



CLALLAM COUNTY REVENUE ADVISORY COMMITTEE MINUTES OF MARCH 16, 2026

MEETING OF THE REVENUE ADVISORY COMMITTEE (RAC)

Chair Connie Beauvais called the meeting to order at 12 p.m., March 16, 2026. Also present were Commissioner Johnson, Drew Rosanbalm, Ryan Amiot, Regan Nickels, Sandra Lyons, Scott Horton, Gregory Bellamy, Michael Mingee, Dan Huff, Lynne Kastner, Michelle Olsen, Diana Reaume, Noah Glaude and Ashley Petersen (Alternate). Janine Leford, David Bingham, Dave Gedlund, and Nerissa Davis were absent. Guest Dr. Stephanz for Olympic Medical Center.

APPROVAL/MODIFICATIONS OF AGENDA

ACTION TAKEN: Huff moved to approve, Bellamy seconded, mc

APPROVAL OF MINUTES

- February 9 and March 2, 2026

ACTION TAKEN: Horton moved to approve, Bellamy seconded, mc

PUBLIC COMMENT

- Ed Bowen, Clallam Bay, commented on the business items

BUSINESS ITEMS

- **Timber sales – current and future – DNR**

Rosanbalm provided an updated on current and future Department of Natural Resources timber sales. RAC Members held discussion.

Trust land transfer – applications and process

Rosanbalm provided an updated on current and future Department of Natural Resources timber sales. RAC Members held discussion.

TAKEN: Huff moved to accept the letter to Department of Resources, Kastner, seconded, mc (Johnson, Rosanbalm and Horton abstain) (Glaude no response)(9 voted in favor of) (see attached letter)

- **Fiduciary responsibilities and revenue issues discussion**

Item was tabled.

FUTURE AGENDA ITEMS

None.

PUBLIC COMMENT

- Jim Buck, Joyce, commented on the Department of Natural Resources trust land transfer presentation, Tribes
- Ed Bowen, Clallam Bay, commented on Cape Flattery School representative, school trust, public involvement on trust land applications, Clallam County trust land transfers
- Commissioner Johnson, commented on Board of Natural Resources meeting, timber sales

NEXT MEETING – April 20, 2026, at 2:30 p.m.

ADJOURNMENT - The meeting concluded at 4:54 p.m.



Clallam County Revenue Advisory Committee

223 East 4th Street, Suite 4
Port Angeles, WA 98362-3015
360.417.2256 Fax: 360.417.2493
Email: loni.gores@clallamcountywa.gov

March 16, 2026

Washington Department of Natural Resources
David Upthegrove, Commissioner of Public Lands
MS 47001
Olympia, WA 98504-7001

Subject: The Clallam County Revenue Advisory Committee Requests That No Clallam County Transfer Lands Be Included in Any Proposal for Trust Land Transfers or in Any Proposal to Remove Trust Lands from Sustainable Forest Management

The Clallam County Board of Commissioners formed the Revenue Advisory Committee (RAC) on February 20, 2024, under Resolution 15-2024. The purpose of the RAC is to:

"...confer with the County on issues related to state timber management, fiduciary responsibilities, trends, public engagement with state and federal forest management agencies, issues impacting timber management and revenues that benefit the community, and such other related matters as the Board of County Commissioners directs."

The RAC is comprised of elected commissioner representatives, or their designees, from each Clallam County taxing district, along with non-voting representatives from the Washington State Department of Natural Resources (DNR).

The RAC understands that DNR may be seeking proposals for lands to include in the Trust Land Transfer program. Additionally, the RAC is aware that DNR is evaluating whether to remove, either permanently or temporarily, an additional 77,000 acres of trust lands from sustainable forest management activities.

Accordingly, the RAC respectfully requests that no Clallam County transfer lands be included in any Trust Land Transfer proposal or in any proposal to remove trust lands from sustainable forest management activities.

1. Clallam County Trust Beneficiaries and the Local Economy Have Already Been Harmed by Recent DNR Decisions

Removing additional lands from sustainable forest management would exacerbate an already unstable local wood products economy and further reduce revenues to Clallam County trust beneficiaries.

In 2025, DNR cancelled, modified, or delayed eight timber sales on lands that Clallam County deeded to the state in trust. These sales complied with the Washington Forest Practices Act, the State Habitat Conservation Plan, and DNR's own policies regarding old growth, riparian protection, and sustainable harvest levels. Each sale also underwent review under the State Environmental Policy Act (SEPA).

According to DNR data, these eight sales have a combined appraised value of **approximately \$7.9 million**. Based on recent auction results, their market value could have reached **\$12 million or more**. Revenues from these sales would have directly supported Clallam County and its junior taxing districts:

Crescent School District #313
Cape Flattery School District #401
Quillayute Valley School District #402
Port Angeles School District #121
Sequim School District #323
North Olympic Library System
Olympic Medical Center #2
Forks Community Hospital #1
Port of Port Angeles
Quillayute Valley Park & Recreation District
William Shore Memorial Pool District
Clallam Fire District #1
Clallam Fire District #2
Clallam Fire District #3
Clallam Fire District #4
Clallam Fire District #5
Clallam Fire District #6

Despite repeated assurances that these sales would be offered, no progress has occurred in bringing these sales to market. Failure to offer these sales has negatively impacted Clallam County's economy by reducing employment opportunities and threatening the viability of local wood products manufacturers. Importantly, the failure to offer these sales has significantly reduced funding available for vital public services.

