



Solutions Table Meeting Notes

November 14, 2019, Aberdeen WA

The Solutions Table met for the eleventh time on November 14, 2019, in Aberdeen, Washington. All members were present and participated, except for Commissioner Franz (DNR) who could not attend this meeting. Miguel Perez Gibson (WEC) represented Lisa Remlinger (WEC) and Matt Comisky represented Travis Joseph (AFRC). Tom Bugert (Senior Strategic Advisor, Office of the Commissioner of Public Lands), Andrew Hayes (DNR Forest Resources Division Manager), and Lenny Young (DNR Executive Policy Advisor) were also present.

Agenda items included the following.

- Pulse taking: Reflections on meeting objectives and expectations
- Exploring the Solutions Table's guiding principles: What are our touchstones as we work to meet the needs of all parties
- Public comment
- Advancing the framework for a big picture solution: Discussion on updated draft DNR context and proposed outcomes
- Reviewing solutions areas and tools considered until now
- Moving forward together: Next steps & Closing thoughts
- Public comment

Pulse taking: Reflections on meeting objectives and expectations

Tom Bugert welcomed everyone to the meeting and indicated that he was looking forward to working with the Solutions Table towards a package of proposals for the 2020 legislative session that will provide benefits for all parties, including timber jobs, murrelet conservation, and beneficiary revenue. He also reminded everyone of the draft legislative report that the Solutions Table has reviewed and that DNR will submit in December 2019 as part of its annual reporting requirements to the legislature.

Connie Beauvais informed the group of her re-election as Commissioner for Port of Port Angeles. She reiterated that key aspects of her platform that reflect her interests in the Solutions Table include maintaining healthy forests, fostering local workforce development and increasing jobs, and supporting innovations in the timber industry.

Exploring the Solutions Table's Guiding Principles: What are our touchstones as we work to meet the needs of all parties?

The Solutions Table was reminded of the operating agreements that the Table agreed on at its August 29, 2018 meeting (see Appendix), as a way to introduce a discussion about principles to guide the Table's ongoing work.

The following five initial draft principles/operational directives prepared by Ross Strategic facilitators also were presented to members to support discussions:

1. All interests are worthy;
2. All interests are interconnected;
3. Working together is essential;
4. Meaningful solutions will take time;
5. Working towards a forward-looking/long-term vision.

Discussion highlights on potential Solutions Table principles are summarized below. These highlights do not represent a final list of principles and have not been reviewed by the Solutions Table in real-time. A curated list of draft principles will be put together and shared with the Solutions Table before the next meeting, for further review.

- **Balancing a long-term vision with short-term strategies:** The Solutions Table aims to accomplish a long-term forward-looking vision, acknowledging that short-term strategies and bridge mechanisms are crucial in order to address near-term needs while long-term solutions come to fruition.
- **Aiming for win-win-win opportunities:** The Solutions Table is looking for win-win-win opportunities for marbled murrelet conservation, timber jobs, and beneficiary revenues. All interests are interconnected, and solutions need not be in opposition to each other; they can and must support each other.
- **Envisioning shared solutions addressing common interests:** The Solutions Table is looking to bring forward a shared set of solutions that represent all interests around the Table in a proportional way. The Solutions Table acknowledges that there might be individual, potentially divergent strategies that may or may not be part of the package of solutions. Conflicting interests will be surfaced in order to identify the areas the Solutions Table can jointly support.
- **Working to advance all interests together and proportionally:** Solutions should advance all interests together and proportionally. As Solutions Table conversations advance, caucuses should move forward together in a collaborative way and ensure that none of the parties is getting ahead of others.
- **Collaboration relying upon informed commitment and trust:** The Solutions Table's engagement and collaboration relies upon informed commitment and trust.
- **Looking for informed solutions:** The Solutions Table relies on information-based decision-making and transparency. Currently available data and metrics will inform the set of proposed solutions.

- **Aiming for sustainable solutions:** The Solutions Table is looking for solutions focused on economically sustainable communities, consistent government revenue, and healthy ecosystems including healthy forests and water resources.
- **Empowering local communities and enhancing resiliency:** Solutions should enhance local resiliency, economies, and control as much as possible. Opportunities related to county services should be flexible, consider local capacity, and, to the extent possible, involve counties in the decision-making processes and allow for local input into how local resources (e.g., timber lands) are utilized.
- **Leveraging broad state-wide concerns:** To the extent possible, the Solutions Table will look to leverage broader state-wide priorities to ensure success when engaging with the legislators.
- **Working within the scope of the statutory charge:** The Solutions Table's actions need to be consistent with its statutory charge and legislation.

Other key discussion highlights are captured below.

