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# Minutes

## Board of Natural Resources Meeting

September 7, 2021  
“Webinar” in 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

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### 1 CALL TO ORDER

2 Chair Franz called the meeting to order at 9:04 AM.

3  
4 All Board members provided self-introduction. A meeting quorum was attained.

### 5 6 WEBINAR FORMAT BRIEFING

7 Ms. Tami Kellogg provided an overview for participating in a webinar meeting.

### 8 9 APPROVAL OF MINUTES

10 Chair Franz called for approval of the minutes for the July 6, 2021 Regular Board of Natural  
11 Resources meeting.

12  
13 MOTION: Superintendent Reykdal moved to approve the minutes.

14  
15 SECOND: Director Brown seconded the motion.

16  
17 ACTION: The motion carried unanimously.

### 18 19 LIGHTNING TALK

#### 20 Natural Areas

#### 21 Tim Stapleton, Assistant Division Manager, Conservation, Recreation and Transactions

22  
23 Mr. Stapleton reported the Natural Areas Program is overseen by a team of professionals across  
24 DNR’s regions working to protect in perpetuity the state’s most precious plants and ecosystems.  
25 The program oversees is a steward of 57 Natural Area Preserves (NAP) and 39 Natural

1 Resources Conservation Areas (NRCA) on 166,400 acres of state land. NAPs protect the best  
2 remaining examples of many ecological communities including rare plant and animal habitat on  
3 40,000 acres throughout the state. Eastern Washington habitats protected include grasslands, oak  
4 woodlands, sub-alpine meadows and forests, Ponderosa pine forests, and other rare plant  
5 habitats. Western Washington preserves protect coastal areas supporting high quality wetlands,  
6 salt marshes, and forested buffers. Other Westside habitat includes prairies, natural forests, and  
7 grasslands.

8  
9 NRCAs protect native ecosystems, habitat for endangered, threatened, and sensitive plants and  
10 animals, and scenic landscapes. Environmental education and low impact public use are  
11 appropriate NRCAs where they don't impair protected features. Critical habitat is conserved in  
12 many NRCAs for many plant and animals species including rare species. NRCAs also protect  
13 geological, cultural, historical, and archeological sites. More than 125,000 acres are conserved.

14  
15 Many NAPs include access facilities, such as trails and day use areas making up a network of  
16 low impact recreation and environmental education opportunities in DNR's natural land areas.  
17 The state's largest NAP is Columbia Hills located on the crest of Columbia Hills near the  
18 Columbia River Gorge Natural Scenic Area southwest of Goldendale and adjacent to Columbia  
19 Hills State Park. The site of 3,600 acres was established in 1993 after being identified by the  
20 Washington State Natural Heritage Program as a priority for protecting Washington's largest  
21 population of rare plants.

22  
23 The NAP also protects more than 125,000 acres in the Habitat Conservation Plan (HCP) area.  
24 Natural areas provide credit or value towards conservation objectives required in the HCP.  
25 Conservation efforts directly benefit the trusts in terms of goals for protecting species and for  
26 habitat conservation.

## 27 28 **PUBLIC COMMENTS FOR GENERAL ITEMS OF INTEREST**

29 **Robert Mitchell** suggested DNR should have a clear vision of preserving nature and monetizing  
30 the securitized asset. He questioned whether imports consist mostly of specialty woods and  
31 whether the state exports more lumber than it uses and whether it would be possible to substitute  
32 bamboo and hemp carbon fiber for wood. The vision of many community members support  
33 conservation rather than logging, and as conservation supporters outnumber logging interests,  
34 they should exert political pressure on the Board. It is important to learn about the wood-wide  
35 web and the potential of finance to provide sustainable non-tax revenue without logging trees.  
36 Error bars should be included on cruise reports and auction packets statistics. Shaming Board  
37 members for approving timber sales is much better than tree sitting as it is the constitutional duty  
38 of citizens to petition the government for redress of grievances. His vision for DNR is to sell  
39 climate change assets to well-endowed climate change funds instead of selling old forests to  
40 loggers. Another option is selling the weighted old growth habitat index as it is guaranteed to  
41 increase in value as logs are retained.

