

STATE OF WASHINGTON
DEPARTMENT OF NATURAL RESOURCES
BOARD OF NATURAL RESOURCES

RESOLUTION NO. 1110

A RESOLUTION authorizing the Department of Natural Resources to prepare the Final Environmental Impact Statement for Sustainable Forest Management of State Trust Lands in Western Washington.

BE IT RESOLVED BY THE BOARD OF NATURAL RESOURCES, DEPARTMENT OF NATURAL RESOURCES, STATE OF WASHINGTON, THAT THE FOLLOWING PRINCIPLES SHALL BE INCORPORATED INTO THE PREFERRED ALTERNATIVE:

SECTION 1. State law (formerly RCW 79.68, recodified at Laws of 2003, Ch. 334, sec. 555(3)) directs the DNR to apply "sustained yield" management to state trust forestlands. The law requires the DNR to periodically adjust acreages designated for inclusion in the sustained yield management program, and calculate a sustainable forestry harvest level.

SECTION 2. The "sustainable harvest level" means the volume of timber to be scheduled for sale from state-owned lands during a planning decade. This is part of DNR's strategic plan for sustainable forest management. It provides for sustainable harvesting on a continuing basis without major prolonged curtailment or cessation of harvest, as required by state law.

SECTION 3. A draft environmental impact statement (DEIS) was issued, November 2003. The DEIS identified six alternatives without identifying a preferred alternative. Scoping comments, multiple public meetings, extensive written comments on the DEIS, direct public comments to the Board of Natural Resources, special Board Sustainable Forestry Workshops, comments from the Sustainable Forestry Technical Committee,

outputs from the *Options* policy simulation model, and the DEIS itself, all have provided important information that has led to the development of the preferred alternative.

SECTION 4. The Preferred Alternative shall be analyzed in the Final Environmental Impact Statement (FEIS). The DNR shall publish the FEIS and present its findings to the Board of Natural Resources and the public during May 2004. The Preferred Alternative shall be based upon the following statements and the documents referenced in Section 6:

- A. Inter-decadal sales variability shall be limited to +/- 25%, based on volume.
- B. The model calculation will be based on value. Operational management will also use volume to make stand-level decisions to capture forest value growth while managing the total inventory.
- C. Sustainable harvest calculation groups shall be twenty (17 Forest Board Counties, Capital Forest, Olympic Experimental Forest (OESF) and all federal grants and Forest Board Purchased as a single group).
- D. Actively manage the land base consistent with our fiduciary and Habitat Conservation Plan responsibilities.
- E. Maturity criteria that reflect forest health and value-based considerations will be used by the DNR to provide professional management of the forested trust assets.
- F. Bio-diversity pathways will be used to simultaneously increase the production of trust revenue and complex forest habitat with a priority for habitat areas, and across the landscape as appropriate.
- G. Old Growth Research Areas continue to be deferred. Over time, target 10-15% of each westside HCP planning units for the development of older forests as defined by structural characteristics provided that existing old growth (as defined by the HCP) and older stands will be a priority focus in developing HCP planning unit targets.
- H. The "50/25" strategy is removed and cumulative effects will be addressed through other SEPA processes.
- I. The HCP directions shall replace the current legacy & reserve tree requirements.

J. For northern spotted owls:

- a. Nesting/roosting/foraging and Dispersal Management: implement the HCP strategy for 50% habitat targets.
- b. Prior to 2007, protect circles identified in Owl Memo #1.
- c. Prior to 2007, protect Stat 1-R circles outside of the OESF.
- d. Prior to 2006, protect SW owl circles other than those above.
- e. Prior to 2005, protect owl circles in the OESF.

K. Riparian management shall be consistent with the HCP requirements and agreement with the federal services.

L. The Department shall annually report to the Board of Natural Resources its assessment of the environmental and economic results of implementing the Preferred Alternative. The Department shall employ a structured monitoring and reporting program.

SECTION 5. The Department shall present an analysis to the Board of Natural Resources during the May 2004 meeting that identifies hiring, implementation timelines and cash flow necessary to transition to the Preferred Alternative management practices and associated harvest levels. The Department is directed to prepare a Preferred Alternative that shall meet an average annual harvest target of 636mmbf as soon as possible.

