Minutes Board of Natural Resources Meeting

December 7, 2021 Webinar, Olympia, Washington

BOARD MEMBERS PRESENT

The Honorable Hilary Franz, Washington State Commissioner of Public Lands

The Honorable Bill Peach, Commissioner, Clallam County

The Honorable Chris Reykdal, Superintendent of Public Instruction

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

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

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

Washington State University

CALL TO ORDER

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Chair Franz called the meeting to order at 9:02 a.m.

Board members present provided self-introduction. A meeting quorum was attained.

WEBINAR FORMAT BRIEFING

Angus Brodie, Deputy Supervisor for State Uplands, advised of a change in the agenda format for public comment. The agenda was revised to consolidate all public comment at the beginning of the meeting rather than prior to each agenda topic.

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

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14 Dr. Dan Brown arrived at 9:08 a.m.

APPROVAL OF MINUTES

17 Chair Franz called for approval of the minutes for the November 2, 2021 Regular Board of Natural Resources meeting.

20 MOTION: Dr. Brown moved to approve the minutes.

22 SECOND: Mr. Cahill seconded the motion.

24 ACTION: The motion carried unanimously. 25

LIGHTNING TALK

Olympic Experimental State Forest

Theodora Minkova, Research and Monitoring Manager, Olympic Experimental State Forest (OESF).

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- Ms. Minkova reported the mission of the Olympic Experimental State Forest (OESF) is learning how to integrate revenue production and ecological values across the landscape and delivering
- 8 that knowledge to DNR managers for continuous improvement of land management practices.
- 9 The mission has a learning component and an adaptive management component. Both are commitments in DNR's Habitat Conservation Plan (HCP).

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- OESF is comprised of 270,000 acres of working forest located mostly on state trust lands in
 Clallam and Jefferson Counties. Main program activities focus on formal and informal research
 partnerships with academic institutions and research branches of government, such as the U.S.
 Forest Service and NOAA. Developing and fostering those partnerships increase DNR's
 capacity to implement diverse and rigorous science. Adaptive Management is the connection to
- DNR managers and foresters to identify management uncertainties, such as habitat response and
- 18 forest thinning, as well as interpreting scientific findings for professional management
- 19 adjustments. Information Management refers to the vast amount of field data collected. The
- 20 Monitoring Program focuses primarily on HCP commitments. Monitoring is implemented in 15
- 21 managed watersheds across the OESF and in 12 unharvested watersheds located primarily in
- 22 Olympic National Park and Olympic National Forest. The monitoring process uses nine habitat
- 23 indicators, such as stream temperature, in-stream wood, shade, and hydrology, etc. DNR has
- produced five-year findings from the Monitoring Program. More than 95% of the observations
- of maximum summer stream temperatures across the monitored managed watersheds do not
- exceed the regulatory threshold. The riparian validation-monitoring program evaluates a
- 27 moderate response to the HCP riparian conservation strategy. The project is located in 62
- watersheds, but unlike the temperature project, the project focused on assessing the cause-effect
- relationships between land management, habitat, and salmonid populations. Fish are monitored
- 30 through electrofishing, snorkeling, and habitat surveys. Field data collected enable the
- 31 calculation of metrics, such as fish abundance and biomass.

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An example of a research project in the OESF is the T3 Watershed Experiment on Type 3 streams in watersheds that drain into small fish bearing streams. The study seeks to expand DNR's forest management toolbox in the upland and riparian areas. The study tests forest practices that may increase the sustainability of forest management. The unique aspect of the research is the focus on community well-being and environmental well-being. The large-scale research conducted on 20,000 acres of forest spanning 16 watersheds is operational scale research implemented through DNR's 13 timber sales. The project utilizes broad research partnerships and strong stakeholder engagement.

- Formal outreach and communication activities for the program include the Annual Science
 Conference. The conference links science and natural resource management and is held each
 April with more than 100 attendees. The program also produces a biannual newsletter on the
 Learning Forest, a joint publication of DNR and the University of Washington Olympic Natural
 Resources Center. A series of scientific publications are published in peer review journals that
- are produced by program staff and research partners.

The OESF provides important and much-needed hands-on experience for students through internships and capstone studies. Students participate in field monitoring activities. Five of the students participating in the activities presented information at the annual Science Conference last April.

This year, a new program, Citizen Science, partnered with an international organization, Earthwatch Institute, to host volunteers from across the United States. During 2021, 44 Earthwatch volunteers joined DNR in five teams. The teams spent a week in the OESF contributing 1,700 volunteer fieldwork hours completing habitat surveys and monitoring installations. One of the positive aspects of interacting with volunteers was their immersive experience in sustainable forestry on Washington's lands.

More information on the OESF Research and Monitoring Program is available on DNR's website or through contact with staff. Ms. Minkova invited questions from the Board.

Dean Koenig asked for examples where research findings from the program have informed or changed DNR's forest management policy. Ms. Minkova responded that the monitoring program for stream health has identified excessive stream shading and a need for more woody debris in streams. Through the 13 experimental timber sales, staff plans to pursue some experimental riparian management by opening some gaps in riparian buffers, as well as some thinning with the intent to deliver wood immediately to the stream and providing for long-term gaps in the forest to improve stream productivity over the years in conjunction with thinning treatments.

Commissioner Peach spoke to his support of the positive outreach to the community and the science-based research.

Dr. Brown shared that he participated in a field tour of the OESF and received an update on the design of the T3 experiment.

Ms. Minkova credited Dr. Bernard Borman with the University of Washington as a driver behind the project for many years, as well as DNR foresters and managers in the Olympic Region.

Superintendent Reykdal joined the meeting at 9:22 a.m.

PUBLIC COMMENTS

Dan Cothren, County Commissioner, Wahkiakum County, thanked DNR management and staff of the Southwest District for completing an appraisal before the end of the year. The District has always worked well with the county. The county's budget relies on 35% of timber revenue to provide services. The Board should approve the Wahkiakum transfer to enable the county to continue providing services. This year, the county was able to purchase private timberland for future logging.