42  
43 **Rod Fleck, City of Forks**, emphasized the importance of ensuring the accuracy of the  
44 sustainable harvest calculation. He asked whether the process will be open and available to the  
45 public. Because many in the state rely on the calculation, it is important to minimize arrearage  
46 because of what occurred during the last calculation. He hopes the Department continues to  
47 offer virtual meetings because it enables many individuals to participate in the meetings.

1  
2 Commissioner Franz affirmed the Department plans to visit the option of continuing to offer  
3 virtual meetings to enable more people to engage.  
4

5 **Miguel Perez-Gibson, Washington Environmental Council**, conveyed appreciation for the  
6 extensive work presented to the Board on older forests; however, many questions remain on the  
7 Department's process for identifying older forests. It appears some different qualifications are  
8 used by the Department leading to confusion as to the methodology DNR uses in its analysis and  
9 which forests DNR considers as contributing to the Habitat Conservation Plan's (HCP) older  
10 forests commitments. Approximately 1.2 million acres within the HCP requires DNR to develop  
11 landscape-level plans to ensure stands with older trees fulfill requirements and that active  
12 management can help advance stand complexity using biodiversity pathways. As stated in the  
13 Board's policies through feedback and communication opportunities, the forest land planning  
14 process can help refine strategies and outcomes as appropriate. Prior to auction, timber sales  
15 should be evaluated as to whether the stand can contribute to older forest HCP commitments. He  
16 asked the Board to suspend all timber sales that may include older forests until a path forward is  
17 determined.  
18

#### 19 **PUBLIC COMMENTS FOR TIMBER SALE ACTION ITEMS**

20 **Stephan Kropp**, representing the Center for Responsible Forestry, voiced opposition to the  
21 About Time timber sale. DNR claims the timber sale includes portions of a tree farm purchased  
22 by Weyerhaeuser in 1986. He was unable to locate any evidence from aerial photos of a tree  
23 farm. DNR records reflect the stand is comprised of federal lands granted to the state. The site  
24 is diverse both in tree species composition and distribution of size, classes, and plant  
25 communities. Four to five-foot diameter trees are located within the unit. The site as it exists  
26 now is a naturally regenerated forest and is located in the center of one of the largest remaining  
27 blocks of older, complex, and native forests in southwest Washington. Previous comments by  
28 staff spoke to protecting the best landscapes for the continued development of older forest habitat  
29 while eliminating isolated patches of older forest that would not exist in a secured landscape.  
30 The 1,200 acre block of 80 to 120-year native forests populated by hundreds of legacy trees is  
31 not an isolated patch of older forest. The long-term strategy is not about conserving older forests  
32 but rather is focused entirely on avoiding excessive take of one species; the marbled murrelet.  
33 Many of the murrelet nesting sites are not located in larger blocks of older forest. Most of the  
34 largest remaining blocks of older forests in southwest Washington are not protected but have  
35 been released for harvest.  
36

37 **Miguel Perez-Gibson** commented that when DNR received its Marbled Murrelet Incidental  
38 Take Permit, 30,000 acres were held as possible habitat over the last several decades until the  
39 permit was satisfied. Today, those acres are proposed for harvest. Most of the stands are  
40 amazing. He recommended implementing a pause to ascertain how they could contribute to  
41 HCP goals as it would present a good opportunity to move away from clearcutting or a minimal  
42 retention strategy to more of a biodiversity pathway. When the Board approved a strategy to log  
43 older forests in 2004, biodiversity pathways would be used as a silviculture practice to help meet  
44 the goals of the Department's federally approved HCP. He believes that there has been a lack of  
45 implementing that strategy. He encouraged the Board to direct the Department to update  
46 reasons, challenges, and opportunities for considering biodiversity.  
47

1 **TIMBER SALES (Action Item)**  
2 **July and August Auction Results, Proposed Timber Sales for October 2021**  
3 Koshare Eagle, Assistant Division Manager, Product Sales & Leasing Division

4  
5 Ms. Eagle presented the results of the July and August 2021 auctions. In July, the Department  
6 offered 8 sales totaling 25.1 mmbf. Six sales sold for \$11.6 million for an average of \$526 per  
7 mbf with 2.6 bidders per sale on average.

8  
9 In August, the Department offered 6 sales totaling 28.6 mmbf for an average price of \$190 mbf.  
10 Four of the sales sold with two sales in the Northeast region that did not receive bids resulting in  
11 the addition of 17.5 mmbf to fiscal year 2022 timber volume. The average bid was \$404 mbf.  
12 An additional region sale, Rosy Owl-Clover, of natural area to improve habitat was also sold.

