environmental performance, as
17 they are all issues to be addressed by the Board. Ms. Favorini-Csorba confirmed staff
18 plans to continue to engage and involve the Board throughout the process.

19
20 Chair Franz noted staff and the Board have not extensively explored the carbon project
21 and its mechanics, staff has been exploring Western Washington forests, especially the
22 older stands for the last year and have helped educate the Board on the features of higher
23 ecological values in certain areas and the value they provide to the environment and to
24 critical ecosystems. It is important to consider the substantial amount of conversations
25 around those types of forests in conjunction with exploring options for a new tool that has
26 not previously existed to address the issues.

27
28 Superintendent Reykdal shared some thoughts and expressed appreciation for the
29 innovation as it is on the right track in terms of the comprehensive mix of opportunities.
30 He continues to worry that the Department is at the mercy of the federal government and
31 other sovereign states that have indicated that today, there is a market and tomorrow there
32 may not be a market. Somebody at a steel plant in Pennsylvania can pollute the
33 environment because of carbon credits available in Washington and eliminates forest
34 revenue, beneficiary revenue, and industry benefits. Although, that is the nature of the
35 issue, it is concerning as the federal government makes different decisions and the
36 markets could collapse or grow. Presenting the proposal with a degree of caution is smart
37 because of the amount of information to be learned. He pointed out that at the current
38 yield of \$175 million in timber revenue per year, K-12 benefits by \$65 million each year.
39 The proposal's top estimate would equate to \$20 million in annual benefits equating to
40 only a third of what K-12 benefits from timber harvesting. He shared that if he asked
41 students about the option of receiving 6/10^{ths} of one percent versus 2% of the annual
42 capital budget by selling carbon credits to protect forests across the state, he could
43 guarantee most students would say that they do not want trees cut. Schools are not the
44 reason for harvesting timber as species matter the most and the industry needs help as it is
45 not sustainable at the current pace. The public school system relies only on 2% of its
46 capital budget from timber revenue. A carbon market would generate approximately \$30
47 million annually. He suggested the emphasis must shift in terms of how to manage forests

1 that makes sense for future generations without considering the short-term revenue yield.
2 The timber industry is at the biggest risk because without the industry, future generations
3 will be dealing with the consequences. He encouraged the Board and DNR to continue
4 working on strategies involving trust beneficiaries that is not based on a rubber stamp of
5 current practices. The revenue should shift to the communities generating the funds.
6 Many of the larger school districts are not dependent on timber revenue to build new
7 schools.

8
9 Mr. Brodie noted that the request would require legislative changes. The Board nor DNR
10 has the authority to change the designation of beneficiaries and the allocation of
11 revenues. Superintendent Reykdal replied that it is important for the Board to pursue
12 legislative changes as conditions have changed since the adoption of the initial
13 legislation.

14
15 Dr. Brown said it appears the recommendation is a phase-out of harvest activities on state
16 lands. Superintendent Reykdal said he has discussed options for phase-out in the context
17 of educational institutions as one of the beneficiaries, but not elimination of harvesting.
18 The revenue should be allocated to rural communities to provide the best benefits for
19 future generations.

20
21 Dr. Brown countered that any argument that speaks to no harvesting is not a sustainable
22 model as timber is required for housing and other needs. Wood is a sustainable product.
23 As decision makers, the Board determines the quantity of supply to the state's wood
24 market. The Department is obligated to sell timber within the state to sustain the industry
25 and local communities. His concern surrounds some of the public comments that speak to
26 phasing out harvesting, which is not a sustainable model. Superintendent Reykdal agreed
27 harvesting is a sustainable practice when completed properly. His contention is that 50
28 years ago, the beneficiaries identified then, should no longer be the decision-makers
29 today as the beneficiaries today that need the revenue are the industry, local communities,
30 and experts in forestry and species.

