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October 8, 2018

TO: Forest Practice Board members

FROM: Joe Shramek, Forest Practices Division Manager 

SUBJECT: **September 2018 progress on developing water typing rule materials and validation study design for the Forest Practices Board**

This memo summarizes work conducted in September 2018 and early October 2018 to assist the Forest Practices Board (FPB) in its consideration of adopting a permanent water typing rule. Staff is working to implement FPB decisions made at the February 14, May 9 and August 8, 2018 meetings. Work is underway to provide information prior to the May 8, 2019 meeting to help the FPB decide whether to initiate formal rulemaking.

Oversight of this project is being provided by Assistant Division Manager Marc Engel, who is serving as DNR's point-of-contact for TFW caucus representatives interested in, or engaged with, the work.

Related to this effort is a separate FPB-directed project, overseen by Adaptive Management Program Administrator (AMPA) Hans Berge, to develop a potential habitat break (PHB) validation study design for the FPB's consideration. The AMPA is working to provide the study design, including completed independent scientific peer review (ISPR), at the Board's November 2018 meeting.

The overall plan includes development of four major, inter-related components:

- Administrative rule
- Preliminary cost-benefit analysis, including economic analysis on small business
- State Environmental Policy Act analysis
- Board manual technical guidance (Section 23)

Status of water typing rulemaking work accomplished in July-August 2018:

Administrative rule

Status: On-track

- There were no stakeholder meetings to review draft rule language during this time period. Following direction provided at the FPB's August 8th meeting, staff has initiated meetings with the tribes and industrial landowner caucuses to verify that their respective PHB options are correctly identified. When this has been completed, DNR will schedule two meetings with stakeholder representatives to occur during October 2018.

Preliminary cost-benefit analysis, including economic analysis on small business

Status: On-track

- The economist advisory working group did not meet in September. Meetings are scheduled for October 11th and 23rd. The working group plans to meet every six weeks through December 2018.
- DNR has successfully contracted for technical economist services through from Industrial Economics, Inc. to assist in the cost-benefit analysis. The contract was executed on September 21, 2018, and the kick-off meeting occurred on October 5, 2018. The contractor will work under the lead of DNR's economists, with overall supervision provided by Marc Engel.
- DNR completed the PHB GIS analysis during the first week of October and is working to transfer the results to Industrial Economics, Inc. for its analytical work.

State Environmental Policy Act analysis

Status: On-track

- Preliminary SEPA analysis will start in late-October 2018 after receipt of information that will come from the early cost-benefit analytical comparisons of PHB options. The content of the actual SEPA checklist will be finalized and made available for comment once the Board issues a CR-102, which is anticipated to occur in May 2019.
- General sharing of the pre-checklist environmental information may occur in early February 2019.

Board manual technical guidance (Section 23)

Status: On-track

- The board manual guidance stakeholder group will be reconvened to complete development of draft guidance after the draft rule language has been completed.

Status of PHB validation study design work accomplished in July-August 2018:

At the May 9, 2018 meeting, the FPB approved funding to conduct a "proof-of-concept" pilot study to be used to inform the multi-year validation study.

Pilot study

The pilot study has been completed and the report is being prepared for the Board's mailing. Results of the pilot were presented on September 21st to stakeholders participating in CMER's Instream Scientific Advisory Group (ISAG). The results of the pilot study will be presented to the Board at the November 14, 2018 meeting with an accompanying report.

Validation Study Design

The validation study design is in review at ISPR and, following approval, will be presented to the Board at its November 14, 2018 meeting. Some lessons from the pilot study will be presented to the Board, along with budget implications resulting from lessons learned and from stakeholder input.

As always, please feel free to contact me if you have questions or would like to discuss any aspect in more detail.

cc: Marc Engel, DNR Forest Practices Assistant Division Manager for Policy and Services
Hans Berge, DNR Adaptive Management Program Administrator
Donelle Mahan, DNR Forest Practices Assistant Division Manager for Operations

