

WHATCOM COUNTY
Planning & Development Services
5280 Northwest Drive
Bellingham, WA 98226-9097
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360-778-5901 Fax



Mark Personius, AICP
Director

Forestry Advisory Committee **Meeting**

LOCATION

**Hybrid Meeting: Zoom (details below) and
Northwest Annex Conference Room
Whatcom County Planning and Development Services
5280 Northwest Drive, Bellingham, WA 98226**

Date: August 1, 2023

Time: 4:00-6:00 P.M. Pacific Time PM Pacific Time (US and Canada)

Whatcom County PDS is inviting you to a scheduled in person or Zoom meeting.

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<https://us02web.zoom.us/j/87551132020>

Meeting ID: 875 5113 2020

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Forestry Advisory Committee
Meeting Agenda
for
August 1, 2023
4:00-6:00 P.M.

1. Roll call/Determination of Quorum
2. Approval of Minutes from 7/10/2023
3. Open Public Session (10 min)
4. Subcommittee Reports
 - DNR Update
 - Whatcom Forestry Profile Subcommittee Update
5. Old Business
 - Follow Up on Carbon Subcommittee's proposal – Next Steps
6. New Business
 - Discussion of Council's exploration of joint management of forestlands (re: letters between County Council and DNR Commissioner Franz and letter from Mount Baker School District; also discussed at 7/25 Council's CC/NR Committee)
7. Adjournment

Attachments:

- Draft minutes from 7/10/2023
- Letter to DNR CPL Franz from County Council, 5/9/23
- Letter to County Council from DNR CPL Franz, 6/7/23
- Letter to County Council from Mt. Baker School District, 6/8/23

Individuals who require special assistance to participate in the meetings are asked to contact us at least 96 hours in advance. The staff contact at Whatcom County Planning and Development Services is Cliff Strong, cstrong@co.whatcom.wa.us, 360-778-5942.

CLERK OF THE COUNCIL

Dana Brown-Davis, C.M.C.

COUNTY COURTHOUSE

311 Grand Avenue, Suite #105
Bellingham, WA 98225-4038
(360) 778-5010



COUNCILMEMBERS

Barry Buchanan
Tyler Byrd
Todd Donovan
Ben Elenbaas
Carol Frazey
Kaylee Galloway
Kathy Kershner

WHATCOM COUNTY COUNCIL

May 9, 2023

Hilary Franz, Commissioner of Public Lands
Washington State Board of Natural Resources
Jay Guthrie, NW Region Manager, DNR
Laurie Bergvall, Assistant Region Manager, DNR
Chris Hankey, Baker District Manager, DNR

Dear Commissioner Franz, Board of Natural Resources, and DNR staff,

The Whatcom County Council appreciates DNR's commitment to engaging county governments regarding the management of our state public lands. Over the past few years, Whatcom County has received significant community response regarding DNR's management of state-owned forests, especially in the context of project climate impacts for our region. The County Council values our forestry economy and we believe improved forest management strategies are needed to proactively restore forest health and bolster our community's resilience to future climate impacts.

First, we support a strong timber industry in Whatcom County that produces high quality wood products while providing employment opportunities in the forests and mills of Northwest Washington. Whatcom County supports actively managing forestlands for multiple co-benefits including enhancing watershed resilience, supporting jobs in the woods, expanding recreational opportunities, restoring fish and wildlife habitat, and producing wood products in perpetuity. We value the ecosystem services and climate benefits that our public lands provide, especially mature forests with significant biodiversity and structural complexity. We do not believe these economic and ecological values are mutually exclusive, and we welcome innovative approaches that better balance the many uses and benefits that our forests provide.

Going forward, we ask three things of DNR:

1. Explore co-management opportunities with Whatcom County

Whatcom County is committed to ensuring that the protection of critical forests and the expansion of climate resilient forest management practices does not burden the local timber economy but rather enhance it. We believe in order to accomplish these goals, DNR must expand its consultation with stakeholders, local governments, tribes, and community members. Whatcom County is eager to continue working with DNR to facilitate community dialogue about the stewardship of our forests.