SECTION 6. The FEIS shall take guidance from the following documents in the preparation of the FEIS and its Preferred Alternative: Document One (Management Principles and Objectives, February 3, 2004 as amended by the Board February 17, 2004). Document Two (The description of the Preferred Alternative as presented and amended by the Board on February 17, 2004).

APPROVED AND ADOPTED by the Board of Natural Resources, Department
of Natural Resources, State of Washington, this second day of March,
2004.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official
seal of the Commissioner of Public Lands.



DOUG SUTHERLAND
Commissioner of Public Lands

Approved as to form,
March 2, 2004


Phil Ferester, AAG

Washington State Board of Natural Resources

Resolution 1110 – Document 1.

February 17, 2004

Sustainable Harvest Calculation Management Principles and Objectives

These principles and objectives were first introduced in a memo to the Board of Natural Resources (Board) by Board member Terry Bergeson, Superintendent of Public Instruction, at the January 2004 Board meeting. The memo was discussed and amended January 8th, February 3rd, and February 17th.

The objectives below provide a broad level of direction by the Board of Natural Resources to the Department of Natural Resources in modeling the sustainable harvest calculation and subsequent implementation of the preferred alternative, focusing on:

- Our fiduciary responsibilities;
- A flexible framework for DNR staff to work within;
- Phasing in management strategies to maximize net revenue within reasonable expenditures;
- Utilizing innovative forestry techniques to maintain a diverse, healthy forest system and to protect sensitive areas and habitats, and;
- Requiring monitoring and, at a minimum, annual reporting by DNR to the Board of efforts and results in an outcome-based format so that the Board can respond in a timely manner to policy and implementation issues.

The Board must ensure all decisions meet our fiduciary responsibilities and legal obligations. From the court ruling in *Skamania*: “The state’s fiduciary duty of undivided loyalty prevents it from using state trust lands to accomplish public purposes other than those which benefit the trust beneficiaries.” Each decision needs to be weighed in terms of:

- Being prudent;
- Assuring intergenerational equity; and
- Maintaining asset productivity in perpetuity.

With these principles in mind, the following objectives reflect the discussion of the Board members for the Sustainable Harvest Calculation and DNR management to meet:

1. The first objective is to have financial performance measured by net present value, a valuable tool to help assure optimum returns to all generations.
2. The second objective is to align all department-created policies, procedures and tasks with Board approved policies to ensure flexibility, optimize the net present value, and achieve other asset management objectives in support of our fiduciary responsibilities.
3. A third objective is to direct the DNR to provide professional management of the assets through active stewardship of as much of the landscape as allowable by law (including the HCP), opening up the landscape to on-base activities.
4. A fourth objective is for the Sustainable Harvest Calculation to reflect a flexible framework within which DNR may, year to year and stand by stand, use professional judgment, best

available science and sound field forestry to achieve excellence in our public stewardship. Timber sales should be regulated through a combined value and volume approach. Decadal target volumes should be managed to effectively market timber so as to increase the value of each timber sale, allowing for intra-decadal variability.

5. A fifth objective is to phase in innovative and more intensive silviculture activities such as improvements to planting stock, site preparation, fertilization, and thinnings that are appropriate for local stand conditions as cash flow is available, e.g., from improved timber sales marketing and reductions in regulatory or administrative constraints, living within present expenditure limits (referring to the 25 percent management fee) in the near-term.
6. A sixth objective is to actively manage the land base in such a manner as to complement our fiduciary responsibilities and still achieve a mosaic that includes a diverse forest structure and provides for broader economic, conservation, aesthetic, recreational and other public benefits. To this end, such innovative activities might include different types of variable density harvests, contract harvesting in sensitive areas, intentionally managing for snags and woody debris, rotating harvest ages, and the development of biological pathways – all in appropriately designated areas.
7. A seventh objective is to employ a structured monitoring and reporting program, providing, at a minimum, annual reporting by DNR to the Board on efforts and results. The report shall include short- and long-term costs and benefits and foreseeable changes needed in statutes, Board approved policies, management fees, or departmental practices.
8. An eighth objective is to identify those trust lands that are inefficient or unsuitable for meeting the trust mandate or fiduciary responsibility but appear to provide ecosystem and/or public benefits. Partnering with communities and other interest groups, DNR should identify and prioritize parcels no longer suited for trust land management and look at creative ways to remove those lands from the trust inventory, such that the trusts are fully compensated. (One example that might receive priority for communities is old natural forests, areas of old growth that have never been harvested or managed for harvest (estimated at 2,000 to 2,500 acres in total).)