13  
14 Combined sales in July and August are anticipated to generate \$18.7 million in revenue for the  
15 beneficiaries and the Forest Management Account.

16  
17 Ms. Eagle invited questions. No questions were offered by the Board.

18  
19 Ms. Eagle presented the 10 proposed sales for October totaling 39.2 mmbf. Minimum bids total  
20 \$12.1 million at an average price of \$309 mbf. Revenues from the sales will be distributed to  
21 Clallam, Grays Harbor, and Whatcom Counties, Common School Construction, Reform  
22 Institutions, Capitol Building, Universities and State College, and King County Pollution Control  
23 Board. The average minimum bid is \$309 mbf.

24  
25 Ms. Eagle invited questions. No questions were offered by the Board.

26  
27 Ms. Eagle requested approval of the proposed sales as presented.

28  
29 MOTION: Commissioner Peach moved to approve the proposed sales.

30  
31 SECOND: Superintendent Reykdal seconded the motion.

32  
33 ACTION: The motion was approved unanimously.

34  
35 **PUBLIC COMMENTS FOR CHAIR REPORT**

36 **Rod Fleck** commented that the sustainable harvest calculation serves as the driver for both  
37 timber sales and for the beneficiaries in terms of expectations for revenue. It is important to  
38 ensure that the Department uses accurate inventory to develop the model. County and junior  
39 taxing districts should receive reports providing information on the harvest calculation by trust  
40 and by county to provide clarity to beneficiaries on an accurate harvest volume over the next  
41 decade.

42  
43 **Miguel Perez-Gibson** suggested the purpose and objectives elements are important to  
44 emphasize during the presentation especially as the sustainable harvest calculation will be  
45 divided into two geographic areas of the state. Additionally, more consideration should be  
46 focused on how HCP commitments will be satisfied in terms of purpose and needs. He noted  
47 that the sustainable harvest calculation will be the third calculation developed based on policies

1 adopted in 2006. The Department should consider an update of the policies prior to completing  
2 the calculation.

3  
4 **Matt Comisky, American Forest Resource Council (AFRC)**, spoke in support of the  
5 Department's plan to update the Eastern Washington sustainable harvest calculation especially as  
6 forest health needs and wildfire have been issues in Eastern Washington forests over the last  
7 several decades. It will be important for the new calculation to be credible and supported by  
8 beneficiaries and their customers. As a trust manager, DNR priorities should be as a prudent  
9 land manager and the sustainable harvest calculation is a business need as supported by statute  
10 and policy. Any large forest landowner seeking long-term sustainability needs to develop a  
11 sustainable harvest level that can be implemented in the field. It is essential to know the when,  
12 where, and how much forest activity is needed to achieve the harvest volume target. Without a  
13 harvest plan, there would be no way to prevent the Department from unintentionally harvesting  
14 the forest leading to low sustainable harvest calculation each decade as foresters harvest the best  
15 timber and most accessible stands to meet volume targets. The harvest plan would provide  
16 clarity on the ecological metrics outlined in the HCP and assist the Department in calculating  
17 carbon potentials.

18  
19 **Bill Turner, Sierra Pacific Industries**, commented on the commonalty and differences between  
20 the Department and private landowners in terms of modeling a sustainable harvest calculation.  
21 Modeling is an appropriate tool, which requires larger and better ground-based dataset input into  
22 the model. The results of the model should be implemented on the ground. The Board should be  
23 involved in understanding how the sustainable harvest calculation process is developed and  
24 implemented for the benefit of beneficiaries. The model should be more accurate by using  
25 ground-based stand level inventory.

## 26 27 **CHAIR REPORT**

### 28 **Eastside and Westside Sustainable Harvest Calculation**

29 Andy Hayes, Division Manager, Forest Resources Division

30  
31 Mr. Hayes provided a update on completing projects to establish sustainable harvest calculation  
32 levels for Eastern and Western Washington. Ongoing updates will be provided over the next  
33 several years.

34  
35 The July presentation covered reasons for developing a sustainable harvest calculation, basis of  
36 the Department's statutory obligation to manage state-owned lands, policies for sustainable  
37 forest and the definition of sustainability for the sustainable harvest calculation, and policies for  
38 recalculation of the sustainable harvest calculation level, which directs the Department to  
39 complete the calculation at least once every 10 years. The review also covered the factors the  
40 Board considers in rendering a decision.