Whatcom County is the trust beneficiary for roughly a third of DNR land in the county. Most of these "State Forest Trustlands" once belonged to Whatcom County, and were deeded to DNR to be managed on our behalf. Unfortunately, DNR's current protocol for approving timber sales doesn't require any consultation with Whatcom County (unless the sale is within the Lake Whatcom watershed). We believe more proactive engagement with County Council and county staff would help ensure DNR's forest management planning efforts are more consistent with our natural resources objectives. Importantly, such consultation will help improve public buy-in for DNR forest management, which will thereby lead to greater certainty for the agency.

2. Take advantage of the various programs the Legislature has provided

We believe DNR should expand its forest management toolbelt to better balance intensive timber production with ecological and watershed resilience to future climate impacts. Whatcom County Council does not believe that maintaining climate-resilient forests should come at the cost of our schools or other beneficiaries. The Washington State Legislature just allocated \$70 million from Climate Commitment Act (CCA) revenue to allow DNR to protect mature, structurally-complex forests, which includes an estimated \$20 million to protect up to 2,000 acres of forestland. Whatcom County Council understands pausing harvest or selecting forests for inclusion in the CCA proviso may delay funding for our local beneficiaries for years or decades. We are committed to offset any potential negative impacts to our local beneficiaries, including the Mount Baker School District. The legislature also allocated \$10 million for DNR to conduct more thinning treatments that improve forest health, which is needed across state lands in the Mount Baker Foothills. **We are supportive of this program being utilized in Whatcom County and are eager to work with DNR to identify which parcels should be included.**

Additionally, there are other opportunities to conserve naturally-regenerated forests without adversely impacting the trust beneficiaries, such as the Trustland Transfer Program that was just updated and revitalized in the 2023 legislative session. DNR's carbon project also offers an attractive model to provide consistent revenue to trust beneficiaries while protecting the many co-benefits associated with mature, structurally-complex forests. We encourage DNR to further explore opportunities to use these programs to balance the various benefits that our forests provide.

3. Pause the Brokedown Palace Timber Sale until December 31, 2023, when DNR identifies the acres that will be transferred out of trust status as a part of this program. This will provide the time necessary to evaluate possible inclusion of this parcel in the Climate Commitment Act program.

In recent months, we have received significant community response regarding DNR's proposed Brokedown Palace Timber Sale, located along the Middle Fork Nooksack River. The Whatcom County Council shares some of the concerns that have been raised regarding potential impacts to water quality and salmon recovery. We recognize that certain forests have greater ecological value than others, whereas other forests are more suited for continued commercial timber production. We believe the mature, unplanted stands included within the sale boundaries are worth more standing (notably, these stands appear to overlap with the State Forest Trustland that is supposed to be managed on our behalf).

Brokedown Palace could be a prime candidate for protection under the CCA program that was just established by the legislature. Logging this forest now would negate opportunities to include the forest in the CCA program, Trustland Transfer Program, or carbon project; therefore, we ask DNR to pause the timber sale until the sale can be further evaluated.

Thank you for working with us as we engage the public on this very important topic. We look forward to future collaboration.

Sincerely,



Barry Buchanan, Chair
Whatcom County Council

Cc: Correspondence file
AB2023-273



HILARY S. FRANZ
COMMISSIONER OF PUBLIC LANDS

June 7, 2023

Commissioner Barry Buchanan, Chair, At-Large Position A
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Kathy Kershner, District 4
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Tyler Byrd, Vice-Chair, District 3
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Ben Elenbaas, District 5
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Kaylee Galloway, District 1
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Carole Frazey, At-Large Position B
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Commissioner Todd Donovan, District 2
Whatcom County Council
311 Grand Ave., Suite 105
Bellingham, WA 98225

Dear Whatcom County Commissioners,

Thank you for your continued interest in the long-term health of forestlands in your county and for your engagement with the Department of Natural Resources (DNR) on the important decisions we make to ensure Whatcom County's trust lands are sustainably managed to meet the economic, environmental, and social needs of your communities, as well as our constitutional and statutory duties to our beneficiaries and our responsibility to protect our state's cultural resources and uphold tribal treaty rights. As an agency, we are committed to managing our state's forests for all the benefits they provide to every Washingtonian, including clean air and water, critical fish and wildlife habitat, carbon sequestration, cultural resources, space to recreate, sustainable wood products, quality local jobs, and funding for essential government services.