The Solutions Table indicated that creating more jobs and supporting the local workforce and workforce development is an important aspect that should be included in the package of solutions. As part of the job creation and ecosystem maintenance strategy, conservation members suggested that one of the areas to be further explored is the restoration economy that has the potential to increase employment and address key needs of local economies such as culvert replacement, roads restoration, and forest management. The Ecotrust's Economic Analysis of Watershed Restoration Investments was referenced as a resource that could provide more insights into the connection between jobs and restoration. Members also mentioned the need to increase awareness around currently existing government grants amongst local communities and contractors to ensure those grants can be used for restoration work. One Solutions Table member also suggested to further explore the possibility of developing a new trust with high producing assets, as a way to generate revenue for local communities.

Solutions Table members emphasized that solutions should support all parties and provided a few specific examples, including: looking to prevent any clawback regulations that would impact trusts' revenues if additional trust revenues were indeed generated; ensuring that harvest levels do not impact conservation objectives; addressing local resiliency and ensuring county services continue to be funded and are not impacted by temporary deferral of specific timber sales or conservation measures. One Solutions Table member suggested to look into the possibility of leveraging rotational harvesting when feasible as a strategy to promote reliable revenue.

A Solutions Table member recommended that, to the extent possible, the package of solutions should be linked to broader state-wide issues when engaging legislators. Examples of potential issues to be leveraged include climate change and the K-12 program as it relates to equity issues and workforce development.

Next steps include:

- Ross Strategic will compile and refine the principles discussed by the Solutions Table and share them with the Table, for further review and input.
- Paula Swedeen and Patricia Jones will coordinate to gather more information on opportunities, including potential funding sources (e.g., government grants and other), to advance the ecological restoration economy across the State as a way to stimulate local economies, job creation, and conservation.

Public Comment

One commenter shared their view that the draft DNR draft contextual framework should take a balanced approach and ensure that all perspectives are equally reflected in the paper. He also shared a quote from Angus Brodie/DNR related to potential impacts to specific junior taxing districts. The same commenter also pointed out that DNR's proposal will need to be approved by the Board of Natural Resources, since the Board will soon select a preferred alternative already.

A second commenter highlighted that fishing activities, particularly in areas with marbled murrelets, also may negatively impact the marbled murrelets' population.

A third commenter expressed support for watershed restoration and suggested that looking into current funding programs and other related initiatives such as the Department of Ecology's new state funding for watershed restoration and other federal efforts including veterans' programs could be beneficial.

Jim Walsh, state representative of the 19th District, joined the meeting. He welcomed everyone to Aberdeen and expressed support for how the Solutions Table is operating in line with principles of fiduciary duty, public openness, and transparency. He highlighted that the public will need to continue to be kept engaged with the Solutions Table's work and ensure that all caucuses' interests are being addressed, including any mitigation of the LTCS.

Advancing the Framework for a Big Picture Solution: Discussion on Updated Draft DNR Context and Proposed Outcomes

Lenny Young (DNR) invited the Solutions Table members to provide additional thoughts on the draft contextual framework that DNR presented at the September 17 Solutions Table meeting. Comments about balance and outcomes were specifically invited to ensure all caucuses' interests are reflected in the paper. Input from the Solutions Table will be incorporated into an updated version, for further review by the Solutions Table. DNR indicated that the main goal is to seek an outcome that achieves more than the status quo and current legal obligations.

Overall, the Solutions Table concluded that more discussions are needed in order to better understand what success look likes for each caucus, specifically in terms of:

- a) Impact mitigation strategies, both short-term and longer-term actions. Each caucus believes that their interests are in need of mitigation actions based on previous timber/conservation management decisions as well as from any decisions under the LTCS.
- b) Collaborative solutions that move all interests forward proportionately.
- c) Long-term vision and aspirations that can keep the Solutions Table working together over time.

The Solutions Table indicated that, in order to support further conversations, there is a need for more data/metrics on potential operational impacts and on expected timeframes for implementing the short-term strategies and long-term vision. Some of that information and assessments will be provided by DNR, depending on data availability. Members acknowledged however, that more specific information, particularly related to potential impacts to junior taxing districts, will be provided by the WSAC study expected for mid-2020.

Specific aspects on which the Solutions Table expressed the need for more information, further review within individual caucuses, and collective discussions are included below.

- Need to define what it means to do “more” than the status quo for all the caucuses including doing more for jobs, beneficiaries, and conservation.
- Understanding of impacts from any proposed measures, including expected conservation benefits, beneficiary revenues, and timber jobs.
- Specific strategies to be pursued to ensure that any impacts to local communities, jobs, and revenues from decisions in the LTCS for the murrelet are mitigated and offset as much as possible.
- Clarifications needed related to the proposed 38,000 conservation acres include:
 - How will the 38,000 acres be allocated?
 - How will the acres be managed, what forest practices will be used, similarly to the way they are currently managed in the Habitat Conservation Plan (HCP) or the Long-Term Conservation Strategy (LTCS)?
 - How will timber harvest be deferred on lands that might eventually be placed into conservation?
 - What price tag is expected in terms of lost revenue due to delayed harvests?
 - What are the expected conservation benefits in relation to the number of acres?
- Strategies to be considered in order to support local job creation, in line with the provisions in the HB2285.