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Doug Sutherland - Commissioner of Public Lands

Resolution 1110 - Document 2.

February 17, 2004

Description of Proposed Policy and Procedural Changes in Potential Preferred Alternative

PROPOSED POLICY CHANGES

Sustainable, Even-flow Timber Harvest – Forest Resource Plan Policy #4

CURRENT POLICY

Timber harvest “even-flow” assures that about the same amount of timber is available now and continues for future generations in perpetuity. The current policy for sustainable even-flow timber harvest is defined in Forest Resource Plan Policy No. 4. The policy states, “The department will manage state [trust] forest lands to produce a sustainable, even flow harvest of timber, subject to economic, environmental and regulatory considerations.”

In application, the term “even flow” means that roughly the same amount of timber is offered for sale by the department on an ongoing basis. It refers to the amount of variability from the sustainable forestry level that will be entered into the computer model. Different interpretations of sustainable even-flow will result in different harvest levels.

As previously stated, the definition for sustained yield contained in the Revised Code of Washington (formerly RCW 79.68.030, recodified at Laws of 2003, Ch. 334, sec. 555(3)) requires “management of the forest to provide harvesting on a continuing basis without major prolonged curtailment or cessation of harvest.” This concept of sustained or sustainable even-flow can be characterized in several ways.

Under current policy even-flow is managed as a narrow band of variation allowing the harvest level to vary by as much as 25 percent above and below the long-term harvest level.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

The Preferred Alternative proposes a policy objective of allowing timber harvest flows, measured by volume, to not vary from a previous decade by more than +/-25%.

TIMBER HARVEST LEVELS - FOREST RESOURCE PLAN POLICY #5

CURRENT POLICY

The method of calculating the sustainable forestry levels is central to the management of state trust forestlands. Sustainable harvest can be regulated by several means, including volume, acreage, and economic value. Current Board policy uses timber volume.

When harvest is calculated by volume, as current policy dictates in Forest Resource Plan Policy No. 5, the objective is to determine the maximum volume that can be sustained over a

planning period, subject to a large number of legal and policy constraints. Timber volume is expressed in terms of millions of board feet of timber.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

Change the calculation method from maximization of volume to maximization of value subject to policy objectives and resource constraints.

Ownerships Groups (or Sustainable harvest units) Forest Resource Plan Policy #6

CURRENT POLICY

The sustainable harvest calculation is based on “ownership groups.” Ownership groups include the Forest Board Transfer lands (calculated by individual counties (17 total in western Washington), Federal Grant lands and Forest Board Purchase (calculated by department administrative regions (of which there are 5 in western Washington), Capitol State Forest and Olympic Experimental State Forest (separate groups). Current policy on ownership groupings is defined in the 1992 Forest Resource Plan under Policy No. 6 (western Washington Ownership Groups). In all, there are 24 ownership groups.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

Federal Grant lands and Forest Board Purchase lands are placed in one ownership group from five. This reduces the overall number of groups from the current 24 to 20.

Name of the policy would be changed to from Ownership groups to **Sustainable Harvest Units**

Managing On-base lands - Forest Resource Plan Policy No. 11

Update the current policy discussion to include direction for the department to strive to maintain as much trust land on-base as allowable by law (including the HCP). Forest land in the on-base category will be managed under differing intensities of silviculture depending upon specific policy objectives (e.g. northern spotted owl demographic support management area) and/or land resource limitations (e.g. the degree of slope instability). The discussion will also direct the department to demonstrate how it is employing innovative management techniques that seek to combine resource protection, sensitivity to cultural and local issues, and revenue generation activities across DNR managed landscapes.

Forest conditions for determining when stands are regenerated

CURRENT POLICY

In western Washington, DNR’s current average minimum regeneration age is 60 years (per discussion under Forest Resource Plan Policy No. 4). To meet specific objectives such as stand diversity, the department may cut some stands as early as 45 years and other stands only when trees reach 100 years (Forest Resource Plan Policy No. 4). Forest Resource Plan Policy No. 11 sets out the decision criteria that guide the determination of regeneration age of a forest stand.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

The policy discussions under FRP Policy No. 4 and No. 11 will be amended to update the discussion of suitable forest condition criteria for designing forest and stand-level

silvicultural prescriptions. The amendment will focus on updating the use of a sole decision criterion of stand age to criteria that reflect forest health (structure) and value-based considerations. This amendment will assist in aligning this policy direction of with that of Forest Resource Policy No. 5.