Over the past 30 years, we at DNR have taken significant steps to conserve our most ecologically valuable forests in Washington. Currently, 815,000 acres of DNR's trust lands are managed for conservation statewide, with more than 80 percent of that land located west of the Cascades. We have also protected an additional 130,000 acres of forestlands through our [Natural Resource Conservation Areas](#) (NRCA) and our [Natural Area Preserves](#) (NAP) programs. The [Dailey Prairie](#) NAP and the [Lake Louise](#) NRCA are two wonderful examples of how Whatcom County has benefited from those conservation efforts.

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HILARY S. FRANZ
COMMISSIONER OF PUBLIC LANDS
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In addition to our ambitious conservation efforts, DNR is also a recognized leader in sustainable, ecological forest management. Our [Policy for Sustainable Forestry](#), which was developed with leading experts like Dr. Jerry Franklin and Dr. Norm Johnson and established a first of its kind Old Growth Policy for western Washington, ensures that our forest management practices maximize the long-term sustainability of our working forest trust land while also protecting our most ecologically valuable and structurally complex old growth forests in perpetuity. Additionally, our multi-species [State Trust Lands Habitat Conservation Plan](#) provides further protections for riparian corridors and other critical habitat to support recovery of our region's most iconic and imperiled species. We proudly employ leading experts in old growth ecology, forest stand dynamics, riparian science, and restoration ecology to conduct peer reviewed research to continually adapt our management strategies to meet our forest health goals. As an example, our Variable Retention Harvests are designed to mimic natural disturbances that help restore structurally complex, multi-layered forests that provide critical ecosystem services and are more resilient to the impacts of climate change.

This is just one of the many reasons why Dr. Jerry Franklin cites DNR's management as an exemplary application of Ecological Forestry, saying, "In this state the most innovative large forest management organization is the Department of Natural Resources. And while people may not be completely happy with what they're doing it's so profoundly changed from what it was doing 30 years ago as to defy belief.

So, it is an innovative organization and you tend to find the most innovative organizations are those which have a conflicting duty, both ecologic and economic, and so it creates a tension that makes you really work at figuring out 'how am I going to meet both of these obligations'."

This exemplary stewardship has resulted in all DNR-managed forests being certified under the [Sustainable Forestry Initiative®](#) standard. Additionally, 176,000 acres in the South Puget Planning Unit are also certified under the [Forest Stewardship Council®](#) standard.

We have also taken significant steps to promote the use of sustainable, locally sourced forest products and grow the timber economy in Washington. We know that building with wood stores carbon in the built environment and requires less energy to manufacture than other materials, making it our most renewable and sustainable building product. Expanding the use of wood in our built environment is a critical component of our agency's efforts to fight climate change, protect our working forests from conversion to subdivisions and parking lots, and grow quality local jobs.

While I am proud of all that we have accomplished as an agency, the challenges facing our forests – from the annual threat of catastrophic wildfire to the impacts of climate change and increasing pressure from conversion – continue to grow. That's why I am excited that, over the past six years, my team and I have worked in partnership with the legislature to significantly diversify DNR's toolbox to more effectively combat these threats and enhance the environmental, social, and economic benefits of county forest trust lands. Today, DNR's toolbox includes:

- 1. Trust Land Transfer**, which allows DNR to work with eligible recipients to reposition state forest trust lands to be managed for ecological and recreational purposes and purchase replacement land that can earn long-term, sustainable revenue for the affected trust.