Brian Karnes commented on the diversity of the timber purchasing community and how products offered by DNR bring a variety of different products to the market. Wood product sales support local business partners and the community. He expressed appreciation to timber sales'

staff for the challenging work they complete to bring timber sales to the market. The market has been adversely affected by ever-changing policies and rules, which has caused two harbor mills to close in Western Washington over the last 10 years. He is hopeful DNR and the Board will continue to follow current policies to avoid any losses in the harbor district.

David Chamberlain expressed appreciation to DNR for managing timberlands for the benefit of the various trusts. DNR's good stewardship supports thousands of high-paying jobs and the net affect achieves healthy carbon sequestering forests that are fire resistant and rich with wildlife. He acknowledged the pressure to yield to measures to diminish the productivity and economic benefit to the trusts and the community at-large. The efforts to delay harvests for 10 years is ill-founded and based on the intent to curtail management permanently. He cited the numerous carbon emission savings achieved by wood products.

 Beverly Parsons, resident of Hansville, WA, recommended a genuine person-to-person conversation with DNR about what can be done together as global changes continue to occur. She appreciates the willingness of DNR staff to discuss with the public issues within their realm of responsibility. She asked how it might be possible for the public to have conversations with the Board about the bigger picture of what can be accomplished together in the next year to determine how forests can contribute to rebalancing the global climate as humans rebalance their lives to live in harmony with nature.

Brel Froebe, resident of Whatcom County, asked for the cessation of logging mature unplanted old forests on state land. He cited a *Seattle Times* article that spoke to an examination over the next several months of all older forests on DNR lands west of the Cascades not in conservation status to evaluate alternative uses to logging to include biodiversity, carbon storage, water quality, and recreation. Since the examination, five legacy forests meeting the definition were delayed for logging; however, it appears DNR has abandoned the examination because the Department has returned to logging legacy forests. The Board should ask questions during the presentation on older forests as to how the Department determines stand age and how a forest is considered older. The Board should vote against destructive timber sales.

Bill Turner, Sierra Pacific Industries, spoke to the company's reliance on DNR timber sales that benefit communities and employees. According to data included in the Chair Report, 49% of all DNR managed land is conserved under the HCP. DNR committed to targeting 10% to 15% in older forests over time. DNR will exceed its HCP goals by 300% to 500%. The amount of land available for harvest that is more than 120 years old is less than 1% of all DNR managed lands on the west side of the state. The long-term strategy for Marbled Murrelet included a decision to meter sales in older forests over the first several decades to ease the transition. DNR is implementing the strategy, which should be supported by the Board. Seven timber sales are currently on hold representing 11% of the total timber sale package under the Sustainable Harvest Calculation for 2022. The Board and DNR should release those timber sales.

Andy Zahn commented on his belief that DNR's definition of "working forests" is a euphemism for a timber plantation, as working forests do not include logging activities as those forests provide essential services unmolested. DNR's definition of working forests is business as usual and include clear-cuts that perpetuate deforestation. Deforestation of legacy forests on public lands once lost cannot be restored within a lifetime. The Department has violated many of the

agency's policies and has broken its promise to protect older forests each time forests are logged. All older forests on state lands must be preserved by adopting a moratorium on timber sales of state forest lands prior to 1950. All timber sales under consideration by the Board should be canceled.

Connie Beauvais, Commissioner, Port of Port Angeles, commented on the importance of timber sales to libraries, ports, counties, and other taxing districts. Revenue from timber harvests support rural economies through proper management of the working forest. She applauded DNR staff, especially on the Olympic Peninsula for their diligence and hard work on timber harvests in the area. Over 95% of the Olympic National Park on the Olympic Peninsula is designated wilderness equating to 876,669 acres encompassing and protecting one of the largest wilderness areas in the contiguous United States. Sprinkled around that perimeter are DNR working forests. Thousands of acres of DNR working forests have been set aside for various reasons, which affects not only the production from working forests, but also affects the number of children on free and reduced meals. A number of contracts are on hold with many of them located in the Olympic Region. She asked the Board to release the contracts and consider the definition of old growth in the realm of working forests because there is a movement to extend rotation age along with a movement to reduce the age of old growth. The Board needs to remember its fiduciary responsibility as it moves through decisions.

Court Stanley, Washington State Association of Counties, reported in June 2021, a report was finalized by the counties on *Financial and Economic Impacts of Marbled Murrelet Conservation Strategies on Lands Managed by the Washington Department of Natural Resources.* The report did not include lands impacted by owls, riparian stands, or other conservation measures. Approximately 37,460 acres of Murrelet habitat has been conserved representing an annual revenue loss to counties and tax districts of \$1.26 million, a loss of 220 jobs, and an annual loss in income of \$17.3 million to residents in rural counties. The counties of Clallam, Pacific, and Wahkiakum are affected the greatest as they rely heavily on the revenue DNR is shouldering at the cost of protecting listed species. He questioned whether the cost of complying with the Endangered Species Act on DNR land should be borne by all Washingtonians. Any additional restrictions on timber harvest will continue to decrease the economic health of rural communities. The focus on protecting older second growth forests create disincentives for both public and private land managers to grow and harvest diverse older stands.

Daniel Harm cited numerous science papers and books published by esteemed and leading scientists in the field of ecology and silviculture illustrating why DNR must take responsibility in changing its current management plans that are destroying the final remains of mature unplanted forests on state public lands. An exponential movement of citizens are coming together to protect legacy forests. He read several excerpts from a recent paper on how primary forests are undervalued during this climate emergency. DNR has an opportunity to lead the most powerful change possible in modern human history by rescinding clearcutting of all legacy forests. The Board should consider British Columbia and the numerous news articles that speak to the massive amount of clearcutting and how it is affecting flooding in rural communities.