41  
42 DNR's sustainable forest management policies are consistent with trust fiduciary standards,  
43 conserving and enhancing the natural systems and resources, production of long-term,  
44 sustainable trust income, and ensuring environmental and other benefits. Adoption of a  
45 sustainable harvest calculation level is a cornerstone of sustainable forest management.

46

1 The Forest Estate Model is a tool DNR uses to calculate the sustainable harvest levels as it  
2 ensures the Department engages in sustainable forest management across the landscape. The  
3 model is a computer model designed for strategic forest planning by generating long-term  
4 forecasts of financial, ecological, and social outcomes from selected courses of action. The  
5 model provides data on long-term sustainable production levels, forecasted long-term value, and  
6 projection of future landscape conditions. Analyses conducted includes comparison of the  
7 impacts of policy changes for harvest volume, net present value, forest cover, evaluation and  
8 targeted landscape outcomes, and analyzes which policy and technical assumptions influence  
9 model outcomes.

10  
11 The process of the Forest Estate Model involves the input of data and modeling of the data to  
12 produce the model's output of data. Currently, the modeling process is at the beginning of the  
13 public scoping process. The process over the next several years includes developing and refining  
14 the scope using public input and other inputs, development of alternatives analysis,  
15 environmental review to include analyzing the alternatives, financial analysis, public input, and  
16 revision of assessment and issuance of the Final Environment Impact Statement (EIS), and Board  
17 review and approval in late 2023.

18  
19 The scoping process identifies the Purpose, Need, and Objectives to clearly define the proposal.  
20 The format is defined in the State Environmental Policy Act (SEPA). Because of the prevalence  
21 of SEPA in the Department's work, the framework is used regularly as projects are defined.  
22 Scoping assists in rightsizing the project and forms the foundation to identify alternatives that  
23 meet both the Purpose and Need, collect information about potential environmental impacts and  
24 opportunities for mitigation, and probable significant adverse impacts.

25  
26 The status of scoping is at Step 1, which will be formalized when the public scoping notice and  
27 Determination of Significance are published. Step 2 includes public scoping meetings scheduled  
28 in October and November. Step 3 is a collection and summary of all public information. Based  
29 on public input, the Purpose, Need, and Objectives will be refined. Following the Board's  
30 review and approval of the Purpose, Need, and Objectives, the process moves to the  
31 development of the alternatives and conducting environmental analysis.

32  
33 Mr. Hayes reviewed the draft scopes prepared by staff for the Westside and Eastside Sustainable  
34 Harvest Levels. The update establishes the harvest level for the next planning decade from 2025  
35 through 2034 incorporating any new data, new methods of assessment, and any new policies that  
36 could impact harvest level.

37  
38 Director Brown referred to the second objective that addresses climate change impacts and  
39 benefits of alternatives focusing on mitigation. He questioned whether adaptation should be  
40 included in terms of the resilience of the forest during climate change. Mr. Hayes explained that  
41 the concept has not been included in previous modeling exercises. However, for this update,  
42 staff has considered the issue and is addressing the Eastside calculation in terms of future forest  
43 health as it pertains to climate change.

44  
45 Commissioner Franz added that DNR has completed a Climate Resilience Plan that impacts all  
46 the Department's efforts, which is integrated into programs and plans. DNR hired a new Chief

1 Resilience Officer with a background in climate resiliency who is working with Mr. Hayes and  
2 the team leading the effort.

3  
4 Dean Koenig asked about the accuracy of the sustainable harvest level estimates in comparison  
5 to the biological performance of forests over time. Mr. Hayes explained that because of the  
6 Department's management of the land base and the many objectives of the HCP, some  
7 landscapes are dedicated to habitat conservation strategies while other landscapes are focused on  
8 revenue production. Because of the portion of the landscape dedicated to improving habitat, the  
9 forest is expanding more than the Department is logging over time.

10  
11 Dean Koenig asked how arrearage is factored. Mr. Hayes responded that when the harvest level  
12 calculation is established, volumes are established by trust and by county, which is refined by  
13 regions when operationally implemented. Over time, DNR tracks those goals for meeting the  
14 targets to identify the differences between the projection and actual outcomes. There are a  
15 number of reasons why arrearage occurs, such as operational complexities (economic recession,  
16 lawsuits, or land transactions). Near the end of the harvest decade, staff completes an arrearage  
17 analysis to examine the delta between the target and the actual production for the Board's  
18 consideration.

