



**Bureau Veritas Certification
North America, Inc.
SFI Forest Management Audit Report**

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PQC Code	E01E
Contract Number	US.1933983

Certification Audit:		Re-Certification Audit:		Surveillance Audit:	1	Scope extension audit:	
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Audit Summary

Introduction

A 12-month surveillance audit (SV1) of the Washington State Department of Natural Resources (WA DNR) was conducted on June 6-9, 2016. Julie Stangell, Lead Auditor and Gregory Bassler, Team Member conducted the audit in the head office in Olympia, WA and in the Northeast and Southeast Regions.

Audit Scope, Objectives and Process

The scope of the renewal audit was the Washington State Department of Natural Resources land management of State Forest Lands. The objective was to verify the effectiveness of the Washington DNR's SFI Forest Land Management program and conformance to the Requirements of the 2015-2019 SFI Forest Management Standard (Section 2), Rules for use of On-product Labels and Off-product Marks (Section 5), Communications and Public Reporting (Section 10) and Public Inquiries and Official Complaints (Section 11). All objectives and performance measures were audited as part of the multisite surveillance audit.

The opening meeting of the audit was held at the Washington Department of Natural Resources Headquarters in Olympia, WA on Monday, June 6, 2016. Doug Kennedy, Forest Certification Program Manager; Allen Estep, Assistant Division Manager-HCP and Scientific Consultation Section; David Bergvall, Assistant Division Manager - Forest Informatics and Planning Section; Calvin Ohlson-Keihn, Acting Division Manager-Silviculture Section; Tom Shay, Assistant Division Manager Product Sales; Duane Emmons, State Lands Budget Manager; Alex Nagygyor, Assistant Division Manager Forest Roads; Angus Brodie, Forest Resources Division Manager; Darin Cramer, PS&L Division Manager; Heather McPherson, HCP Wildlife Biologist; Julie Stangell, Team Lead Auditor and Greg Bassler, Team Auditor, were in attendance.

The audit team and DNR staff introduced themselves and reviewed the audit plan. Logistics of the audit plan were discussed and the sites confirmed for the field portion of the audit to be conducted on Tuesday and Wednesday in the NE and SE Regions. Possible findings were reviewed and the previously identified Opportunity For Improvement was discussed. The closing meeting was confirmed to be by conference call on Friday June 10 at 9 am.

The surveillance audit was conducted under environmental auditing methodologies identified in the SFI 2015-2019 Audit Procedures and Auditor Qualifications and Accreditation (Section 9 of the Requirements for the SFI 2015-2019 Program) and standard Bureau Veritas Certification protocols and forms were applied throughout the verification. Prior to the audit, the auditor selected sites in both regions to be sampled based on management activities.

Audit Plan

The document review portion of the audit began immediately following the opening meeting on Monday and was completed on Tuesday morning. The field audit of the Northeast Region was conducted on Wednesday, June 8, 2016 and the field audit of the Southeast Region was conducted on Thursday, June 9, 2016. Each team auditor visited separate sites with WA DNR staff. Field files for each site were reviewed and used to determine effectiveness of the WA DNR forest management system and process. The Objectives, Performance Measures and Indicators were all verified through a review of documents and field verification of sites to meet the intent of the SFI 2015-2019 Standard. Each team auditor conducted a debriefing at the end of each day. The audit plan was reviewed and approved by DNR staff prior to the audit and is maintained on file by Bureau Veritas Certification.

Company Information

The Washington State Department of Natural Resources manages 5.6 million acres of forest, range, agricultural, aquatic and commercial lands for the people of the State of Washington; 2.1 million acres are forested. To manage this work more effectively, the WA DNR has 11 Divisions focused on a specific business area and 6 Regions located throughout the state of Washington. Per the FY 2015 Annual Report, the lands generate more than \$313 million a year, much of it to support public schools, state institutions, and county services.

Multi-Site Requirements

The WA DNR is a multi-site organization and has a central office or headquarters (Olympia, WA) at which certain activities are planned, controlled or managed and a network of regional offices or sites at which such activities are carried out. The central office provides regions with information and guidance on activities. The scope and scale of activities are similar at all regions. All regions or sites operate under a common forest management system, policies and set of procedures that are managed and administered by the central office.