Policy on biodiversity pathways - Forest Resource Plan Policy No. 30 & 31

CURRENT POLICY

Current policies do reflect a specific position on the use of silviculture to create, develop, enhance or maintain forest biodiversity and health.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

Changes would propose an update to the policies discussion to reflect the use of silviculture to create, develop, enhance or maintain forest biodiversity and health. The objective of using innovative silviculture based on Carey et al. (1996) biodiversity pathways principles for simultaneous increases in production of both habitat and income.

Older Forest – update to Forest Resource Plan Policy No. 14 (Old Growth Research Areas)

CURRENT POLICY

The Old Growth Research Area deferrals (Forest Resource Plan Policy No. 14) are maintained deferred from harvest. The purpose of these deferrals is to maintain DNR's ability to do research and collect data that may assist management elsewhere and benefit the trusts in the long run.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

The proposed Preferred Alternative would target 10 to 15 percent of each westside HCP Planning Unit as older forests based on structural characteristics. The desired structural characteristics are represented by stand development classes understory development through old natural forests (as described in the Sustainable Forest Management DEIS) Proposed changes to Procedure and Tasks

Maintaining mature forest components – DNR Task 14-001-010

CURRENT PROCEDURE/TASK

Where DNR manages at least 5 percent of the total watershed, DNR will maintain at least 50 percent of its forested land in trees 25 years old or older (Task 14-001-010, Maintain Mature Forest Components). This so-called “50/25” strategy stipulates that until 50 percent of a watershed meets the forest maturity criterion, no regeneration harvest is allowed in that watershed.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

The “50/25 WAU strategy” is removed.

Northern Spotted Owl Conservation Management - Procedure #14-004-120

CURRENT PROCEDURE/TASK

The Preferred Alternative does not propose changes to the nesting, roosting, foraging and dispersal habitat strategies outlined in the Habitat Conservation Plan (page IV.3).

Northern spotted owl management is represented by a suite of policy, procedural, and implementation strategies. These are currently specified in the Habitat Conservation Plan and Procedure 14-004-120.

Northern spotted owl habitat circle management is currently applied to three types of owl circles listed in Procedure 14-004-120. As specified in the Implementation Agreement Memorandum 1 of the Habitat Conservation Plan, no timber harvest is allowed within certain spotted owl circles prior to 2007, and harvest is allowed only within non-habitat areas of several other circles. These areas are identified as “Memorandum 1” (Memo 1) owl circles.

Two other groups of owl circles—“Status 1 – Reproductive” (Stat. 1-R) and “Southwest Washington” (SW Washington)—receive explicit consideration in Procedure 14-004-120. Timber harvest activities are allowed only in the non-habitat portions of four SW Washington owl circles, and only habitat enhancement activities are allowed in the non-habitat portion of all Stat 1-R owl circles throughout the planning area. The Washington Department of Fish and Wildlife defined both Status 1 Reproductive and SW Washington owl circles.

Under current procedure, when the area designated for nesting, roosting, foraging or dispersal management within a Watershed Administrative Unit (based on 2000 Watershed Administrative Unit delineations and referred to in this document as “watershed”) is below 50 percent of the desired habitat, regeneration harvests are not allowed. Regeneration harvests are allowed when the threshold is reached or exceeded (Habitat Conservation Plan, page IV.4). If less than 50 percent of designated nesting, roosting, and foraging or dispersal management areas in a watershed meets the habitat requirements, then only habitat enhancement activities may be conducted, even in the non-habitat portion of that watershed. Habitat enhancement includes thinnings that accelerate tree growth and encourage understory development.

Low-impact access development and maintenance (including stream crossings and yarding corridors) is allowed in watersheds below the 50 percent habitat requirement.

The current procedure for nesting, roosting, foraging and dispersal management strategies are implemented as a constraint, whereby if conditions are not met, management is restricted.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

Management of Memo 1 owl circles remains the stipulated in the current procedure (i.e. deferred from harvest activities until 2007).

Management of Stat. 1-R and SW Washington circles outside the Olympic Experimental State Forest are deferred from harvest until 2007.

