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TO: Forest Practices Board members

FROM: Joe Shramek, Forest Practices Division Manager 

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

This memo summarizes work conducted from mid-October through December 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, August 8, and November 14, 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 Timber, Fish and Wildlife Policy Committee 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.

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 mid-October through December 2018:

Administrative rule

Status: On track

- Stakeholder meetings were held on October 23 and December 11 to continue review and development of draft rule language.
- On December 19, DNR included the [current draft of the proposed rule](#) as an attachment to an invitation to provide informal suggestions about the SEPA analysis (see "State Environmental Policy Act analysis" section below). The purpose was solely to provide

context for those who might be interested in providing suggestions about potential environmental impacts to be considered through the SEPA analysis.

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

Status: On track

- The economist advisory working group met on October 11 and December 20 to discuss the elements to be evaluated in the cost-benefit analysis and small business economic impact statement. The advisory working group will continue these discussions through the month of January 2019.
- DNR continued work with the contracted firm, Industrial Economics, Inc., to prepare the draft cost benefit analysis and draft small business economic impact statement.
- DNR completed the PHB GIS analysis during the first week of October and made the methodology and data used available to stakeholders. DNR presented the methodology and results of the GIS analysis to a group of stakeholder and TFW participants (including several Board members) on December 7.
- DNR is willing to meet with stakeholders when requested to explain its GIS analysis and/or to hear about alternative approaches.

State Environmental Policy Act analysis

Status: On track

- DNR is gathering information for the preparation of an environmental checklist under the State Environmental Policy Act (SEPA). Preliminary SEPA analysis was initiated with receipt of the additional literature provided by the expert panel and the GIS analysis of PHBs.
- On December 19, DNR invited the general public, agencies, tribes, counties and cities, and Timber, Fish and Wildlife (TFW) participants to provide early, informal ideas for DNR to consider when identifying potential environmental impacts resulting from the water typing system rulemaking. On December 31, DNR extended the informal invitation period through January 14, 2019.
- The content of the SEPA checklist will be finalized and made available for formal public comment once the Board begins the rule making process with a CR-102, which is anticipated to occur in May 2019.

Board manual technical guidance (Section 23)

Status: On track

- The board manual guidance stakeholder group will be reconvened in January 2019 to complete development of draft guidance on water typing.

Status of PHB validation study design work accomplished in from mid-October through December 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 Board was given a presentation at its November 14, 2018, meeting on the results of the PHB Pilot Study and a refined budget for the validation study based on field experience gained through the pilot study. The Board discussed the pilot study results and expressed some reservations about funding the full implementation of the PHB Validation Study without a further discussion about the impact on the Adaptive Management Program’s budget as a whole.
- The Board directed the AMPA to seek comments from the Cooperative Monitoring, Evaluation, and Research Committee (CMER) about the Independent Science Peer Review (ISPR)-approved study design and move forward with implementing the site selection phase of the PHB Validation Study.

Validation Study - CMER Review of ISPR-Approved Study Design

Stakeholders have been engaged in the review of the PHB study design since May 2018. All comments provided by stakeholders during each review period were considered by the science panel and documented in response matrices. The matrices were shared with stakeholders and included a description of each comment and how it was incorporated into a revised study design. In cases where a comment was not incorporated, a technical rationale was provided in the response matrix describing for it was not appropriate for the PHB study design. During each review, the study design was improved by the many comments provided by stakeholders.

Following the Board’s November 2018 meeting, comments were again solicited from the stakeholders on the final ISPR-approved study design. In addition, the comments and response matrices from the ISPR review process were made available to stakeholders.

After the CMER meeting on December 18, 2018, the ISPR-approved study design was shared with CMER members with a request for comments. CMER agreed to have all comments submitted for consideration before January 22, 2019 (the date of CMER’s January 2019 meeting). It is intended for those comments to be collated into a response matrix and shared with the FPB at its February 2019 meeting.

Phase I of Implementation of the PHB Validation Study

An implementation plan is being developed for the PHB Validation Study that breaks the study out into phases and refines the budget for each phase. This implementation plan will be coordinated through the Instream Scientific Advisory Group (ISAG) and approved by CMER.

The first phase of implementation for fiscal year 2019, as accepted by the Board, will begin in the winter of 2018-19 and is focused on site-selection and hiring a key staff scientist. Early coordination with landowners and permitting agencies (WDFW, USFWS and NOAA) has begun, and an update on the status will be provided to the Board at the February 2019 meeting.

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