For multi-site certifications, a site sampling method is generally used. The number of sites to be audited for renewal audits is equal to the square root of the number of sites x 0.8. Based on this sampling method, two regions or sites plus headquarters are to be audited on an annual basis. The WA DNR is composed of six regions (see below) and the surveillance audit plan for 2016 was to audit the Northeast and Southeast Regions. Each region or site is audited on a three-year basis and these two regions were last audited in 2013. The WA DNR is in conformance with all multi-site requirements.

Sites	Sites Audited SV1 2016	SV2 2017	SV3 2018
Olympia, WA (Central Office)	X	X	X
South Puget Sound Region			X
Pacific Cascade Region			X
Northeast Region	X		
Southeast Region	X		
Northwest Region		X	
Olympic Region		X	

Audit Results

Objective 1-Forest Management Planning: The WA DNR completed the Strategic Plan for 2014-2017. The plan contains specific initiatives to be developed and/or implemented to reach stated goals. The WA DNR released a draft OESF HCP Planning Unit Forest Land Plan Revised draft EIS in October 2013. Public comment regarding sediment delivery and retention of old forest was incorporated into the revised plan. The plan is scheduled to be completed within the next few months.

The WA DNR has six centrally administered regions. However, forest management planning is done within the range of the northern spotted owl in 9 HCP planning units that are watershed based (Watershed Administrative Units). The Habitat Conservation Plan and Forest Practices Rules are the key guiding documents that influence forest management planning.

WADNR is currently going through the public scoping and purpose and need process in preparation for updating the Westside Sustainable Harvest calculation. The DEIS for the calculation is expected to be completed by the end of 2016. It is being done in coordination with the HCP Marbled Murrelet Strategy. Inventory plots and LiDAR have been completed. The last calculation was completed in 2007.

The majority of the DNR central cascade ownership has now been flown with LiDAR. The remainder of the eastside lands located in the NE Washington is scheduled to be flown this summer. Said acquisition of LiDAR will enable the completion of the RS-FRIS inventory on the eastern lands. A valid and robust inventory is needed to move forward with any type of eastside sustainable harvest calculation (SHC). A draft SEPA non-project review form will be completed to determine if a full EIS is required for an eastside SHC. The most recent eastside SHC was completed in 1996. Three major planning projects: the Westside SHC, Marbled Murrelet Long Term Conservation Strategy and Olympic Experimental State Forest Land Plan continue to use resources necessary for recalculating and recommending new harvest levels on the Eastside.

The inventory group released the new version of the inventory system in December of 2014 known as RS-FRIS. The data is undergoing a soft release to region and division staff to allow for feedback to be gathered during the new implementation. This has resulted in refinements and process tweaks of the incoming and outgoing data. The inventory group has built a new data collection application in house that runs on Android based tablets. Known as the fast FRIS app, the data collection tool is now implemented by the inventory technicians and selected region staff. It allows for the data collection and transfer process to be streamlined from field collection to corporate database.

DNR's Planning and Tracking System (P&T) is well maintained and provides excellent documentation of forest practices. The Timber Sales Document Center (TSDC) tracks planned, sold and completed timber sale documents since 2009. It also includes a forest management document library and functions as a central clearing house for all timber sale related documents.

Records indicate that current harvest levels fall within long-term sustainable levels. For the period 2004-2014, actual harvest was 91% target sustainable harvest level. Forest land ownership and depletions associated with timber harvests are periodically updated in the inventory system.

WA DNR has planted roughly 4,000 acres of red alder in the last 20 years. Very small acreages of various western Pacific conifer forest cover types have been planted to red alder. Of those, some may have been red alder stands previously, but most were likely conifer-dominated stands, since those tend to be better places to grow red alder than areas where it naturally dominates. This is not considered a conversion since if those stands were to rely on natural regeneration, many of the west side stands would become pure red alder or mixed red alder/conifer stands naturally, for 50 or more years, before the conifers started to take over in the normal stand development process. Forest lands converted to other uses are not included in the DNR certified land base.

Objective 2-Forest Health and Productivity: The WA DNR reforests promptly following harvest utilizing natural regeneration where possible to reduce cost. Following regeneration harvests, all harvest units are reforested; reforestation method is specified and reviewed by the intensive management forester or silviculturist. Reforestation for the eastside is to be done within 5 years for planted trees and within 10 years for natural regeneration. There appears to be a lack of formal method to trigger a reforestation survey to evaluate regeneration opportunities for reforesting burned areas where there is no harvest and therefore no polygon created in the current Planning & Tracking system. This was noted to DNR staff and plans are in place to address this issue.