31
32 Chair Franz conveyed appreciation for the conversation as multiple tools need to be
33 identified to help ensure DNR continues to expand working forestlands in the state to
34 address the importance of having wood products and the jobs created in rural
35 communities, as well as expanding ecological value forests.

36
37 Commissioner Peach noted that the current market uses a weight factor of 7 tons per mbf
38 with half of that weight in water. Recent DNR reports reflect timber is selling for \$350
39 per mbf or approximately \$100 per ton. The current market is substantially less. His
40 interest is in increased marketing of the carbon market product. However, what is
41 troubling is taking 1/8th of the value as some kind of a loss leader. He offered a motion
42 for the Board's consideration addressing much of the conversation.

43
44 MOTION: Commissioner Peach moved to require staff to present to the Board the
45 following information and/or analysis for the Board's consideration and
46 potential Board resolutions related to the carbon pilot project or other
47 carbon projects:

- *The anticipated volume impacts of this or other carbon offset projects on the Fiscal year 2015 to Fiscal year 2024 Western Washington Sustainable Harvest Calculation*
- *The Department's rationale for not conducting an update to the existing Board adopted FY2015 to FY2024 Sustainable Harvest Calculation.*
- *The policy, statutory, and legal justification of why this carbon project and other carbon projects are exempt from SEPA and other required environmental review, and Board of Natural Resources oversight and approval*
- *The materials and responses provided to the legislative members who have requested additional information.*
- *The economic analysis of the proposed project and associated impacts to beneficiary revenue and management funds.*

Upon the satisfaction of the Board in reviewing the above information and the conclusion of an open and transparent public process, the Board will consider for adoption any policy changes, Sustainable Harvest Calculation updates, and potential leases of forest trust lands.

Commissioner Peach expressed appreciation for the dialogue and based on the timeline, it appears there is sufficient time for the Department to answer the questions. He has received over 400 emails on the issue and many constituents are asking questions that could be addressed through the motion.

Superintendent Reykdal indicated that the questions are reasonable and should be addressed throughout the process, but is unsure whether a formal resolution is necessary at this time.

Chair Franz reported staff is in the process of preparing responses to the legislative letter, as well as providing more detail for Phase 1 and Phase 2 and how it affects the Sustainable Harvest Calculation over time. Additionally, more conversations are planned with the Board based on the current moratorium on pre-1900 forests, which she supports lifting to enable the Department to release a significant amount of board feet to help close the gap in volume this fiscal year.

Dr. Brown offered that the motion represents a request for information but it is unclear as to the future action by the Board after receiving and reviewing the information.

Chair Franz pointed out that although the Department is in the process of working on Phase 1, staff also shared that the effort will take much time and no immediate action would be required on the project given the complexity and difficulty of developing the proposals and presenting the information to the registry. Staff has indicated a commitment to present the proposals to the Board. Alternative to the motion, she

1 recommended staff could prepare responses to the questions and present the information
2 via Chair Report #2 on the Carbon Pilot Project.

3
4 Superintendent Reykdal agreed it would be helpful to receive information on the history
5 of delegating duties; however, he also supports executive authority as Commissioner
6 Franz was elected by the people, which he believes is an authority higher than the Board.
7 If that authority resides with the Commissioner he would be comfortable with executive
8 action moving forward while also desiring some information on the history as to whether
9 that authority was at some point delegated by the Board or included in the underlying
10 statute. He recommended providing the history of Board delegated authority and whether
11 leasing can move forward without the Board taking action.

12
13 Chair Franz reiterated staff's support to provide the information as requested in the
14 motion, as the questions represent the Department's obligation for providing responses in
15 real time.

16
17 Dr. Brown supported receiving the information from staff rather than acting on a Board
18 resolution.

19
20 Mr. Brodie summarized the June report to provide the history and information on legal
21 authorities by the Board for delegating actions, as well as for leasing, and addressing
22 other points in the motion although some of the financial information may need to be
23 deferred to a future meeting.

24
25 Mr. Cahill recommended scheduling an update on the carbon project during each
26 meeting.