The Solutions Table members recommended different approaches for the development of the package of solutions and for implementing related mitigation strategies. Some beneficiary and timber-related jobs caucus members recommended to take a sequential approach and focus the Solutions Table’s work first on mitigating impacts from the LTCS and the preferred alternative in line with current legislative obligations, and then develop additional conservation strategies. In response, the conservation caucus emphasized that taking a sequential approach would leave

some of their key objectives related to additional murrelet habitat conservation vulnerable, since additional murrelet habitat conservation (beyond the LTCS) requires a long-term strategy to fully come to fruition, including engaging in bridge mechanisms to address any mitigation in the interim. The conservation caucus reiterated that that the full proposed 38,000 acres would not be put into conservation immediately; the caucus' believes approximately 5,000 acres of high-quality habitat put into conservation initially (e.g. in the next two years) would protect their critical interests and create time to focus on the rest of the acres in subsequent years.

The Solutions Table also discussed some specific short-term strategies and long-term ideas to be further considered. Long-term ideas were to explore further innovations for the forest products industry, e.g. increased manufacturing and use of heat-treated hemlock and CLT. Some ideas that members suggested to further consider as potential mitigation strategies include:

- Increasing awareness of existing funding currently allocated for rural communities to enhance local resiliency.
- Issuing a special bond authorization, ideally paid for by a carbon fee, to finance the acquisition of replacement timber lands in the near-term.
- Eliminating the clawback of revenue already going to school districts in order to generate increased benefits for school districts.
- Exploring potential tax break options for the timber industry.

Members were also interested in knowing the difference in acres between the initial 1997 HCP and the current alternative H. DNR explained that the difference between the other three conservation strategies of the HCP as implemented and the additional conservation of the proposed HCP Amendment is 38,000 acres and clarified that this number is only coincidentally the same as the acreage difference between Alternatives G and H.

One conservation member indicated that their initial calculations based on Table 4.11.2 in the final EIS show that the price tag to enable a short-term delay of some harvests to give room to work on the longer-term conservation mitigation package could be around half million dollars. DNR highlighted that it will review the information in the final EIS and provide feedback on whether that information was being interpreted correctly, though it expects that the price tag will almost certainly be higher than half million dollars.

The conservation caucus reminded everyone of the bar it has set for itself in working together with the Solutions Table towards shared solutions that provide benefits for all caucuses-- a) that additional measures for marbled murrelets have to provide economic benefits for rural communities, and that b) the focus should be on strategies that least impact timber volume and jobs, but where impacts are created, mitigation strategies should be developed.

Some timber-related jobs caucus members pointed out that the draft DNR contextual framework needs to display a more balanced approach beyond conservation to ensure that all interests are

represented in the framework. The same caucus members also emphasized that the package of solutions should take into account the fact that some counties may have already some existing conservation requirements in place, in addition to the expected additional measures related to marbled murrelet.

Next steps include:

- DNR will coordinate internally on the questions that the Solutions Table had and, to the extent possible and based on data availability, provide more information on potential operational impacts by the next meeting.
- All Solutions Table caucuses will further analyze the draft contextual framework and share any further questions, concerns, and suggestions for consideration to DNR and Ross Strategic.
- DNR will review the estimations from the final EIS regarding impacts from the LTCS alternatives H and G and explore if a cost estimate can be calculated on deferring for a short period of time harvests in key potential conservation areas to work on the difference in acres between LTCS alternatives H and G in a manner consistent with the conservation caucus's commitment to also benefit jobs and revenue.

Reviewing Solutions Areas and Tools Considered Until Now

The Solutions Table reviewed the status of the different solution areas and tools considered until now. Some ideas are still under development by the different small groups, while others are expected to be reviewed by the full Solutions Table and DNR, and potentially coordinated with external stakeholders, where needed.

Next steps include:

- Ross Strategic will schedule a small group call with members of the timber-related jobs and beneficiary caucuses for December 4 to discuss the draft recommendation language shared by Connie Beauvais. Members that volunteered to be part of this discussion include Connie Beauvais, Matt Comisky/Travis Joseph, Brian Sims, Paul Jewell.
- The conservation caucus will do a final review of the paragraph on riparian timber harvest from the DNR forest management paper, and circle back with DNR and the full Solutions Table by November 27. If ready, this paragraph will be submitted by DNR for discussion with the Board of Natural Resources for their December 3 meeting. Alternatively, one Solution Table member can also testify in front of the Board of Natural Resources the day of the meeting if the paragraph is not ready to be submitted in advance. The conservation caucus indicated that it wants to ensure that the paragraph clarifies that the focus is on restoration and not on commercial harvest, to ensure that this provision will not be used to accelerate too much harvest beyond the intent of restoration. The caucus also suggested to highlight in the draft recommendation that DNR should report to the Board of Natural Resources on an annual or more regular basis against the SHC's anticipated

results to increase understanding of any underperformance. Ross Strategic will update the draft language based on the Solutions Table's feedback.