2. **Reconveyance** of State Forest Transfer lands to county ownership to be managed as a park, consistent with State Outdoor Recreation plans.
3. **Direct transfer** of trust land to eligible recipients, at fair market value, which allows the recipient to use these lands for any purpose (including open space, housing, commercial use, etc.) that is consistent with local zoning and DNR to reinvest the revenue back into the purchase of replacement lands for the same trust. HB 1460 expanded this authority to include county trust lands.
4. **Land Exchange** of county trust land for non-trust land of equal value that would allow the County to manage the parcel that was exchanged for any purpose that is consistent with local zoning.
5. **Land Pooling**, which is a mechanism to purchase new trust land for two or more counties who have entered agreements to share in the revenue generated from those lands.
6. **Forest Carbon Leasing** allows DNR to enter into leases for carbon projects on the voluntary market, for a term of 40 to 99 years as needed for the project. Leasing offers DNR an opportunity to generate revenue from carbon sequestration and storage on our lands while we work with legislators to pass a bill that would grant us direct authority to sell carbon credits and other ecosystem service credits.
7. **New funding for the 23-25 biennium to advance DNR's conservation and sustainable forest management work:**
 - a. **\$2.5 million** to conduct a regional wood basket analysis of current timber supply and the impacts of potential management changes on supply, and to convene a stakeholder group that will collaborate on approaches related to the conservation and management of older, carbon dense, structurally complex forest stands; strategies to increase carbon sequestration and storage in forests and harvested wood products; generate predictable revenue for beneficiaries and maintain wood supply for local industries and economies.
 - b. **\$1.5 million** to work with the Department of Ecology to convene a stakeholder group to conduct an ecosystem services inventory and develop a state trust lands ecosystem services asset plan that outlines opportunities to generate revenue and reduce the overall greenhouse emissions and increase carbon sequestration and storage.
 - c. **\$13.166 million** for silvicultural treatments to enhance forest stand growth and address the most critical forest health issues on managed trust lands in western Washington to ensure these forests are more resilient in the face of climate change.
 - d. **\$70 million** to purchase new forestlands, prioritizing lands at risk of conversion to a non-forested use, to offset the transfer of up to 2,000 acres of structurally complex, carbon-dense state trust forest lands out of trust status in counties west of the Cascade mountains, as well as all of Skamania County and the western portion of Klickitat County.
 - e. **\$10 million** to prepare commercial thinning timber sales in any county covered under the 1997 Habitat Conservation Plan for the purposes of restoring Northern spotted owl and riparian habitat in designated management areas that do not yet meet required habitat conditions.

Historically, DNR's management practices have been informed primarily by the Washington State Board of Natural Resources, with limited opportunities for direct input from individual county forest trust beneficiaries. I want to change that. As a former city councilmember, I know that the people best able to

make decisions about what happens in their community are the people who live there and are most impacted by these decisions. I also know that what works for one county, may not work for all counties. That is why I'm reaching out.

In light of the recent expansion of DNR's toolset, and our shared commitment to ensuring that our forests meet the constitutional and statutory duties to our beneficiaries as well as the critical environmental, social, and economic needs of your communities, I am excited to invite you to collaborate with DNR on a forest-management strategy for your county trust lands that best serves the needs of the beneficiaries, your constituents, and our state.

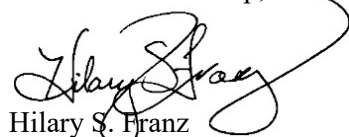
The truth is that not all forests are the same and our management strategies should reflect that. In fact, I outlined this broader vision for our state forestlands in [op-ed](#) last year. Like you, I believe that our high ecological and cultural value forests should be conserved and managed to maximize those benefits, while our working forests should continue to provide reliable, long-term timber supply for our homes, hospitals and schools, as well as quality local jobs for our communities. I believe that by working together in partnership we can achieve this win-win approach that enhances the value of all forests and creates a truly sustainable environment, renewable economy, and just society.

I would like to invite you to work with me and my team to develop a strategy for how DNR manages the county forest trust lands in your County. I am seeking your collaboration and input so that together we can make decisions that reflect our shared values and your vision for your County, while considering the many, varied needs of our shared constituents. I know that we are all deeply committed to creating a healthy and sustainable environment in the face of a rapidly changing climate while continuing to grow a strong economy and meet the critical financial needs of your communities.

I suggest we start this conversation with a deep dive into the county trust lands that DNR currently manages on your behalf and the suite of management tools available, so we all have a clear understanding of your assets and can make informed decisions about how best to maximize the multiple benefits that these forests provide to the beneficiaries of these lands, your communities, your local economy, your environment and the region we all represent. We want to answer any questions and listen to you on challenges and opportunities you see and ideas you have. From there, we can have an inclusive, robust, and collaborative discussion about the needs and interests of your community concerning these forests and develop a forest-management strategy for your county trust lands that best serves the needs of the beneficiaries, your constituents, and our state.

Sarah Ogden from my staff will reach out in the coming days to provide further details and work with you to schedule a first meeting. We look forward to working with you on this and finding pathways to manage our forests for the benefit of our communities, our economy, and the climate.