27
28 SECOND: The motion died due to the lack of a second.

29
30 *Chair Franz recessed the meeting at 11:55 a.m. for lunch.*

31
32 *Chair Franz reconvened the meeting at 12:31 p.m.*

33
34 **STATE OF THE STATE LANDS REPORT – PART 2**

35 **Duane Emmons, Acting Deputy Supervisor for State Uplands; Laurie Benson,**
36 **Acting Recreation & Conservation Division Manager; Calvin Ohlson-Kiehn, Acting**
37 **Forest Resources Division Manager; and Dale Mix, Engineering Division Manager**

38
39 Mr. Emmons reported the last report included some of the different business lines (asset
40 classes) and financial health. This update will cover other supporting programs involving
41 Silviculture, Engineering, Forests Roads, Recreation and Conservation, and Land
42 Transactions.

43
44 Mr. Emmons described operating fund sources for all Uplands Programs for FY 2021.
45 Three of the largest include the Forest Development Account (FDA) for management of
46 county trust lands, Resource Management Cost Account (RMCA) for management of all
47 federally granted trust lands, and the Access Road Revolving Account (ARRF) funded

1 through user fees. Other contributing funding accounts include but are not limited to the
2 Recreation Account, State Nursery Account, Forest Health Revolving Account, State
3 General Fund, Aquatic Enhancement Account, and Off Road Vehicle Gas Tax.
4

5 Uplands operating expenditures are categorized into different programs of Forest
6 Resources; Product Sales and Leasing; Conservation, Recreation, and Transactions;
7 Engineering; and State Lands Operations.
8

9 Mr. Emmons reviewed FY 2021 region and division FTEs and operating expenditures.
10

11 Superintendent Reykdal asked how the management rates received by DNR are reflected
12 in the different categories of expenditures. Mr. Emmons said most of the funds are
13 expended within forest resources for timber sales, scientific consultation, silviculture, and
14 field work.
15

16 Mr. Emmons displayed a graph depicting the operating budget for FTEs for Uplands by
17 each major funding account from 2012 to the present. The graph reflects that staffing has
18 both grown and reduced over the years. The Department experienced a significant
19 reduction of FTEs during the recession in 2008/2009 and has never increased staffing to
20 the level prior to the recession. A slide was displayed of operating expenditures by the
21 different programs. Product Sales encumbers 24% of the expenditures followed by
22 Webster Nursery due the labor intensive nature of the work. Other programs, such as
23 Agriculture and Leasing and Business Management contribute \$46 million but are less
24 intensive in terms of operations.
25

26 Mr. Emmons reviewed Trust Land Transactions. DNR is in the process with stakeholders
27 and an advisory committee to assist DNR in revitalizing the Trust Land Transfer Program
28 to move lands with conservation value into another use by another agency or within the
29 department. The program enables the Department to purchase replacement lands to
30 increase working forests on the land base to generate revenue for the beneficiaries. The
31 number of transactions and acres in 2020 and 2021 resulted in the acquisition of 1,500
32 acres in 2020 with disposal of approximately 2,300 acres. In 2021, 2,400 acres were
33 acquired and 4,200 acres were disposed through the TLT program.
34

35 Commissioner Peach asked whether DNR is constrained in terms of the number of acres
36 it can dispose. Mr. Emmons affirmed that the Department can only dispose of 120 acres
37 at one time, although the Department is able to transact exchanges for larger areas. The
38 statute has imposed other restrictions, which constrains the Department. Commissioner
39 Peach asked whether the TLT Program assists the Department in overcoming those
40 barriers. Mr. Emmons explained that utilization of the land bank can be beneficial as it
41 mitigates the 120-acre limitation to some degree as the land bank is used as an exchange
42 of land from trust status. For example, if DNR acquires 10,000 acres, DNR can move
43 10,000 acres from trust status but it requires DNR to purchase the 10,000 acres first.
44 Changes to the TLT Program and the land bank would enable more flexibility in addition
45 to receiving additional legislative funding for land acquisition.
46