The WA DNR's policy is to use the minimum amount of chemical necessary to accomplish control objectives. It was observed that minimal quantities of herbicide were used on eastside forests. Where herbicide use was observed, it was hand sprayed, species specific and use was well within label and legal requirements. Licensed contractors under the supervision of DNR foresters did all work.

WA DNR has several systems containing soils metadata and soils layers. The Planning and Tracking system (P&T) contains a soils report. WA State has soil inventory maps and the quick data loader has a folder that contains digital information on soils and slope stability. Foresters are required to pull up information on soils in P&T and then identify appropriate methods for protection in the SEPA (State Environmental Policy Act) process. This is then communicated in the FPA (Forest Practices Application), Timber Sale Contract and Pre-Harvest Checklist.

Down woody debris is required to be retained on site during timber harvest. DNR has skid trail requirements and specific contract provisions preventing excessive soil disturbance. Contracts have provisions for skid trail layout with requirements for the contract administrator to approval locations in order to minimize the number of trails and impacts. Road construction contracts have provisions to minimize impacts. No evidence of accelerated erosion and rutting were observed.

Many sites observed had been burned and growing conditions were very difficult due to rocky soil and dry conditions. Generally foresters were working with site conditions to get trees established with snags being left for wildlife and to meet down woody requirements. The auditors observed excellent work being done in some districts to maintain site productivity by harvesting and replanting very quickly after fire events and use of thinning to improve forest health while working within limited budgets.

Objective 3-Protection and Maintenance of Water Resources: The WA DNR follows and exceeds mandatory requirements of the Washington State Forest Practices Rules and comprehensive set of standards (BMPs) designed to protect soil, air, water and wildlife resources. The Washington Forest Practices Rules in conjunction with the Habitat Conservation Plan identify all of the water quality-related rules and best management practices. Specific to Westside lands, Forest Practices Rules for Northern Spotted Owl, Marbled Murrelet, and riparian areas have been replaced by the Habitat Conservation Plan rules as explained in the HCP. Contracts require the purchaser to comply with all laws including BMP's. Each timber sale contract addresses special considerations for wet weather (seasonal closures, rutting), if necessary. Contract clauses H-130/H-140 identify conditions to protect roads against seasonal damage from wet weather. The Contract Administrator specifically ensures that harvests comply with the Forest Practices Application and contract.

The Forest Practices Program also conducts statewide compliance monitoring. Forest Practices Foresters evaluate active sales specifically for riparian and road issues as well as for other potential Forest Practices violations. HCP Implementation Monitoring is also conducted annually. The HCP Riparian Forest Restoration Strategy contains the implementation procedures for developing/maintaining riparian desired future condition with target thresholds. Lands not included in the HCP are covered by the Forest Practices Rules for riparian areas and wetlands. The DNR maintains complete water mapping (hydrography) that identifies all water types for both the Forest Practices Rules and the Habitat Conservation Plan. The GIS layer is updated regularly. Water typing information is included in timber sale contract maps. The Managing Wetlands Field Guide reviews the rules and other guidance documentation for managing wetlands on State lands. The DNR has also produced a Field Guide for recognizing wetlands.

Objective 4-Conservation of Biological Diversity: The HCP was written in 1997 and is based on 3 broad strategies: spotted owl protection, marbled murrelet protection and riparian protection. Procedures have been written to implement the HCP. The Policy for Sustainable Forests says that the department will identify special ecological features on state trust lands. Once identified, these areas will be protected through transfer out of trust status, deferral, or other means. All special areas are mapped and identified by the Natural Heritage Program. All timber sale polygons are screened through the Natural Heritage Program to flag any identified special ecological areas. If special sites are identified, they are added to the sale package for SEPA review. Specific management recommendations are available for certain sites, and the Natural Heritage Program is available for consultation.

On the Eastside where there is HCP coverage only for spotted owls on the eastern slopes of the Cascades, priority species as defined by WDFW are protected based on WA DNR procedures. The Retention and Perpetuation of Biological Legacies and Green Trees (Eastern Washington) Procedure provides good general guidance. Meeting habitat requirements for various plant and wildlife species will provide biological diversity across the landscape.