Doug Cooper, **Hampton Lumber**, said Hampton's sawmills are located in the rural communities of Darrington, Morton, and Randle where employment relies on the wood products industry. Hampton Lumber invests millions of dollars each year in sawmills and operations in

1 Washington State. All timber at the sawmills is utilized fully from solid wood products to fiber

2 for production of paper, cardboard, home heating, steam and electricity generation, and a

3 multitude of other products. Those benefits derived from the timber sale program would not be

- possible without a dedicated DNR workforce and timber sale program. All 2.4 million acres of
- 5 DNR forested management land are certified under the Sustainable Forestry Initiative and of

6 those, 176,000 acres are certified by the Forest Stewardship Council. Certified forests are grown

to an approved set of standards that demonstrate environmentally responsible, socially beneficial,

8 and economically viable management practices.

Rob Lewis said he recently learned about the proposed timber sales. He believes the sales are unwise actions because of climate change. During the heat wave last summer, legacy forests remained healthy and vibrant, which speaks to how legacy forests are important climate ballasts for climate change and should not be destroyed. The UN Environmental Program released a report calling for a paradigm shift valuing the vegetative and cooling effect of vegetation in general, and forests in particular. Washington forests are the only protection both locally and regionally from the climate storm to come. The Board should place a moratorium on sales until there is a better understanding of the hydrology, which is the key to climate.

Frank Wolfe, Commissioner, Pacific County, commented on the importance of state land forest sales to the economy of Pacific County. Pacific County owns some timberland managed by DNR. From a business perspective, DNR is not doing a good job as the county needs more continuity and predictability in timber income. He understands the county will not receive much income for the next several years. The revenue is used by the county to fund services that cannot be funded from another source. The best action by DNR for small counties dependent upon timber revenue is to extend revenue over time to ensure a constant and predictable source of income.

Greg Bargmann, resident of Thurston County, said he owns property abutting Capitol Forest. He referred to the Washington Evergreen Initiative for consideration by the Legislature in 2022. He asked how the initiative, if enacted, would affect the operations of DNR.

 Heath Heikkila, American Forest Resource Council, complimented DNR on the work completed by staff. According to science from the U.S. Forest Service, University of Washington, and the Intergovernmental Panel on Climate Change at the UN, harvesting timber and replanting trees is effective in reducing atmospheric CO2. He does not advocate harvesting all forests as 44% of Washington's forests are managed by the federal government, which are largely old growth. Approximately 49% of DNR west side state trust lands have been set aside under the HCP and less than 1% of all west state forest trust lands are approaching older aged forests. If timber is not harvested in the State of Washington, wood will be imported from Canada, Idaho, or even Russian, which has far less environmental standards. Nationwide, the inventory of all species of forests is 972 million cubic feet versus 615 million metric cubic tons in 1953. Mortality has increased to 223% in national forests with net growth decreased by 46% due to wildfires. Those who care about reducing emissions associated with forests and climate change should focus on preventing wildfires.

Jessica Randell, resident of Jefferson County, offered that the monies lost from forest fires, properties, landslides, flooding, and lives lost is beginning to outweigh the profits from timber

sales. Some residents of Jefferson County have asked her to speak for them and many know about the importance of preserving forests for the ability to sequester carbon. Residents know that small trees burn easier than larger trees. Tree farms are the hottest and driest places in the summer. DNR is still clearcutting mature forests even though it would be better for the planet in the long-term to retain trees. It is important DNR pursues the right course by relying on current research that accounts for climate change and halts cutting of forests over 70 years old. It is also important to limit the power of corporations to enable DNR to act on behalf of citizens without the fear of litigation.

Tom Lannen, Commissioner, Skamania County, expressed support for approving the Skamania State Forest transfer, efforts to improve the business practices of DNR as recommended by the Deloitte Study, work on the eastside Sustainable Harvest Calculation, and 1168 activities for fire management.

 Lisa Olson, Commissioner, Pacific County, suggested DNR needs to seek a balance between no cutting and clearcutting. Logging, production, and forest management have been streamlined and innovative over the last several decades. DNR does not operate under the scenario of cutting all forests. The system was established because of the massive amounts of forests in the state and its ability to be replanted and farmed to sustain taxing districts and schools. She urged the Board to stay the course.

Mary Jean Ryan, resident of Jefferson County, referred to the Trust Land Transfer Program, Older Forests Policy, and the new Evergreen Plan. She thanked DNR and the DNR Trust Land Transfer Program Workgroup for development of the report delivered to the Legislature. She stressed the importance of the work continuing to flush out details and solve remaining challenges. She requested a public update and a question and answer session on the Older Forests Policy to include the Board. DNR is taking the necessary time to examine carbon sequestration benefits of older forests and because the work is anticipated for completion by next spring, the Board should consider delaying the Sustainable Harvest Calculation until the Older Forest Policy is finalized and pause logging of older structurally complex forests. She asked for feedback from the Board on the Evergreen Initiative and recommended several amendments of reducing the time to achieve the goals by half because of the climate crisis, and adding a new section expanding conservation of the state's structurally complex older forests.

Matt Comisky, American Forest Resource Council, acknowledged Ms. Minkova for the report on the OESF and product sales staff from the field to Olympia for offering timber sales each month. Policies presented during the Chair Report have a long history based in science. The 1997 HCP is based on extensive science and resulted in an incidental take permit issued by the U.S. Fish and Wildlife Service. The 1997 HCP, 2006 Policies for Sustainable Forests, and the 2019 Murrelet Plan assist DNR in attaining ecological goals while managing trust fiduciary obligations. The Board should follow the policies enacted by previous Boards and move compliance sales forward. One study on pro-forestation noted that while moving to a longer rotational would be beneficial, it did not analyze the resulting financial gap.