Deferrals of timber harvests in Stat. 1-R owl circles in the Olympic Experimental State Forest would cease in 2004.

In the Preferred Alternative, a target of 50 percent desirable habitat is established for designated nesting, roosting, and foraging, or dispersal management areas within a watershed. Unlike the current procedure, thinning, variable density thinning under biodiversity pathways principles (Carey et al., 1996) is available as a strategy to create and maintain nesting, roosting, and foraging management area objectives. In addition,

regeneration harvests and thinnings (both commercial thinnings and variable density thinnings) are allowed in non-habitat areas in the rest of the watershed even if the watershed currently has less than 50 percent habitat.

Adoption of the Preferred Alternative or variant would require a change in Procedure 14-004-120 but no amendment to the Habitat Conservation Plan would be required.

Riparian Management - Procedure #14-004-150

CURRENT PROCEDURE/TASK

The Habitat Conservation Plan specified an interim set of management procedures to be used until permanent procedures could be developed by DNR, then reviewed and approved by the Federal Services (Habitat Conservation Plan page IV.61). Once implementation began according to the plan, DNR agreed not to conduct activities in riparian management zones—other than limited road development and maintenance—until a permanent procedure had been agreed upon. Current management of these sensitive areas follows the plan's guidelines and are identified in Procedure 14-004-150 (Identifying and Protecting Riparian and Wetland Management Zones in westside Habitat Conservation Plan Planning units, Excluding the Olympic Experimental State Forest Planning Unit). As stated in the plan, riparian management zones are to be developed on stream types 1, 2, 3, and 4, and wetland management zones are to be developed for wetlands greater in size than 0.25 acre.

Currently, no harvest activities are conducted within designated riparian management zones, except road and yarding corridor crossings.

The Habitat Conservation Plan management strategies for the Olympic Experimental State Forest are designed to effectively maintain key physical and biological functions until streams recover sufficiently from past disturbances. Recovery allows greater integration of commodity production and conservation. Combined with the current forest conditions and experimental objectives, the Olympic Experimental State Forest riparian strategies are different from the westside HCP Planning Units (page IV.132). For the purposes of modeling, canopy closure is maintained (relative density of 33 or greater) over 67 percent of the riparian management area in the Olympic Experimental State Forest under all Alternatives.

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

The Preferred Alternative does not propose a new riparian procedure, as this is current under negotiation with the Federal Services (at time of publication). The Preferred Alternative, states only a policy position that the DNR should attempt to reach agreement on a riparian procedure with the Federal Services and actively manage the designated riparian management zones to create and maintain healthy, structurally complex forest, while generating revenue opportunities for the trust beneficiaries.

To model the Preferred Alternative, DNR has developed some modeling that consider the restoration and silvicultural activities that may be allowed under the final riparian procedure in the Westside HCP units, excluding the OESF. Ecosystem restoration encompasses a range of activities that must be site-specific and tailored to the physical and biological conditions at a particular site.

As defined in the Habitat Conservation Plan (page IV.62), disturbance of areas of potential slope instability within riparian areas and wetlands is minimized to light access development and maintenance (road and yarding corridors).

In the Preferred Alternative, biodiversity pathways management (Carey et al. 1996) is used to achieve desired structural components of a complex riparian forest stand. It is assumed for modeling purposes that activities in the Preferred Alternative would maintain canopy closure over 90 percent of the riparian management area.

Legacy and Reserve Tree Levels For Regeneration Harvest Units - Procedure #14-006-090

CURRENT PROCEDURE/TASK

Procedure 14-006-090 implements the protection of structurally unique trees and snags described in the Habitat Conservation Plan (pages IV.156-157) by requiring retention of 7 percent of the trees in regeneration harvest units

CHANGE IN PROPOSED PREFERRED ALTERNATIVE

Under the Preferred Alternative, this legacy and reserve tree procedure would change from the current procedure requiring retention of 7 percent of the trees in regeneration harvest units to the Habitat Conservation Plan strategy of retaining a minimum of 8 trees per acre.

Updates to other Procedures and Tasks

The Preferred Alternative would require revisions to DNR Procedure 14-001-010 (Determining Harvest Levels and Completing the Five-Year Action and Development Plan) and Forestry Handbook Task 14-001-020 (Developing the Draft Five-Year Action and Development Plan) that direct DNR region staff in the implementation of Policy changes to Forest Resource Policies No. 4 and No. 5.