1 Chair Franz referred to the Deloitte Report that documents the barriers for DNR to
2 manage lands efficiently and effectively for the benefit of beneficiaries to include both
3 acquisition and sales. A number of legislative requests have been presented that were
4 passed during the last two legislative sessions. Several more changes will be requested by
5 the Legislature to resolve some of issues identified in the Deloitte Report.
6

7 Mr. Ohlson-Kiehn presented information on the Department's Reforestation Program of
8 the Seed Processing and Storage Program, Webster Forest Nursery, and Meridian Seed
9 Cone Collection Program. Collectively, the programs produce forest seed and seedlings
10 for reforestation of DNR trust land, public lands, and privately managed forestlands in
11 Washington and Oregon. During the last two years, approximately 8.5 million seedlings
12 were grown at Webster Forest Nursery per year; an impressive goal given the nation was
13 in the middle of global pandemic. No nursery employee was infected with COVID during
14 the two seasons and the program maintained full capacity production.
15

16 In the last several years, the Department has improved aging infrastructure. The nursery
17 and other supporting facilities were constructed in the 1950s. Critical upgrades were
18 completed on seven of the high-capacity irrigation wells at Webster Nursery and
19 Meridian Seed Orchard. At this time, all irrigation wells (15) are functioning at full
20 capacity. Other completed projects include electrical, roofing, and green house wall
21 repairs and replacement. A design is underway for a new seed processing center in this
22 biennium with a funding request to the legislature this fall for construction of the new
23 seed center. The project would consolidate the outdated seed plant and the leased
24 extraction building into a larger DNR-owned facility. Benefits include an increased
25 ability to process seed and improve deficiencies, safety, and ergonomics for staff. The
26 new facility will also serve as an essential component of the DNR's ability to produce
27 more seed for more reforestation efforts to mitigate the impact of climate change.
28

29 DNR is also constructing a new seed cooler in the Pacific Cascade Region and is scoping
30 opportunities to complete the first major expansion of Webster Nursery since 2005.
31 Dependent upon the scale, production could increase by 50% and contribute to the goals
32 of the climate adaptation strategy and mitigation of climate impacts.
33

34 The program supports U.S. Forest Services' 30 forest seed orchards in Washington. The
35 orchards have been neglected and are inappropriately spaced and vulnerable to loss from
36 fire and insects. The legacy orchards are valuable to DNR and the U.S. Forest Service to
37 expand seed production to respond to increased wildfires and other climate related
38 disturbances.
39

40 Another reforestation program is the seed adaptation and assisted migration research
41 project by establishing a network of seed source trials to inform choices about changing
42 seed source to adapt to climate change. The first sites were planted in the spring with five
43 plantings scheduled each year for the foreseeable future. A variety of organizations will
44 install the sites. DNR provides the seedlings, layout designs, and data management and
45 analysis for the project. Partner organizations are responsible for planting and measuring
46 trees and creating a network of demonstration sites for the public to view how trees from
47 other geographic locations are performing.

1
2 Mr. Ohlson-Kiehn reviewed the agency's forest health and silviculture efforts. He
3 described the state's definition of forest health and forest health treatments as defined by
4 state law. Silviculture as defined by DNR is the art and science of controlling the
5 establishment, growth, composition, health, and quality of forests and woodlands to meet
6 diverse needs and values of landowners and society. Forest health is achieved through
7 silviculture. Two groups define Silviculture, commercial and non-commercial treatments.
8 Most treatments are concentrated in the early years of reestablishing a forest stand
9 following a timber harvest or natural disturbance.