Miguel Perez-Gibson, Washington Environmental Council (WEC), commented on the seven pending timber sales under consideration totaling 49 mmbf. The Board should reconsider the proposal as the sales represent 10% of the annual sustainable harvest calculation or

1 approximately twice the amount the volume per acre than other average DNR timber sales. The

2 Board should review harvest strategies to increase more retention and incorporate more

3 principles of natural forest development rather than just a collection of trees valuable primarily

4 for wood production. The presentation on older forests states that 51% of the lands under the

5 HCP are eligible for harvest and 49% of the lands are conserved. Land eligible for harvesting

6 under the federal incidental take permit can be harvested without additional conservation

strategies. All land is intertwined and does not exist as independent landscapes. Together they

8 total 1.6 million acres in one ownership managed under a conservation plan.

Paul Butler, Butler Family Forest, reported he owns 80 acres of designated timberland in western Thurston County adjacent to Capitol Forest. His concerns surround timber sales that may include legacy forests and the difficulty of communicating his concerns to DNR and the Board. DNR and the Board need to define a more effective way to respond to legitimate public concerns and questions.

Robert Mitchell reported he is hopeful the consolidation of public comments is not a sign DNR is restricting transparency and accountability. Providing a public space to vent is therapeutic and DNR should take pride in providing an escape valve for grievances citizens believe they have the right to petition for redress. He supported Mr. Zahn's comments and chastised the Board for its predictable unanimous approval of timber sales. As a UW alumnus, he urged Dr. Brown to vote against the timber auction proposals. Other building materials are available and under development that do not require lumber to build houses. DNR should consider selling its green ecosystem services assets worth \$19 billion a year, as well exploring ways to capture a revenue stream from some of the ecosystem services benefits in the future.

Rod Fleck commented on the delay of seven timber sales totaling 40 mmbf for additional DNR internal review. The seven sales include four sales on the Olympic Peninsula with three of the four directly impacting Clallam County representing 30% of the county's forest sales for this fiscal year with the fourth occurring in Jefferson County. The three sales on the Olympic Peninsula are located east of the OESF and represent another significant impact on timber supply for one fiscal year. He is concerned about the lack of certainty because of the delay in sales that comply with state policies, rules, and regulations. No future sale dates have been shared and the history of DNR delaying sales demonstrate no certainty that the sales would resume within the next several months.

Ron Wesen reported Skagit County is one of the largest recipients of state timber sales. The county has over 84,000 acres of state transfer land managed by DNR. Skagit County is a resource county providing long-term commercially significant resources enjoyed by everyone in the state. While other counties have replaced resource lands with commercial development, Skagit County has not and elected to retain natural lands. Many of the areas are open to the public. Delaying harvests for 10 years as recommended by some speakers or challenging the timber auctions for consideration by the Board is nothing more than poorly thought-out and damaging rhetoric. The comments reflect no understanding of the revenue needed for county government to provide public services and the provision of family wage jobs. It is also important to consider that as timber ages, the diameter of logs increase with many mills no longer designed to handle larger logs.

Russ Pfeiffer-Hoyt, Chair, Washington State School Directors Trust Land Advisory

- 2 Committee, thanked members and DNR staff for their dedicated work on the Trust Land
- 3 Transfer Workgroup. He initially anticipated majority and minority reports with no clear
- 4 direction to the Legislature. Through the skill and patience of DNR staff, the workgroup was
- 5 able to agree on some core issues. Key recommendations include maintaining the purpose of the
- 6 trust; establishing a more effective land bank; and providing clear oversight of the trust land
- 7 transfer process by DNR and the Board. Much work still remains. He supports the proposed
- 8 timber sales they provide important revenue for schools and local government. The timber sales
- 9 are included in the timber base within the sustainability harvest and are not encumbered by
- 10 federal or state harvest restrictions.

Sarah Gardam, resident of Whatcom County, cited a number of reasons for opposing the harvesting of public forestlands that often result in leaving fewer than 10 trees per acre often resulting in hydrology changes that devastate other vegetation in the area. Remaining vegetation is often destroyed by herbicide applications that target non-conservation species. A government agency is clearcutting and poisoning thousands of forested acres containing century-old trees. The DNR and the timber industry's actions are profoundly unacceptable in a world where deforestation threatens essential assets. DNR should consider cutting expenses rather than cutting down older trees and stop destroying beautiful and life-sustaining trees and forests in the name of the public.

Samantha Krop, Center for Responsible Forestry, referred to the increase in concerns about the logging practices on state lands and forested backyards. The call to protect legacy forests has been a part of the majority of comments during the meeting. Rather than a meaningful response to the requests, DNR has attempted to confuse the public and the Board by suggesting it has license to continue logging legacy forests. DNR is obligated under the multispecies conservation strategy to provide 10% to 15% of a functioning forest defined as 150 years or older. She accused the Department of continuing to log existing fully functioning legacy forests that should be set aside as contributions to future targets. It is clear DNR is locked in a destructive and inefficient pattern that prioritizes timber revenue over long-term ecological health and climate mitigation. The Board should ask about the long-term conservation benefits of converting old forests into tree plantations.

 Erik Steinhoff, resident of Thurston County, voiced opposition in the change of the public comment format as it does not conform to DNR's standard practice and curtails the public's capacity to comment on DNR policy. He opposed three proposed timber sales because the forests include naturally regenerated structurally diverse legacy forests on a healthy trajectory to old growth. He agreed with previous comments of other speakers who are part of an incredible coalition of concerned contemporaries calling for the abolition of clearcutting legacy forests on public lands. He cited a request for information from Director Brown on the possibility of mapping the anticipated location of the 10% to 15% old growth within the strategy. Staff affirmed DNR's ability to map the information. He questioned whether the Board ever received the information as promised at the May meeting. He referred to a recent article in *The Olympian* newspaper quoting staff as stating, "That even if a piece of land DNR owns has sat untouched for decades, it is likely to be cut down no matter what." He questioned whether the Board agrees with that articulation of DNR's role and whether DNR is committed by default to clearcutting

the land. He invited Chair Franz to send a letter to the editor of *The Olympian* correcting the record as needed.