- Ross Strategic will update the DNR forest management language based on the Solutions Table's input. Andy Hayes will review the draft language with Angus Brodie (DNR) by November 27.
- Ross Strategic will work with DNR to organize a Solutions Table discussion with some small forest landowners on the draft language developed by the small group until now. Members suggested to also discuss with small forest landowners what additional funding might be needed to support their activities and include that estimate in the Solutions Table's draft recommendation. Members also indicated that small forest landowners are diverse and hence, they anticipate that their perspectives might be different.
- Patricia will review the draft GNA language by November 27.
- The Solutions Table will let Ross Strategic know if a brief call on habitat management/acceleration ideas should be held to debrief from the conversation with the US Fish and Wildlife Service (USFWS) and discuss next steps.
- The Solutions Table will let Ross Strategic know if there are any other small groups that may want to meet before the December 17 meeting.
- The Solutions Table's discussion related to portfolio management is connected to the ongoing DNR Trust Land Performance Assessment (TLPA). DNR will give a briefing to the Solutions Table once work on TLPA advances.
- The preliminary list of funding mechanisms developed by Solutions Table members until now will be further assessed to identify what and how funding mechanisms could support the entire package, once there is more clarity on the package of proposals that the Solutions Table may want to develop. A follow-up discussion on this area will take place at the December 17 meeting.
- The Solutions Table has a scheduled conference call with USFWS on November 15, 2019 to discuss potential ideas for habitat conservation and habitat acceleration.

Next steps include:

- Ross Strategic will put together a status of the Solutions Table's work on the different solution areas, to help members track specific next steps to advance this work.
- Ross Strategic will share with Matt Comisky (AFRC), for his review, the preliminary list of financial mechanisms that was put together by the Solutions Table small group (Paula Swedeen and Brian Sims).

Moving forward together: Next steps & Closing thoughts

The Solutions Table discussed the following expectations for the December 17 meeting:

- The Solutions Table will further review the draft DNR contextual framework and be prepared to discuss at the next meeting what it would mean to do "more" for timber volume, beneficiary revenue, and marbled murrelet conservation.

- DNR will review the questions shared by the Solutions Table and identify potential operational impacts, for further review with the Solutions Table.
- DNR will further coordinate with the different caucuses to understand what potential mitigation strategies and bridge mechanisms could be considered as part of the package of solutions, for further discussion with the full Solutions Table.
- Ross Strategic will share via email a status update and progress of the different solution areas and tools considered until now by the Solutions Table.
- The Solutions Table will further discuss a path forward for developing a potential package of proposals for the 2020 legislative session.

Public Comment

One commenter highlighted that climate change will also most likely impact the marbled murrelet conservation strategies. The second commenter indicated that DNR did not provide economic analyses based on harvest reports until now, though there were commitments to the public in the past. The third commenter indicated that the Solutions Table could look to more efficiently leverage and fund the Conservation Reserve Enhancement Program (CREP), which currently has a large backlog of applications. They also mentioned that offering more tax incentives to landowners for protecting timber lands would also provide more conservation benefits. The same commenter also indicated that reforestation practices should be sustainable and offered a specific local example of clearcutting back in '70-'80s due to a lack of incentives where logged parcels were replaced with Christmas trees production instead of staying managed for long-term timber harvest with more sustainable practices that would have encouraged more salmon spawning and habitat.

Approval of Meeting Minutes

Ross Strategic will recirculate the minutes from the September 17 Solutions Table via meeting, for members' review. The minutes will be approved at the December 17 meeting.

Next Solutions Table Meeting

The next Solutions Table meeting will take place on December 17 in Olympia, WA (exact location TBD).

Appendix - Draft Operating Agreements accepted by the Solutions Table on August 29, 2018

- The Solutions Table is examining available information and looking for win-win-win opportunities.
- The Solutions Table does not replace existing ongoing decision processes; members will continue to advocate for their interests in those processes. The Solutions Table is separate from these other processes.
- Participants are respectful of one another and of each other's ideas.
- Each person acknowledges and values each other person's knowledge, experience, and expertise; participants expect to learn from one another.
- Participants welcome openness and the opportunity to hear the old hurts and surface disagreements; they do not take old hurts or disagreements personally; they seek to understand.
- The Solutions Table is a safe space for creative ideas to be surfaced and discussed in an atmosphere of trust and exploration as a group and without fear of repercussions.
- The facilitator is a neutral third party.