10
11 Mr. Ohlson-Kiehn shared highlights of efforts for forest health and silviculture:

- 12
- 13 • New State Lands Forest Health Program Manager
- 14 • Salvage operations initiated
- 15 • Planned increase in forest health treatments over previous biennium
- 16 • Significant wildfire season this biennium reduced staff time dedicated to forest
17 health-related work
- 18 • Salvage operations are time sensitive and can impact planned harvest schedules
- 19 • Developing burn plans for prescribed burning in spring 2022
- 20 • New silviculture scientist hired
- 21 • Received external funding:
 - 22 - Arbor Day Grants in FY 2020 & 2021
 - 23 - House Bill 1168 Forest Action Plan objectives
- 24 • Backlog of silviculture needs
- 25 • Need for long-term silviculture funding solution
- 26 • COVID-19 related labor availability and costs
- 27 • Legislative funding request in 2023 for silviculture (\$3.9 million)

28 Chair Franz noted that silviculture is one program experiencing a deficit with insufficient
29 funds to implement silviculture efforts to achieve greater value and volume of forests, as
30 well as managing forests for multiple benefits. DNR has not been successful in securing
31 an increase in funding from the Legislature. The Board could also consider engagement
32 in the context of assisting the agency in managing forests for sustainability for
33 beneficiaries and for the long-term health of forests.

34
35 Mr. Ohlson-Kiehn reported the Habitat Conservation Plan (HCP) influences almost every
36 activity undertaken in the management of forestlands in Western Washington. The plan is
37 a long-term plan required for an Incidental Take Permit. Strategies in the HCP cover the
38 Northern Spotted Owl, Marbled Murrelet, Riparian, and Uncommon Habitats. The HCP
39 is the method for compliance with the Federally Endangered Species Act on forested trust
40 lands. The HCP, signed in 1997, regarded as the most comprehensive HCP in the country
41 , was amended in 2004 and in 2019. The long-term HCP covers a 70-year period and can
42 be extended 30 additional years.
43

1 Mr. Ohlson-Kiehn described the strategies for protecting the species identified in the
2 plan. The Riparian strategy protects approximately 500,000 acres distributed throughout
3 state lands within the HCP area. The strategy provides protection for wetlands over a
4 quarter acre. The Uncommon Habitat strategy applies across state lands, captures rare and
5 significant habitat, and is designed to provide conservation for species that rely on
6 habitats that are not provided by late successional forests.

7
8 *Superintendent Reykdal departed from the meeting.*
9

10 The HCP requires research, monitoring, and reporting. DNR is required to evaluate better
11 methods of achieving conservation goals based on new information, as well as report on
12 HCP-related activities to the public, U.S. Fish and Wildlife Service (USFWS), and
13 National Oceanic and Atmospheric Administration (NOAA) annually. Mr. Ohlson-Kiehn
14 noted that five updates to the HCP were completed based on research and monitoring
15 through the adaptive management process. Three of the changes pertained to Northern
16 Spotted Owls, one was for riparian forest restoration, and the last change was for Marbled
17 Murrelet. He shared an example of riparian validation monitoring in the Olympic
18 Experimental State Forest (OESF) on habitat conditions in streams and the effect on
19 salmonids.

20
21 Mr. Ohlson-Kiehn invited questions. No questions were offered by the Board.
22

23 Dale Mix presented the DNR Managed Roads and Photogrammetry functions within the
24 division in addition to land surveying and maintaining title records. DNR maintains over
25 14,000 miles of road, more than double the miles of state highways managed by the
26 Washington Department of Transportation (WSDOT). Although not all road miles are
27 treated equally, DNR's roads are environmentally and economically constructed to
28 accommodate the types of traffic using the roads. Roads are constructed to accommodate
29 hauling of materials and heavy equipment. DNR also routinely inspects DNR bridges
30 every two years and load rates of older bridges to ensure the bridge is adequate for
31 specific loads. When aging bridges are replaced or new bridges added, the work is
32 funded through a combination of revenue from the timber sale or a legislative
33 appropriation.