Sue Dearman, resident of Poulsbo, commented on her career in the classroom introducing children to the importance and beauty of a natural forest. During her retired years, her intent is to protect the forests for the children of the future. She asked whether it is true that for many watersheds, the only unplanted forests remaining are located on forestlands managed by DNR. It would make sense to set aside the few remaining forests, especially in light of current science on climate change and wildfire danger. DNR should discontinue logging and log plantation forests for timber sales. The Board should cancel the Prospero timber sale and stop logging in the Chehalis River Basin and other legacy forests.

Traci Waddington spoke in support of the proposed Dallesport School acquisition. She thanked DNR for its thoroughness throughout the process and for considering Dallesport for the new wildfire response location, which will add much needed living wage jobs to the area. The wildlife response center will reduce fire damage in the mid-Columbia area.

Teri Wright, resident of Paradise Bay, commented that 77% of Washingtonians are concerned about climate change and the associated catastrophic events, such as floods, extreme weather changes, droughts, fires, and heat waves. The majority of climate science state that climate change is related to human activity. Currently, there is an international and domestic scramble to develop technological solutions to keep greenhouse gas emissions out of the atmosphere. Standing forests absorb and sequester carbon, yet, once again, DNR is presenting timber sales for approval. She asked how the public would be able to engage with the Board and why following so many public comments opposing timber sales, the Board immediately approves timber sales.

Ed Bowen, citizen of Clallam County, asked a series of questions regarding the OESF and the delay in release of monitoring information until the January meeting and the success of the designated trust lands under OESF guidelines. He asked for numbers reflective of the two counties and beneficiary groups benefitting from the OESF. DNR has failed to respond to his previous questions. He asked the Board to address a possible solution to lower the rate of nobids and allow workups of appraisals at the regional level with approval by the agency to improve no-bidder issues in Clallam County. He questioned whether the six sales pulled in 2022 and 2023 are due to the work to review older forests.

Chair Franz recessed the meeting at 10:51 a.m. for a break.

Chair Franz reconvened the meeting at 10:56 a.m.

TIMBER SALES (Action Item)

- 41 Auction Results for November 2021 & Proposed Timber Sales for January 2022
- 42 Duane Emmons, Division Manager, Product Sales & Leasing Division

- Mr. Emmons advised that after 20 years with the agency, Koshare Eagle has elected to pursue
- other adventures. Tom Heller is serving as the Acting Assistant Division Manager. He
- 46 recognized Olympic Region staff for their efforts to reschedule timber auctions when excessive

rains caused road closures that blocked potential bidders from traveling to the region office to participate in the auctions.

Mr. Emmons presented the results of the November auctions. The Department offered 16 sales totaling 57.6 mmbf. All sales sold totaling \$24 million for an average of \$416 per mbf with 2.8 bidders per sale on average. The level of interested bidders remained higher than average and prices bid for delivered log sorts is a good sign for the near-term forest products market.

Mr. Emmons invited questions from the Board.

11 No Board Members offered comments.

Mr. Emmons presented nine sales proposed for future auction totaling 45 mmbf with a total estimated value of \$16.1 million or \$357 per mbf.

Mr. Emmons acknowledged receipt of letters to the Board requesting the withdrawal of a number of sales. He outlined how staff screen the sales, reviews and evaluates any comments received throughout the process to include any SEPA comments, and ensures that the sales comply with all DNR commitments. He reviewed two specific sales involving the American Pharoah sale located in the Pacific Cascade Region primarily in the Lewis County Sustainable Harvest Unit and the Prospero sale located in the Capitol Forest Sustainable Harvest Unit. Although the sales are in different regions they are both located along the south coast HCP planning area. Approximately 80% of the sale of American Pharoah will benefit Lewis County with 20% to the Common School Trust. Units 1 and 2 are estimated to be between 85 and 90 years old with some older individual trees aged 100 to 120 years. Unit 3 is estimated to be 50 to 54 years old.

Mr. Emmons shared details of the work involved in preparing the American Pharoah and Prospero sales. Paper planning began in early 2019 for the American Pharoah sale in anticipation of the final adoption of the Sustainable Harvest Calculation and the Murrelet Conservation Strategy. That planning involved agency specialists such as biologists, archeologists, geologists, and surveyors to identify any sensitive areas that might need in-depth field review. Other staff trained as old growth specialists also review old aerial photos, combined origin year data, tree height data, and any weighted old growth habitat index. The fieldwork began in December 2019 following the approval of the Sustainable Harvest Calculation.

Mr. Emmons described details on the history of the landscape, the amount of review that went into sales planning and layout, and the amount of acres removed from the proposal to meet protections and obligations under the HCP and Policy for Sustainable Forests.

Mr. Emmons explained the Agency's Legacy Cohort management strategy to address concerns regarding old growth legacy trees in the proposal sale areas. The intent of the strategy is capturing a certain number of trees per acre but not all legacy trees in addition to trees retained in the riparian management areas. The Legacy Cohort strategy is designed to create structural diversity within the stand and across the landscape and is designed to leave a mix of species and tree heights to create complex structure.

The initial screening tools for the American Pharoah sale did not indicate any presence of old growth nor did field assessment indicate a need for a more robust screening for those sales closer to the 120 years.

Some of the concerns raised during the SEPA review of the sale surrounded the stand age in the original SEPA checklist. The original stand assessment for Unit 2 using the forest inventory data indicated the stand regenerated in 1950. Another comment pertained to potential old growth legacy trees with the majority of comments focused on the structurally complex forest.

Mr. Emmons shared photographs provided with some of the SEPA comments.

12 Mr. Emmons invited questions from the Board.

Dr. Brown requested additional clarification as to when older and very large trees are reviewed with the Board when slated for harvesting. Mr. Emmons replied that if the trees were defined as very large structurally unique (refers to characteristics that have wildlife benefit) they would be reviewed by the Board prior to any harvest or removal. The guidance is to retain at least one of the large diameter trees per acre and one of the dominant crown class trees. Typically, more than eight trees are retained; however, the eight retained trees must meet specific criteria.