19  
20 Mr. Hayes reported that some major differences of the Eastside Sustainable Harvest Level are in  
21 some of the implementation actions and DNR's work on forest health issues in Eastern  
22 Washington forests.

23  
24 Mr. Cahill asked how forest health work aligns with the wildland fire strategic plan and whether  
25 it plays a role in the calculation. Mr. Hayes responded that one major area of focus is in forest  
26 health treatments. DNR has made progress on its plan to treat eastside forests. A major tie is  
27 around the issue of forest health and ensuring the Department is prioritizing lands appropriately  
28 and building forests in the future that are resilient to wildfire, as well as productive for trust  
29 beneficiaries.

30  
31 Commissioner Franz said the Department is completing an assessment of all state lands in  
32 Eastern Washington in terms of the forest health treatment necessary to build resilience in the  
33 landscape. Information from those assessments will be incorporated into the context of the  
34 sustainable harvest in terms of volume and in the long-term health of lands over the next decade  
35 and beyond. With recent passage of legislation, DNR has additional resources to complete the  
36 work. DNR is accelerating forest health work on state lands to use as a model for both private  
37 and federal lands. Staff is working to achieve the 20-year Forest Health Plan on state lands in 10  
38 years. A presentation by the Department's Forest Health team can be scheduled to review how  
39 forest health work is implemented on state lands in Eastern Washington.

40  
41 Mr. Cahill offered that his inquiry as to the sustainable harvest calculation was whether there are  
42 areas in the state that should be harvested or treated quickly from a safety perspective as many  
43 communities are located near state forests that are at higher risk. Commissioner Franz replied  
44 that forest health priority zones are based on the health of the forest coupled with the proximity  
45 to population centers.

46  
47 Mr. Hayes reported the Technical Advisory Committee's (TAC) 12 members represent:

- 1
- 2       • UW School of Environmental and Forest Sciences
- 3       • WSU College of Agriculture, Human, and Natural Sciences
- 4       • Large forest landowner/manager
- 5       • Counties
- 6       • Conservation caucus
- 7       • Timber industry

8       The TAC offers expertise in the areas of climate change, forest biometrics, silviculture, forest  
9       estate modeling, forest economics, forest inventory, habitat development, and statistics. The  
10       TAC advises the Department on technical aspects of state forest modeling. Some of the  
11       technical issues are linked to policy issues under consideration by the Board.

12

13       During the last legislative session, 2SHB1168 was adopted directing DNR to invest in  
14       improvements in forest inventory, review growth and yield modeling, and support an audit to be  
15       conducted by the Joint Legislative Audit & Review Committee (JLARC). The legislature  
16       directed DNR to complete the tasks within the knowledge and advice of the TAC. Staff is  
17       scheduled to present projects to the Board to meet the intent of 2SHB 1168.

18

19       Next steps for the sustainable harvest level include regular briefings to the Board, a review of the  
20       2SHB 1168 Work Plan, public scoping, and a presentation early next year on the summary of  
21       public comments. A future briefing following the Board’s review of public comments will be to  
22       refine the Purpose, Need, and Objectives.

23

24       Mr. Cahill asked about the process DNR is using to build the model for the Eastside Sustainable  
25       Harvest Level. Mr. Hayes said because eastside forests are different than forests in Western  
26       Washington, the modeling is different. Staff plans to present more information on the eastside  
27       and westside models. Because of the complexity of eastside forest management and forest  
28       health, staff is developing a new model.

29

30       Mr. Hayes invited further questions and comments. The Board offered no additional comments.

31

32       **ADJOURNMENT**

33       With there being no further business, Commissioner Franz adjourned the meeting at 10:45 a.m.

34

35

36



Approved this 5th day of October, 2021

DocuSigned by:  
Hilary S. Franz  
903456C1CB0C405...  
Hilary S. Franz, Washington State Commissioner of Public Lands

Approved via Webinar  
Jim Cahill, Designee for Governor Jay Inslee

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

Attest:  
Tami Kellogg  
Tami Kellogg, Board Coordinator

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