34
35 DNR gates roads for a variety of reasons. Gates are a tool to assist the Department in
36 maintaining an extensive road network on a relatively modest budget, as well as
37 providing public safety during active timber activities.
38

39 In 2000, DNR initiated a comprehensive assessment of roads. The assessment is reflected
40 in the Road Maintenance and Abandonment Plan (RMAP). In October 2021, DNR met
41 the RMAP goal of accomplishing all the work identified during the RMAP process.
42 DNR's road maintenance crews were critical in accomplishing the work. The crews
43 assigned to each region completed a substantial amount of the work to include replacing
44 many fish passage structures. Replacement of fish passage barriers is a major element of
45 the RMAP efforts.
46

1 Photogrammetry is digital aerial photography to create geospatial products. Stereo
2 photogrammetry uses overlapping images to provide 3-D measurements such as
3 calculating the height of trees or the volume of gravel removed from a pit. Aerial photos
4 do not provide the ability to measure horizontal distances within a photograph because of
5 the distortion caused by the terrain. DNR employs a process to remove the distortion
6 creating an ortho photo to measure horizontal distance.

7
8 *Dr. Brown departed from the meeting.*
9

10 The photogrammetry shop works closely with the forest inventory group to estimate
11 forest attributes such as crown closure and tree diameter. They produce a variety of
12 graphic products to assist in landscape level decision-making. Staff anticipates the
13 technologies to become increasingly important as the products inform many of the Board
14 discussions to include carbon sequestration and climate change.

15
16 Commissioner Peach asked whether the costs for implementing RMAP were ever
17 recovered through road use tolls. Mr. Mix advised that road use tolls are allocated to the
18 trust beneficiaries. However, DNR also collects a road maintenance fee, which supports
19 ARRF, which can be used to fund RMAP efforts. Some of the work completed involving
20 shared ownership was through a cost-share process enabling the Department to recover
21 costs of the RMAP work.

22
23 Laurie Benson briefed the Board on the Recreation and Conservation Division. The
24 Department manages approximately 165,000 acres of conservation lands within two
25 categories of natural area preserves and natural resources conservation areas. Both protect
26 the ecosystems, while conservation land areas are typically larger ecological systems with
27 public use and whereas preserves are the most ecologically important sites for protection
28 and for research and education. The 97 protected sites include estuaries, South Puget
29 Sound prairies, bogs, Ponderosa pine forests, important geologic features, and a large
30 variety of other key natural heritage features.

31
32 Over the last two years, DNR added a new site, the Crow Berry Natural Area Preserve, a
33 321-acre preserve protecting the only known example of a raised plateau bog in the
34 western area of the United States. DNR also acquired 3,000 acres within several
35 previously established conservation boundaries. Natural areas land acquisitions are
36 funded through grants from the Recreation and Conservation Office (RCO) and other
37 local acquisition grants from the TLT program.

38
39 The Natural Areas Program is funded from a mix of operating funds to include state
40 general fund, LEM funds, and grants and capital dollars from the Legislature.

41
42 Ms. Benson shared a pie chart of program activities for natural areas with the bulk of the
43 time devoted to managing sites followed by restoring sites. She provided information on
44 the many projects completed over the last two years.

45
46 DNR's Recreation Program offers recreational opportunities across 3.3 million acres of
47 trust lands, community forestlands, and conservation lands. Some types of recreation

1 activities include hiking, motorized recreation, paragliding, equestrian, boating, rock
2 climbing, 1,200 miles of trails, and 205 recreational facilities including parking areas,
3 campgrounds, trailheads, shelters, and restroom facilities.
4

5 Recreation on state trust lands is additional too and compatible with trust management
6 activities. Recreation is managed on land that is managed as working forests or on
7 conservation areas. An example is Capitol State Forest near Olympia. At 110,000 acres,
8 the forest has produced 114 mmbf of timber sales over fiscal years 2020 and 2021, as
9 well as providing over 160 miles of trails, 600 forest roads used by the public, and over
10 500,000 recreational visits annually.
11