Dean Koenig noted that when he toured the Prospero proposed sale and other sales in Capitol Forest in October it helped him gain a greater appreciation for the complexity of evaluating a stand for age of individual trees and average stand age. The percentage of the areas within the American Pharoah that was excluded is substantial. He asked for the percentage of trees excluded from the Prospero sale and whether those areas represent a greater fraction of older stands. Mr. Emmons replied that he did not have access at this time to the number of acres retained for the Prospero sales; however, the acres are based on stream type. Leave tree strategy within the units would be similar with the same criteria.

Mr. Emmons reviewed the details of the Prospero unit sales and the screening tools used to assess the units.

Mr. Emmons invited questions from the Board.

- Dr. Brown acknowledged the public comments and emails received by the Board and appreciated the details shared on the proposed sales as it addresses some of the concerns.
- Essentially, with the adoption of the HCP, some forests were opened that were previously in abeyance. One question pertains to a goal in the HCP indicating that the south coast Habitat
- 39 Conservation Planning Unit will meet at least 10% older forest within conservation areas by
- 40 2100. A presentation at the June meeting spoke to the expectation of achieving 12.5% by 2100.
- 41 Additionally, his prior question concerning the agency's capability of mapping was addressed
- during the June presentation. It appears the concern is harvesting of older forests once the 10%
- has been achieved. He asked whether the 10% in older forests are exclusively within
- ecologically managed areas and riparian areas. Mr. Brodie responded that the 10%-15% targets
- have not been achieved at this time as they represent an articulation from the Board for desired
- future conditions of the forest. Assessments demonstrate that within the conservation areas, the
- 47 targets in the HCP will be met primarily within the riparian and marbled murrelet areas.

Dr. Brown offered that the DNR guidance in effect specifies that once an area within the stand can be designated as suitable for the 10% target, the remaining stand is available for the full spectrum of timber harvest. He questioned whether the action is specific to DNR guidance rather than HCP rules. Mr. Brodie affirmed that the action is DNR guidance in the form of policy by the Board and implemented through the agency's procedures. The policy essentially enables DNR to designate additional lands to meet the target by undertaking a landscape analysis to determine if sufficient land is in conservation areas within the planning unit and whether there is sufficient forest in a condition that would support the growth of a structurally complex forest in the future.

Dr. Brown said it appears the 10% target is not designated but that it is likely it would be designated eventually to meet the 10% target. Mr. Brodie explained that land is designated based on the knowledge of the land base in terms of riparian areas and areas dedicated as part of the marbled murrelet strategy. When managing a natural resource, the projection is in the future based on future growth of structures that would develop into structurally complex forests. He added that within the south coast area of approximately 260,000 acres, 37% of those acres are currently designated in some form of conservation status.

Dr. Brown asked whether there are efforts to identify areas in riparian zones that might not be suitable for achieving structurally complex conditions. Mr. Brodie affirmed that the goal of the riparian forest restoration strategy is to manage those areas that likely would not achieve desired future conditions.

Mr. Brodie added that many of the public comments spoke to meeting older forest targets by achieving forest stands of a certain size. DNR has no specific requirements as to a specific size to achieve or retain as part of the targets.

Dr. Brown noted that another comment spoke to whether riparian areas are distributed across the landscape. Because the HCP is a landscape-level approach, riparian areas are distributed across the landscape with the murrelet strategy employing a habitat area approach of clustering high valued habitats across the landscape.

Mr. Emmons emphasized how the HCP is based on a strong adaptive management approach and that DNR continues to explore ways to improve the process through the next Sustainable Harvest Calculation by considering better ways to evaluate the development structure on state lands using best available science and adapting management throughout the process to achieve positive outcomes.

Dr. Brown commented on the 60-inch diameter breast height designation for very large trees. In the Policy for Sustainable Forests, the guidance from the Board is to review removals of very-large diameter structurally unique trees. He questioned whether the 60-inch rule is policy from the Board or an interpretation of the guidance from the Board. Mr. Brodie affirmed that it an interpretation of the guidance from the Board. The process is essentially a dialogue between staff, the public, and the Board on how policies are developed. Those directions are developed into a set of manuals, training guides, and/or procedures to guide the implementation of the Board's guidance.

Mr. Emmons noted that within the Policy for Sustainable Forests, references are included specific to 60 to 90-inch diameter trees dependent upon the species as very large structurally old growth.

Dean Koenig remarked on how his tour of the stands was valuable to him to observe some of the issues surrounding the sales. He asked about the possibility of offering tours to several members of the public in the future. Mr. Emmons explained that DNR sponsors a Board retreat each August with field tours; however, because of the pandemic, the typical retreat with field tours was not scheduled this year.

Mr. Brodie advised that he has followed up via email to several of the speakers to schedule small group conversations. He invited Board members to participate in the conversations. Staff is tentatively planning a retreat in August 2022 dependent upon the pandemic. The public will be invited to attend.

Commissioner Peach commented on the number of no sales for the Olympic Region. He asked about any DNR policy that prohibits the Board from evaluating the market prior to a sale. Mr. Emmons explained that no specific policy addresses the Board reviewing appraisals or establishing pricing. Staff conducts market surveys, log surveys to all local mills, assesses local conditions, and works closely with each region to ascertain logging costs, construction costs, and supply chain issues. No-bid conditions are closely monitored. Different strategies have included establishing the minimum bid value lower to avoid no-bids. In areas where there are only one or two bidders, the Department may signal receptiveness to receiving lower bids.

Commissioner Peach conveyed appreciation of the approach but questioned whether the Board has a role in the process for preparing a timber sale. Mr. Emmons explained that he believes no policy or procedure exists by the Board that would influence appraisals. The Board has authorized the Department to reappraise sales if the sale receives no bids without reapplying for approval by the Board to enable the Department to react to market conditions.