Moreover, despite statutory requirements that arrearage harvest volumes be offered in subsequent decades, **tens of millions of board feet of arrearage volume have not been brought to market from Clallam County transfer lands**. The continued failure to offer this volume compounds the financial challenges facing Clallam County and its junior taxing districts as they work to provide essential education, public safety, hospital, and community services for residents and visitors.

Removing additional lands from sustainable forest management would only deepen this uncertainty and further destabilize an already turbulent local economy.

2. Clallam County Transfer Lands Are Trust Assets and Should Not Be Treated as State-Owned Lands

In 1935, in response to counties acquiring large areas of forestland through tax foreclosures, the Washington Legislature enacted **Chapter 126, Session Laws of 1935**, authorizing the state to demand counties transfer those lands to the state to be managed in trust for the counties and their junior taxing districts. Under Section 3(b) of that law, counties could transfer these lands to the state to be managed **in trust for the benefit of the counties and their junior taxing districts**.

The state believed it was better equipped to reforest and manage these lands for sustained timber production and long-term public benefit. Over time, Clallam County transferred approximately 94,500 acres of forest land to the state to be managed under this trust arrangement.

Clallam County's intent to establish a trust relationship is explicitly documented in the deeds transferring these lands to the state. The deeds cite the governing provisions of the 1935 legislation and state:

"The commissioners of Clallam County (the grantor settlors) herewith deed, free from encumbrances, to the State Forest Board (grantee, trustee), in accordance with the provisions of Section 3-b, Chapter 126, Session Laws of 1935, the following described lands acquired by Clallam County through foreclosure of tax liens. Such lands shall be held in trust and administered and protected under the provisions of

Chapter 154, Session Laws of 1923... Any monies derived from the lease of such lands or from the sale of forest products... shall be distributed as follows..."

Accordingly, Clallam County's Forest Board Lands are **not state-owned lands nor general public lands**. Rather, they are **trust lands devoted to a particular use by law**, as recognized in the Session Laws of 1927 (Chapters 255 and 288).

The distinction between state-owned forestlands and Clallam County transfer lands is fundamental.

State forestlands are:

- Owned entirely by the state and can be managed in any manner the state deems in its interests
- Used for multiple statewide purposes, including conservation and recreation
- Acquired through purchase, gift, or federal grants

In contrast, Clallam County's Forest Board Lands:

- Must be managed for the **financial benefit of the county and its junior taxing districts**.
- Generate revenues from sustainable forest management and leases that must be distributed to the beneficiaries.
- Were transferred **in trust**, not sold or granted outright to the state.
- Were transferred **without compensation**, confirming their purpose as trust assets rather than state property.

Washington courts have repeatedly affirmed that the state must honor its fiduciary obligations when managing trust lands. In *Skamania County v. State of Washington (1984)*, the Washington Supreme Court held that the state has enforceable fiduciary duties to trust beneficiaries and must manage trust lands primarily for their benefit. More recently, in *Conservation Northwest (CNW) v. Franz (2022)*, the Court reaffirmed the legal framework governing trust land management and the obligations owed to trust beneficiaries. The *CNW v. Franz* decision reiterates that these lands were conveyed to the state with the

"...express understanding that the state is not to hold it as its own absolute property, but to hold and apply it for certain specified purposes".

Given the serious economic impacts already facing Clallam County trust beneficiaries and the local wood products industry, the RAC believes it is necessary to reaffirm the legal distinction between state-owned lands and county transfer trust lands.

Accordingly, as beneficiaries of Clallam County transfer lands, the RAC respectfully requests that no Clallam County transfer lands be considered for inclusion in any Trust Land Transfer proposal or in any proposal to remove trust lands from sustainable forest management.

Conclusion

The legal record is clear. Clallam County's Forest Board Lands were placed in trust, not transferred into state ownership. The deeds explicitly reference their trust status, and long-standing trust doctrine confirms the state's obligation to manage these lands for the benefit of Clallam County and its junior taxing districts.

The state has already withheld millions of dollars in timber revenue from Clallam County through delayed or cancelled timber sales and through the continued failure to bring arrearage harvest volumes to market. Removing additional land from sustainable forest management, whether through the Trust Land Transfer program or other mechanisms—would further intensify the economic disruption already being felt throughout the county.

For these reasons, the RAC respectfully requests that **no Clallam County transfer lands be included in any Trust Land Transfer proposal or in any proposal to remove trust lands from sustainable forest management activities.**

Respectfully,



**Connie Beauvais Chair on behalf of the
Clallam County Revenue Advisory Committee**

cc: Board of Natural Resources