The State Lands Conservation Programs such as Natural Areas Program and Natural Heritage Program protect known sites of viable populations of species of concern. The Natural Heritage program identifies and protects natural and at-risk features, and nominates sites to become Natural Resource Conservation Areas and Natural Area Preserves.

Management of Forest Stand Cohorts documents stand-level requirements. Prior to unit layout every unit is assessed for snags and down woody debris.

The Forest Land planning process includes a spatial assessment, collaborative planning, and public scoping process to identify unique areas, species of concern, or other issues. The department defers from harvest old growth stands as defined in the Definition and Inventory of Old Growth document. Individual and scattered old growth trees are also protected unless the Board of Natural Resources approves harvest for special circumstances. An old growth assessment pathway has been developed for determining old growth characteristics and function in the field. Field guides for identifying Eastside and Westside old growth characteristics have been developed.

Old Growth is identified during the presale planning process. Foresters identify old growth stands based on GIS data and field verification. Per the Weighted Old Growth Habitat Index (WOGHI) foresters would perform a field review of the stand to evaluate management options. If it is old growth habitat, the stand is deferred from harvest.

The DNR has several processes for collection and documentation of FECVs. The Natural Heritage Program website has several web tools for mapping and looking up identified special sites and species including rare plants, rare animals, herp atlas, etc. The Natural Heritage Program is specifically designed to collect information and map features such as old growth or other unique habitat types on both state and private lands. The hydrography GIS layer also helps identify unique wetland communities. The Natural Areas Program allows anyone to recommend a unique ecological community to the Program for inclusion in the Program. If the site is accepted, it can be transferred out of trust status and included as a designated natural area with its own set of management/conservation objectives.

State RCWs (Revised Code of Washington) require control of noxious weeds through integrated pest management practices. Jurisdictions and duties have been granted to county noxious weed boards. In addition, DNR pursues control of invasive species in areas where they have active projects.

Prescribed burns are done on targeted areas in specific habitat types (natural areas) such as Mima Mounds and Oak Patch Natural Area Preserve where specific vegetation goals are to be met. The WDFW and WA DNR are proposing to do more prescribed burning in eastside forests however available funding limits the number of acres to be treated.

Objective 5-Management of Visual Quality and Recreational Benefits: The DNR considers whether there are visual impacts of management activities and designs appropriate mitigation strategies based on whether impacts are of local or regional significance. The DNR has policies and guidelines addressing aesthetic considerations in areas of visual concern. As personnel are doing presale planning, the SEPA checklist is filled out; if needed (near residential area, near designated scenic corridor) then mitigation to be proposed.

Regeneration harvest unit sizes are generally limited to 100 acres, in the Policy for Sustainable Forests, the WAC limits to 120 acres making the Policy more restrictive. Forest Practices Applications are filled out by DNR employees for each proposed sale, and Forest Practices personnel evaluate the size/ spacing of units and determine if WAC 222-30-025 has been met. Data is maintained in the P&T system (working on new system to replace P&T). Every activity that occurs in an FMU is tracked in P&T. Activities can be queried through the P&T Data Steward.

The DNR has policies and procedures in place regarding green-up requirements. The WAC requires that at least 90% of the unit's perimeter is in stands of trees that have survived on site a minimum of five growing seasons or if not, have reached an average height of four feet. Green up requirements were met on all sites

observed.

The WA DNR provides a lot of recreational opportunities to the public. Recreation Plans are developed in cooperation with the general public. The recreation plan process integrates public use issues and concerns into a recreation plan specific to the area and is based on local input. Forest Land Plans incorporate Recreation Plans; the two plans are complementary. Plans manage use and allow managers to prioritize projects for budgetary planning purposes.

The Naneum Ridge Recreation Plan represents the culmination of two years of collaborative work by the WA DNR, Department of Fish and Wildlife, local user groups, citizen advisory committee and individual members of the public.

Objective 6-Protection of Special Sites: Both the Natural Heritage Program and Natural Areas Program assist in identifying and selecting sites for protection. The Large Data Overlay is a compilation of all the GIS data layers available including old growth, spotted owl, soils, landslide hazards, local knowledge issues, heritage, cultural/historic sites, etc. The Landslide Hazard Zonation mapping program has spatially identified potentially unstable slopes. DNR routinely consults with local, state, Tribal, and federal agencies on matters related to potential special sites.