12 Between COVID, visited numbers, and wildfires, it has been an interesting two years in
13 the Recreation Program. DNR partnered with Washington Department of Fish and
14 Wildlife (WDFW), State Parks Department (Parks) and the RCO to commission a visitor
15 use study using automated cell phone data to manage recreation sites by analyzing visitor
16 trends. The report from Earth Economics, is anticipated to be received later in the spring.
17 DNR joined as a founding member of the Recreate Responsibly Coalition, a public-
18 private partnership launched at the beginning of the pandemic to effectively communicate
19 with the public on how to safely recreate during a pandemic.
20

21 The recreation team across the state has worked on recreation projects despite COVID
22 uncertainty and supply chain issues. Over the last two years, staff completed numerous
23 trail, trailheads, and campground projects. A number of challenges occurred in spring
24 2020 when DNR implemented a five-week closure of public lands across the state in
25 response to the pandemic, as well as closures at different times for wildfire risk with the
26 most recent closure on the entire eastside for seven weeks in 2021. DNR experienced a
27 20% increase in visitation to recreational sites statewide because of COVID as outside
28 recreation is considered a safe pandemic activity enabling release from the stress of the
29 pandemic when other public and local recreational resources were closed for public
30 safety.
31

32 In addition to the decreased number of commuters and travelers, gas tax experienced a
33 decrease, which in part funds the Recreation Program. The Department also experienced
34 a decrease in grants resulting in staff working to achieve a balance in the increase in
35 visitors with a decreased budget.
36

37 Several new opportunities include creation of statewide recreation plan. The first step
38 was outreach with tribes to identify needs and priorities, as well as with some recreational
39 users. The Recreation Program is continuing to partner with the timber sales program on
40 projects and outreach in recreational areas. Several projects completed in the last several
41 years include improvements to trails or roads and the opportunity to partner on bridge
42 installations related to timber sales.
43

44 Ms. Benson reviewed the Recreation Program budget and explained the different funding
45 categories and efforts to secure funding.
46

47 Ms. Benson invited questions.

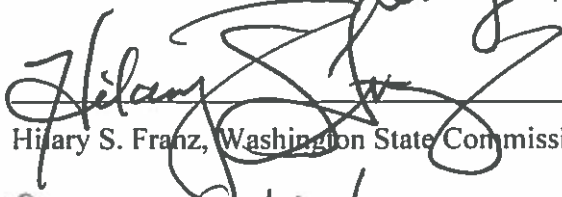
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Commissioner Peach commented on the importance of recreation as a public benefit and questioned efforts to approach the Legislature for funding recreation. Commissioner Franz responded that recreation has been a top priority during each legislative session by presenting requests for funding for maintenance, management, and operations, but also for law enforcement as DNR has experienced increased demand at recreational areas and more users, as well as more abusers. DNR has not succeeded with the Legislature for securing funding due to the competitiveness nature of recreational requests. Ms. Benson noted that the legislature allocated \$5 million during the last legislative session, which will provide some funding stability moving forward.

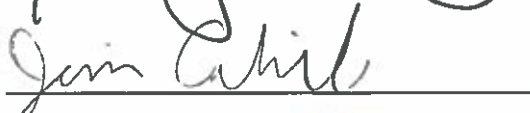
ADJOURNMENT

Chair Franz adjourned the meeting at 1:50 p.m.

Approved this 5 day of July, 2022



Hilary S. Franz, Washington State Commissioner of Public Lands



Jim Cahill, Designee for Governor Jay Inslee



Chris Reykdal, Superintendent of Public Instruction



Bill Peach, Commissioner, Clallam County

approved via webinar

Dr. Richard Koenig, Interim Dean, College of Agricultural, Human, and Natural Resource Sciences, Washington State University



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

Attest:



Tami Kellogg, Board Coordinator

Prepared by Valerie L. Gow, Puget Sound Meeting Services, psmsoly@earthlink.net