Mr. Emmons requested approval of the proposed sales.

Superintendent Reykdal remarked on the powerful and important discussion surrounding the complexity of the issues. The Board has been hearing concerns from stakeholders for some time and he is confident that the Board and DNR have a framework for the work and although many may disagree on the thresholds or approaches, the fact is, there are thresholds and approaches as shared by staff. He suggested there is an ongoing need for the Board and staff to evaluate and review proposed sales to address some of the specific issues that are important to some members of the public.

Chair Franz explained that the presentations on old growth over the last several months and the staff discussion on the proposed sales are part of efforts by staff to present information to the Board to answer questions and provide guidance to staff. Superintendent Reykdal offered that the discussion was helpful to share the depths of the policy details; however, he would like to review past and future conditions or the big picture of where the policies will take the Department to help him understand the depths of the policy nuance.

MOTION:

1 2 Chair Franz affirmed that staff would meet and discuss ways to present information at a high 3 level as well as a detailed level. 4 5 Chair Franz invited a motion to approve the proposed sales as presented. 6 7 MOTION: Commissioner Peach moved to approve the proposed sales. 8 9 SECOND: Dean Koenig seconded the motion. 10 11 ACTION: The motion was approved unanimously. 12 13 **LAND TRANSACTIONS (Action)** 14 Dallesport School Acquisition, #08-102829, Resolution 1581 Dave Gordon, Assistant Division Manager, Conservation, Recreation and Transactions Division 15 16 17 Mr. Gordon presented the proposal to purchase the former Dallesport Elementary School located 18 in Dallesport in Klickitat County. 19 20 Mr. Gordon cited several provisions in House Bill 1168 that are relevant to the proposed 21 transaction. The school is located eight miles east of Lyle, Washington in the Columbia River 22 Gorge and directly north of the City of The Dallas in Oregon. The school site is located near a 23 regional airport facility. The school was constructed in 1997 on 3.6 acres comprised of two large 24 buildings and an annex building. The school district experienced a rapid decline in enrollment in 25 2016 when the school was closed. The school district leased the facility to a high-tech company 26 manufacturing drones. The company renovated the facilities into a drone manufacturing plant 27 enabling future conversion of the facility to a large training area and office space. The facilities 28 were renovated an included upgrades to the HVAC system and wiring for data transmission. 29 Due to the bankruptcy of the drone company, the former school site was abandoned in 2019. 30 31 Based on the Department's need to expand firefighting resiliency response capabilities, the 32 Department extended an offer to purchase the school from the school district to complete 33 retrofitting to become a fire response center to include crew quarters, training facility, office 34 space, shop, and equipment storage. 35 36 The purchase price of the school is \$1.6 million with an estimated \$2.5 million required to 37 complete the renovation for a total cost of \$4.1 million or \$166 per square foot. 38 39 Mr. Gordon described the benefits of the purchase to the Department and to the local area. The 40 proposed purchase has broad community support. 41 42 Mr. Gordon invited questions on the proposed purchase. No questions were asked by Board 43 members. 44 45 Chair Franz invited a motion to approve Resolution 1581. 46

Superintendent Reykdal moved to approve Resolution 1581

1 SECOND: Commissioner Peach seconded the motion. 2 3 ACTION: The motion was approved unanimously. 4 5 Pacific 6 State Forest Transfer, #02-202743, Resolution 1582 6 Skamania 7 State Forest Transfer, #02-102744, Resolution 1583 7 Wahkiakum 6 State Forest Transfer, #02-102745, Resolution 1584 8 Deb Whitney, Project Manager, Lands Transaction Program 9 10 Ms. Whitney reported the proposal is for approval of three state forest transfers. The purpose is to transfer State Forest Transfer trust properties encumbered by federally endangered or 11 12 threatened wildlife species to Natural Resources Conservation Area (NRCA) status as directed 13 by legislation. The properties are located in counties with populations of 25,000 or less. The 14 counties include Pacific, Skamania, and Wahkiakum that are at risk for harvest deferrals greater 15 than 30 years. 16 17 The properties were appraised as if unencumbered by either endangered or threatened species and not subject to harvest deferrals. The timber value will be distributed similar to other State 18 19 Forest Transfer revenue with 75% to the county and 25% to the Forest Development Account. 20 The land value will be deposited into the Park Land Trust Revolving Account for the purchase of 21 replacement property for the State Forest Transfer trust. The transfers provide for the 22 replacement of lands unsuitable to manage for timber revenue, provide funds for continued 23 county services, and protect habitat for threatened and endangered wildlife species. 24 25 The properties are occupied sites for marbled murrelet or core habitat for Northern Spotted Owls. 26 The Legislature appropriated \$1.5 million in the 21-23 biennium for each county. Ms. Whitney 27 displayed information summarizing transfers from 2012 to 2020 for each of the three counties. 28 During that period, 1,581 acres were transferred to NRCA with a total timber value of 29 \$16,821,960. Of that timber value, \$12,693.061 was paid to the counties. The total land value of 30 \$1,618,040 was used as replacement funds to purchase new unencumbered State Forest Transfer 31 trust lands in each county. 32 33 Ms. Whitney invited questions and comments from the Board. The Board offered no comments 34 or questions. 35 36 Ms. Whitney shared additional details and the values of each property. 37 38 Ms. Whitney invited questions and comments from the Board. The Board offered no comments 39 or questions. Ms. Whitney requested the Board's approval of the three proposed land 40 transactions. 41 42 MOTION: Dr. Brown moved to approve Resolutions 1582, 1583, and 1584 as presented. 43

45 46 ACTION: The motion was approved unanimously. 47

Dean Koenig seconded the motion.