Objective 7-Efficient Use of Fiber Resources: Timber Sale contract provisions are in place intended to maximize utilization of forest products that are designated for removal. Penalties can be assessed when specifications aren't being met consistently. Biomass removal (chunks, slash and tops) may be optional on some timber sales. Generally, the sales must be located within a reasonable haul distance of a biomass processing facility for it to be offered.

Objective 8-Recognize and Respect Indigenous People's Rights: There are 29 Federally recognized tribes in Washington State that are notified of every proposed SEPA action and tribal representatives have the opportunity to provide input on those activities. This process is routine in every region and has been ongoing for many years.

The WA DNR works with indigenous peoples to allow access to State lands for a variety of purposes. The list includes culturally sensitive activities (i.e. cedar bark collection), monitoring activities in natural areas, seed collection, water quality data collection, and wildlife studies such as elk capture and collaring and blacktail deer study. In addition, The Commissioner hosts Tribal Summits to discuss all types of tribal issues including access to public lands, culturally modified trees, aquatics, etc.

Objective 9-Legal and Regulatory Compliance: The DNR has multiple systems and processes for ensuring availability of information and compliance with relevant laws and regulations. All regions with exception of the SE Region have pre-sale checklists for timber sales. The SE Region conducts very few sales and most are not regeneration harvests.

A logging or silvicultural contract cannot be issued without an FPA (Forest Practices Application) permit. The WA DNR utilizes site visits and follows BMP Procedures to ensure compliance. These visits note compliance with laws and regulations. The USFWS (United State Fish and Wildlife Service) monitoring of HCP compliance has not raised any conformance issues. The DNR self-reports any suspected deviations, conducts root-cause analysis and institutes corrective actions as needed. The DNR (Forest Practices) can issue civil penalties for violations on DNR (State Trust Lands). The WA DNR has a formal Health and Safety program designed to ensure applicable federal and state requirements are met. Health and Safety requirements are posted in various locations as prescribed by law. The DNR has multiple systems in place to ensure rights of workers are respected. Information is available publically regarding all aspects of workers' rights. Policies demonstrating the DNR's compliance with social laws are well documented.

Objective 10-Forestry Research, Science and Technology: The DNR has contributed and is involved with numerous research projects. It has also set up numerous research sites for various research areas (silviculture, growth & yield, riparian management, ecology, genetics and pathology). This may involve collecting data, baseline direct funding, direct technical support covering research related to fish, wildlife and forest

management. Much of DNR's research is conducted in the Olympic Experimental State Forest (OESF). The DNR OESF website contains information on past and present research projects. Riparian status and trends research started in 2012. The WA DNR has a list of 9 Research Co-ops that they are currently involved with. These are Co-ops that both receive permission to conduct research on WA DNR land and receive financial support. The 2015 SFI Annual Progress Report details all financial and in-kind support of research. Staff time and financial contributions for 2015 totaled \$550,000.

The WA DNR has prepared a draft document on Adapting to Changing Climate which discusses anticipated impacts and effects on Agency work. It also provides Climate Change Adaption recommendations. The WA DNR staff is very knowledgeable on climate change impacts and is preparing a document that discusses anticipated impacts to the agency lands and recommended adaptations for climate change.

Objective 11-Training and Education: The strategic plan states that "the DNR is committed to maintaining third-party certification across all DNR-managed forested State Trust Lands". All employees are required to receive State lands training which includes a module on forest certification that discusses DNR's commitment to SFI Principles and Objectives. The State Lands Training Program has numerous trainings that are conducted each year for all DNR employees. Department of Personnel maintains an LMS (Learning Management System) that each employee has an account where they can take required training courses. The LMS system also maintains records of employee training. This is a great system to provide and track training of each employee.

Timber purchasers and operators receive training through the Washington Contract Logger's Association (WCLA) Master Logger Training Program. WA DNR requires stumpage sale purchasers to use trained contractors based on SIC recommendation. Timber Sale Contract clause G-116 states that the purchaser shall have at least one person regularly on-site during active operations that have completed training according to the requirements outlined by the SIC -Washington Contract Loggers Association Master logger training. The current program requires continuing education, particularly first aid and safety annually.

The WA DNR is an active participant in the Washington SIC, which regularly reviews the WCLA training programs to ensure all required topics are covered.