Yours in stewardship,



Hilary S. Franz
Commissioner of Public Lands

Board of Directors

Annie Elder
Danielle Gray
Russ Pfeiffer-Hoyt
Edward Fox
Brenna Reaugh

**District
Administration**

Superintendent

Mary Sewright
360.383.2000

**Director of
HR and Operations**

Nick Perigo
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**Director of
Special Programs**

Ian Linterman
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Director of Finance

Steven Lidgard
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**Director of Curriculum
and Instruction**

Bridget Rossman
360.383.2013

MOUNT BAKER SCHOOL DISTRICT

June 8, 2023

Whatcom County Council
311 Grand Avenue, Suite 105
Bellingham, WA 98225-4038

Chair Buchanan and Council Members:

We have closely followed your deliberations regarding the management of Department of Natural Resources (DNR) state trust lands in Whatcom County, including state forest transfer lands that provide critical revenue for the Mount Baker School District (MBSD). We are writing in response to the Council's [May 9, 2023 letter](#) regarding DNR's proposed Brokedown Palace timber sale.

As you know, the MBSD has repeatedly raised concerns about requests from the Council to withdraw or delay local DNR timber sales due to the financial impacts to our district, including in an [April 10, 2023 letter](#) to the Council regarding a proposal to delay the Brokedown Palace timber sale. We were disappointed by the Council's vote to send a letter requesting a delay, which creates financial uncertainty for our district and other junior taxing districts.

However, we appreciate the Council's commitment in its May 9, 2023 letter to "offset any potential negative impacts to our local beneficiaries, including the Mount Baker School District" associated with its request that DNR pause the Brokedown Palace timber sale and considered for possible inclusion in a new program funded by the Legislature through the Climate Commitment Act (CCA). Your letter also recognized that this new program "may delay funding or our local beneficiaries for years or decades."

The Council also recently pressed DNR to withdraw two other planned timber sales that include state forest transfer lands within the boundaries of the MBSD – Bessie Sorts and Upper Rutsatz. Taken together, the loss of revenue from these three planned timber sales will have a significant financial impact on our capital projects and enrichment funding. All three sales also include federal grant state trust lands, for which Whatcom County is not a beneficiary. The largest federally granted trust, the Common School Trust, supports K-12 school construction for school districts like the MBSD.

Consistent with the Council's commitment to offset lost revenues from DNR timber sales, we respectfully ask the Council to provide the MBSD with the estimated revenue associated with state forest transfer lands in the Brokedown Palace timber sale and the Bessie Sorts timber sale, which was paused following a [January 25, 2022 letter](#) from the Council. We ask that these funds be provided no later than January 1, 2024. If DNR ultimately proceeds with these timber sales, Whatcom County would recover the funds from the share of proceeds distributed to the MBSD.

Enclosed you will find detailed estimates of the value of the Brokedown Palace and Bessie Sorts timber sales based on DNR appraisals and recent timber auction prices. We have also included information for the Upper Rutsatz timber sale, which may also be withdrawn under



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the new CCA program or DNR's Carbon Project, which is expected to have a similar negative impact on beneficiary revenues. Based on a chart provided by DNR Northwest Region staff, we estimate that Brokedown Palace would have generated nearly \$150,000 for MBSD. The Whatcom County Treasurer should be asked to work with DNR to confirm this estimate and provide similar estimates for Bessie Sorts and Upper Rutsatz.

State Forest revenue is important to MBSD. Our district has a \$3 million revenue shortfall for 2023-24, which is causing us to lay off 10% of our staff, impacting students and families. Following up on the Council's commitment to offset negative impacts to MBSD will be valuable as we face budget challenges. Thank you for your consideration of this request.

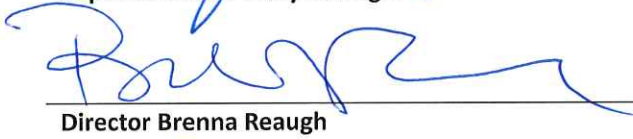
Sincerely,



Superintendent Mary Sewright



Director Russ Pfeiffer-Hoyt




Director Brenna Reaugh



Director Annie Elder



Director Edward Fox



Director Danielle Gray

Cc: Hilary Franz, Commissioner of Public Lands
Board of Natural Resources
Jay Guthrie, NW Region Manager, DNR
Laurie Bergvall, Assistant Region Manager, DNR
Chris Hankey, Baker District Manager, DNR
Steven N. Oliver, Whatcom County Treasurer
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