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SECOND:

Lakebay Marina Acquisition, #08-102932, Resolution 1585

Michael Rechner, Assistant Division Manager, Policy, Aquatic Resources Division

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- Mr. Rechner reported the Lakebay Marina proposed acquisition would be funded by a \$1.8 million grant from the Recreation and Conservation Office (RCO) to acquire upland property in
- 6 Mayo Cove near Lakebay Washington. The acquisition includes the historic Lakebay Marina.
 - The Board received a briefing on the proposal in October.

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- DNR partnered with Recreational Boating Association of Washington (RBAW) to purchase approximately 2.83 acres of upland and tideland property associated with the Lakebay Marina.
- 11 The purchase includes the marina, historic peer and building, floating docks, fuel docks,
- modified shoreline, and estuarine tidelands. The ultimate goal is to renovate the property into a
- 13 fully functional state-of-the-art recreational facility for long-term management by Washington
- 14 State Parks.

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- 16 Lakebay Marina is located on Key Peninsula in Pierce County across from Penrose Point State
- 17 Park in Mayo Cove. The location is strategic for recreational boaters between Olympia and
- 18 Tacoma and is currently the only public fuel dock located between the two cities on Puget
- 19 Sound. The docks are in poor condition, electricity has been removed because of safety
- 20 concerns, and the fuel dock is nonfunctional and hazardous. The project is pivotal to preserve
- 21 public access and its rich history dating back 135 years to the Mosquito Fleet. The building on
- 22 the pier was placed on the Pierce County Historic Register of Places in 2019. The shoreline has
- been modified with significant potential to restore and protect habitat and water quality in Mayo
- 24 Cove to support plant and fish species.

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- The property was under a DNR lease that terminated on September 7, 2021. Without the land transaction, the marina would either be removed or sold for private use. Completion of the
- acquisition guarantees the site will remain available to the public and not lost to private
- 29 development. Strategically located between the cities of Olympia and Tacoma, the site serves
- boaters from South Sound. The fuel dock and nearby pump out facility and existing upland
- 31 parking provides an opportunity for significant environmental restoration making the site an
- 32 excellent choice for renovation. The site is adjacent to Penrose Point State Park and would
- complement the park by adding additional boating facilities and providing opportunities for
- 34 historic preservation and education.

35 36

- DNR received a signed purchase and sale agreement with the owner and completed an appraisal
- and a cultural resources assessment of the site. DNR and the owner agreed to a purchase price of
- \$1,559,900. DNR received an appraisal of \$1,190,000, which is under review and subject to
- change. Staff proposes to use a combination a RCO grant funds and funds from Pierce County and the Recreation Boating Alliance of Washington's Marine Park Conservancy to meet
- and the Recreation Boating Alliance of Washington's Marine Park Conservancy to meet purchase price obligations under the purchase and sale agreement. If the Board approves the
- resolution allowing the purchase, the sale will close before the end of the year. Following the
- purchase, DNR, RBAW, and State Parks will initiate a planning process for phasing
- 44 improvements, securing permits, and designing and engineering the site to benefit boaters and
- the public. In 2022, DNR and RBAW plan to apply for additional grants for continued
- development of the project.

Mr. Rechner requested the approval of Resolution 1585 for the purchase. He offered to answer any questions.

Chair Franz added that DNR manages approximately 2.6 million acres of aquatic lands on behalf of increasing salmon habitat restoration and protection and providing access for public recreation. DNR partnered with RBAW to ensure the project remains available for public access. She invited questions and comments from the Board.

 Superintendent Reykdal asked whether the marine building is located on piers. Mr. Rechner affirmed the building is located on piers, which is listed on the historic register. The waterward section of the building has been used as a restaurant and the landward side of the building is used for storage. The depth of Mayo Cove is not deep (20 to 30 feet); however, the area is continually covered by water.

Chair Franz requested a motion to approve the Lakebay Marina Acquisition, Resolution 1585.

MOTION: Superintendent Reykdal moved to approve Resolution 1585; Lakebay Marina

Acquisition.

20 SECOND: Mr. Cahill seconded the motion.

ACTION: The motion was approved unanimously.

CHAIR REPORT

Policy for Sustainable Forests – Older Forests

Mr. Brodie recommended deferring the presentation to the January meeting to enable adequate time for the discussion. He invited the Board to offer questions and requests to enable staff to respond at the January meeting.

Superintendent Reykdal asked for detailed analysis of the Department's definition of old growth, as well as an estimate of existing old growth and how much is anticipated to increase in the future. Mr. Brodie said staff would also provide some of the work completed on the structural definition of older forests as there is a distinction between both policies of old growth and older forests.

Dr. Brown agreed it would be important because of concerns conveyed about old growth, as it is the policy of the Department not to cut any old growth. Mr. Brodie affirmed the policy from the Board dictates no cutting of old growth and staff works to ensure that does not occur. The Board will receive more information and a clear definition between old growth forests and older forests. The Department selected the date of 1850 as the date designating to distinguish when stands could be qualified as old growth in combination with the structural characteristics to meet the old growth definition. Another definition used to denote old growth forests is primary forests.

Mr. Cahill asked staff to provide additional information on operable versus non-operable acres by planning units to reflect a geographic distribution of those acres to assist the Board's discussion.

1 Commissioner Peach asked for additional information about the HCP and how the plan provides certainty. Mr. Brodie confirmed the request.

3 4 5

ADJOURNMENT

Commissioner Franz adjourned the meeting at 12:40 p.m.

Approved this 4th day of January , 2022
Absent
Hilary S. Franz, Washington State Commissioner of Public Lands
Approved via webinar
Jim Cahill, Designee for Governor Jay Inslee
Approved via webinar
Chris Reykdal, Superintendent of Public Instruction
Commissioner Bill feach 2BF8C044B00E459 Bill Peach, Commissioner, Clallam County
Approved via webinar
Dr. Richard Koenig, Interim Dean, College of Agricultural, Human, and Natural Resource Sciences
Washington State University
Approved via webinar
Dan Brown, Director, School of Environmental and Forest Sciences,
University of Washington
Attest:
Tami Kellogg
Tami Kellogg, Board Coordinator