Objective 12-Community Involvement and Landowner Outreach: The WA DNR provides in-kind support to the SIC in lieu of dues. Doug Kennedy serves on the SIC Board as secretary and Duane Emmons maintains the WA SIC website. The DNR has developed or provides support for informational publications, field guides, etc. for forest landowners. The WA SIC publishes a publication- "Sustainable Forestry Practices for Landowners in Washington"- that is available on the WA SIC website which addresses special sites and biodiversity issues.

All of the WA DNR's land planning and management processes include stakeholder involvement. The WA DNR is well versed in regional conservation planning and working with a broad range of local stakeholders. DNR has multiple ways and processes to receive and respond to public inquiries. During the SEPA Process, the public is invited to public meetings and provide comment on planned activities. All inquiries are documented and addressed. The public can provide comments and complaints to the Commissioner via the website which are reviewed and redirected to the appropriate Regional and/or Division office and personnel. The WA SIC also has a process for reporting inconsistent practices.

Objective 13-Public Land Management Responsibilities: The Policy for Sustainable Forest requires the WA DNR to conduct forest land planning in units of similar geographic scale as the Habitat Conservation Plan. The objective of the forest land planning process is to identify landscape management strategies that achieve the policy goals outlined in the Policy and the HCP. These strategies help direct managers during the planning and execution of timber sales and other activities. The forest land planning process is intended to draw upon local stakeholders, Tribes, the public, and WA DNR resources for information that will help make informed decisions. Forest land planning processes include a public scoping phase to address appropriate stakeholder and public input and additional data collection. Special meetings are held with stakeholders representing beneficiaries, the timber industry and conservation community, at least annually to discuss upcoming sales, scoping for land planning processes, and other issues.

Objective 14-Communications and Public Reporting: The 2015 WA DNR Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit.

Objective 15-Management Review: Currently, the WA DNR has three programs or committees that evaluate and monitor programs and procedures for effectiveness.

- The Adaptive Management Steering Committee was formed several years ago to implement an adaptive management monitoring program and identify specific areas or issues (work plan). The committee prepared a list of issues and prioritized those to work on and conduct research. The committee meets two or three times per year.
- The Implementation Monitoring Program is tasked with conducting HCP monitoring that is required to be reported annually. HCP monitoring is ongoing and reports were published in May 2015 and March 2016 reviewing spotted owl habitat management and roads implementation.
- A Silviculture Monitoring Program is in place to monitor silvicultural activities. A summary of activities was provided. These three programs in addition to regular monitoring of Forest Practices and BMP's is an effective system to evaluate effectiveness and conformance to the SFI Standard. Forest Practices monitors operations and summarizes findings on an annual basis.

The Certification Program Lead meets annually (at least) with every ADM to review objectives and discuss how they feel they are complying with the Standard in a pre-audit review. Towards the end of the process, SFI Program Leads meet with Forest Resources and Conservation Division Manager and Executive Management to discuss the findings and comments from ADMs as a result of the pre-audit review and implement any changes that are necessary to continue compliance.

The WA DNR has specific performance measures, of which forest certification is one, that they review and post each quarter. These are shared with Division Managers, Department Supervisor and Commissioner, which meet semi-annually. Region Managers meet at the WA DNR headquarters on a monthly basis and discuss operations. This level of review by managers provides ongoing monitoring of programs and necessary improvements to maintain conformance with the standard.

WA DNR did not have any substitutions or modifications to any of the Indicators. A review of previous audits was conducted to verify the effectiveness of previous audit findings and to evaluate WA DNR's past performance. There were no trends in the SFI implementation of the field audit or document review that would indicate that any particular area needs special attention. An SF61 was completed and contains specific information and audit notes.

Findings

Previous non-conformances:

No nonconformities were identified during the previous audit.

Non-conformances:

One non-conformance was identified during the audit in regards to forest inventory and recalculation of planned harvests for the Eastside of Washington. This nonconformance was determined to be a major nonconformity because it had been raised as a minor non-conformance during the Surveillance 1 audit conducted in May 2013, the last time the forests in Eastern Washington were audited.

1. **PM 1.1, Ind. 4:** The sustainable harvest level for the sustainable harvest units in Eastern Washington have not been recalculated on a decadal basis as required by WA DNR Policy PO14-004. An SF02 nonconformity report was completed and is included as part of this audit report.

Opportunities for Improvement:

No opportunities for improvement were identified during the audit.

Notable Practices:

No notable practices were identified during the audit.

Logo/label use:

All logo usage has been approved by SFI, Inc. Approval records are available back to 2008 and are kept in a logo use tracking spreadsheet. Three uses of the word and logo marks were requested during the last audit cycle. WA DNR does not use the BV logo.

SFI reporting:

A review of the SFI, Inc. website provided evidence that the 2015 re-certification audit of the Washington State Department of Natural Resources SFI forest management program was submitted and posted as required for public notification.

Conclusions

The Closing Meeting for the surveillance audit was held on Friday, June 10, 2016 by conference call. Julie Stangell, Lead Auditor and Gregory Bassler, Team Auditor presented and reviewed the audit findings. Confidentiality of the audit results was assured. In the opinion of the auditors and based on the evidence presented, the Washington State Department of Natural Resources was recommended for continued certification to the SFI 2015-2019 Forest Management Standard pending closure of the one major nonconformance.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:									
Audit Date(s):		From: June 6, 2016				To: June 9, 2016			
Number of SF02's Raised:				Major:		1		Minor: 0	
Is a follow up visit required:		Yes		No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Team Leader Recommendation:									
Corrective Action Plan(s) Accepted		Yes	X	No		N/A		Date:	July 6, 2016
Proceed to/Continue Certification		Yes	X	No		N/A		Date:	June 10, 2016
All NCR's Closed		Yes		No	X	N/A		Date:	
Standard audit conducted against:									
1)	SFI 2015:2019			3)					
2)				4)					
Team Leader (1):		Team Members (2,3,4...)							
Julie Stangell, Lead Auditor		2) Gregory Bassler, Team Auditor							
		3)							
		4)							
		5)							
Scope of Supply: (scope statement must be verified and appear in the space below)									
Washington State Department of Natural Resources' forest management operations in Western and Eastern Washington.									
Accreditation's		ANAB							
Number of Certificates		1							
Proposed Date for Next Audit Event									
Date	June, 2017								
Audit Report Distribution									
Client: WA DNR – Doug Kennedy, Forest Certification Lead, douglas.kennedy@dnr.wa.gov									
BVC: Dawn Komnick-Ehmann, Customer Service Representative, dawn.komnick@us.bureauveritas.com									

Clause	Audit Report	
Opening Meeting	<p>Participants:</p> <p>Discussions:</p>	<p>Doug Kennedy, Forest Certification Program Manager; Allen Estep, Assistant Division Manager-HCP and Scientific Consultation Section; David Bergvall, Assistant Division Manager - Forest Informatics and Planning Section; Calvin Ohlson-Keihn, Acting Division Manager-Silviculture Section; Tom Shay, Assistant Division Manager Product Sales; Duane Emmons, State Lands Budget Manager; Alex Nagygyor, Assistant Division Manager Forest Roads; Angus Brodie, Forest Resources Division Manager; Darin Cramer, PS&L Division Manager; Heather McPherson, HCP Wildlife Biologist; Julie Stangell, Team Lead Auditor and Greg Bassler, Team Auditor, were in attendance.</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous non-conformances - 0. ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting (by conference call)	<p>Participants:</p> <p>Discussions:</p>	<p>Doug Kennedy, Forest Certification Program Manager; Allen Estep, Assistant Division Manager-HCP and Scientific Consultation Section; Angus Brodie, Forest Resources Division Manager; Heather McPherson, HCP Wildlife Biologist; Larry Leach, Assistant Region Manager; Loren Torgerson, NE Region Manager; Tim Vugteveen, District Manager – Highlands; Sam Steinshouer, Silviculturist; Matt Smith, Unit Forester; Bob McKellar, Assistant Region Manager – State Lands; Arnie Johnson, District Manager – North Columbia; Julie Stangell, Team Lead Auditor and Greg Bassler, Team Auditor, were in attendance.</p> <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Non-conformances - 1 ➤ Date for next audit. ➤ Reporting protocol and timing



SF02/NA NONCONFORMITY REPORT

Company Name and Site:		<u>SF02#:</u>
Washington State Department of Natural Resources (WA DNR)		01
Contract #:	Type of audit (e.g., initial, surveillance):	Team Leader:
US.1933983	Surveillance 1	Julie Stangell
Date:	Standard and Clause #:	Team Member:
June 10, 2016	SFI 2015:2019, 1.1.4	Gregory Bassler
Major	Minor	Other Documents (if applicable):
X		Company Representative:
		Doug Kennedy

REQUIREMENT OF AUDITED STANDARD:

1.1.4 Periodically update forest inventory and recalculation of planned harvest to account for changes in growth due to productivity increases or decreases, including but not limited to improved data, climate change, wildfire, long-term drought and forest health.

OBSERVED NONCONFORMITY:

Washington DNR has not updated forest inventory or recalculated planned harvest levels for the Northeast or Southeast Regions. WA DNR Policy PO14-004 requires recalculation of the sustainable harvest level no less frequently than every 10 years. The most recent recalculation for the eastside regions was adopted in 1996.

ROOT CAUSE ANALYSIS AND CORRECTIVE ACTION PLAN

(To be completed by the Company. Plan to be submitted in 30 days)

Corrective Action Plan Date:	6/30/2016	Company Representative:	Doug Kennedy
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Root Cause Analysis and Corrective Action

Root Cause Analysis:

1. **Lack of resources.** The Commissioner of Public Lands, who is the Chair of the Board of Natural Resources, sets agency priorities and directs DNR staff to work toward those objectives. The agency has prioritized three major planning projects (Marbled Murrelet Long-Term Conservation Strategy, West Side Sustainable Harvest Calculation, and the Olympic Experimental State Forest Land Plan) that continue to use the resources necessary for recalculating and recommending new harvest levels in Northeast and Southeast regions.
2. **Need for better inventory data.** Until recently, DNR has not had a reliable, cost-effective forest inventory methodology for maintaining actionable, landscape-level inventory data across the entire east side.
3. **Lack of necessity.** DNR has conducted a variety of analyses to determine that current harvest levels are sustainable, are well below the 1996 level, and continue to positively contribute to correcting the forest health issues in eastern Washington. Since management rules have not significantly changed since 1996 and acres of eastside forested lands managed by DNR have increased by ~15% since that time, DNR viewed maintaining current eastside harvest levels as a reasonable, low-risk option.

Outline of Corrective Action Plan:

1. Complete eastside inventory.
2. Identify the resources required to model forest stratification and yields on the eastside.
3. As one or more of the three major planning efforts are completed, seek approval to devote resources to develop a harvest planning tool (model) that will allow region staff to plan harvests that provide sustained yields of timber without exceeding biological capacities.
4. With devoted resources, develop yield curves and model planned harvests for eastern Washington. Compare 1996 harvest levels with model updates.
5. Establish a recurring schedule, tied to regular inventory updates, whereby DNR will:
 - Use recent model outputs to evaluate current and projected standing volume.
 - Confirm or adjust planned harvest rates.
 - Communicate volume target updates to region staff.
6. Determine the appropriate point to present model results and information on eastside harvest levels to the Board of Natural Resources in a forum suitable for policy decisions.

ROOT CAUSE AND CORRECTIVE ACTION PLAN ACCEPTANCE REPORT

(To be completed by Bureau Veritas Certification – Verify effective identification of Root Cause and acceptance of Corrective Action Plan)									
Root Cause: The root cause analysis is accepted as written. Corrective Action Plan: Corrective action plan (CAP) is accepted. Implementation of the CAP requires a realistic timeline for implementation of the steps outlined (1-6 above) with the required resources, including people by title, to implement the plan. Implemented plan is due by 9/11/16.									
Plan Accepted:	Yes	X	No		Comments:	Root Cause Analysis and Corrective Action Plan by 7/11/16 Implement Corrective Action Plan by 9/11/16			
Auditor:	Julie Stangell				Date:	July 6, 2016			
CORRECTIVE ACTION IMPLEMENTATION									
To be completed by Company – Provide objective evidence. Not to exceed: 90 Days <input checked="" type="checkbox"/> 1 Year <input type="checkbox"/>									
Corrective Action Completion Date:					Company Representative:				
Corrective Action Implementation: Method used to verify effectiveness of action taken:									
CORRECTIVE ACTION IMPLEMENTATION ACCEPTANCE REPORT									
(To be completed by Bureau Veritas Certification – Acceptance of Corrective Action taken)									
Accepted:	Yes		No		Nonconformance Closed:	Yes		No	
Follow Up Comments:									
Auditor:					Date:				