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November 2, 2007 Board of Forestry Meeting Minutes

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Items listed in order heard

Attachments below are available on the web @ <http://oregon.gov/ODF/Board>

- (1) Agreement for Use of Certain State Forestry Development Account Funds, Agenda Item 1
- (2) Clean Copy – Smoke Management Rule Proposal, Agenda Item 2
- (3) Revised Summary of Public Hearing Comments, Agenda Item 2
- (4) Staff Presentation – Adapting Forest Management Plans, Agenda Item 5
- (5) Proposed Performance Measure Targets, Agenda Item 5
- (6) Chart: Outcomes in Complex Structure Achievement and Revenue Increase Percentage, Agenda Item 5
- (7) FTLAC Comments, Agenda Item 5
- (8) Public Comments – Bob Van Dyk, Agenda Item 5
- (9) Public Comments – Dave Ivanoff, Agenda Item 5
- (10) Public Comments – Carol Whipple, Agenda Item 6
- (11) Joint Resolution – OECDD, Board of Forestry, OSU & OFRI, Agenda Item 6
- (12) Memorandum of Agreement - OECDD, Board of Forestry, OSU & OFRI, Agenda Item 6

OREGON STATE BOARD OF FORESTRY

November 2, 2007 Meeting Minutes

In accordance with the provisions of ORS 526.016, a meeting of the Oregon Board of Forestry was held at the Running Y Ranch, 5500 Running Y Road, Klamath Falls, Oregon. Chair Hobbs called the public meeting to order at 8:05 a.m.

Board Members Present:

Steve Hobbs, Chair	Larry Giustina	Bill Hutchison	Peter Hayes
Jennifer Phillippi	Barbara Craig	Cal Mukumoto	

Others Present:

Mac Brock, Crater Lake
Craig Ditman, JWTR
Donald Fontenot, Oregon Chapter Sierra Club
Paul Harlan, Collins Pine
Gary Howard, JWTR
Chuck Hurliman, Tillamook County Commissioner
Dave Ivanoff, Hampton Affiliates
Brett Johnson, JWTR
Tim Josi, Council of Forest Trust Land Counties
Richard Lee, Council of Forest Trust Land Counties
Mike Propes, Council of Forest Trust Land Counties
Don Rice, Green Wood
Patricia Roberts, Council of Forest Trust Land Counties
Ann Samuelson, Council of Forest Trust Land Counties
Ralph Saperstein, Boise
Gary Springer, Starker Forests
Bob Van Dyk, Wild Salmon Center
Carol Whipple, Oregon Forest Resources Institute Board of Directors
Ray Wilkeson, Oregon Forest Industries Council
Marvin Brown, State Forester
Cliff Liedtke, EOA Director
Gayle Birch, Board Support
George Ponte, EOA
Dan Postrel, Agency Affairs
Dave Lorenz, SOA
Jeff Foreman
Dan Thorpe, Southwest Oregon
Jim Paul, ASF Forest Mgt.
Chris Rudd, Southwest Oregon
Nancy Hirsch, State Forests
Teresa Vonn, Southwest Oregon
Barbara Lee
Bill Hunt, Klamath-Lake
Jeff Brandt
Ed DeBlander, Klamath-Lake
Rosemary Mannix
Tom Savage, Astoria
Barbara Lee
Ron Zilli, Astoria
Ted Lorensen, ASF Resources
Steve Laam, West Oregon
David Morman, Resources Planning
Bob Gustavson, Forest Grove
Peter Daugherty, Private Forests
Jim Young, Coos
Paul Bell, ASF Protection
Bill Lafferty, Protection
Charlie Stone
Jim Trost

Consent Agenda: Items A through E were approved in one block.

A. MINUTES – SEPTEMBER 5, 2007 BOARD MEETING

Approved by consent.

The minutes of the September 5, 2007 Board meeting are approved.

B. WILDFIRE RISK MANAGEMENT – ISSUE 7, OBJECTIVE 1 – NATIONAL FIRE PLAN IMPLEMENTATION

Final report on the process improvement initiative on National Fire Plan Implementation.

The report is accepted; Objective 1 of the Wildfire Risk Management Work Plan is accomplished.

C. STATE FORESTS MANAGEMENT – ISSUE 2, OBJECTIVE 4, EVALUATE THE OAR FOR LAND ACQUISITIONS AND EXCHANGES

Review of the West Oregon District Land Acquisition and Exchange Plan as required by OAR 629-033-0015.

The West Oregon District Land Acquisition and Exchange Plan has been reviewed.

D. FORESTRY PROGRAM FOR OREGON - ISSUE 1, OBJECTIVES 4 & 5 – ANNUAL KEY PERFORMANCE MEASURES PROGRESS REPORT FOR FY 2007

Review of the FY 2007 Annual Performance Progress Report.

E. RANGELAND PROTECTION ASSOCIATION FORMATION

Approval sought to proceed with the formation of a Juntura Rangeland Fire Protection Association.

The inclusion of rangeland in portions of northwestern Malheur County into a rangeland fire protection association is approved. The Department is directed to assist with the formation with the association pursuant to ORS 477.320.

Action and Information:

**** EXECUTIVE SESSION ANNOUNCEMENT**

Chair Hobbs announced the Board would meet in Executive Session following adjournment of the public meeting to conduct a follow-up session regarding the State Forester's annual performance review. ORS 192.660(2)(i)

1. **STATE FORESTER AND BOARD MEMBER COMMENTS**

State Forester Marvin Brown provided copies of the Agreement for Use of Certain State Forestry Development Account Funds (Attachment 1). The Agreement provides consent, from those counties that receive revenue from Board of Forestry land timber sales, regarding the transfer of \$3.65 million from the Forest Development Fund to the Forest Patrol Fund for use in the fire protection program. The transfer was directed by the 2007 Legislative Assembly and signed by the Governor as part of the Department's FY 2007-09 budget package.

By signing the agreement, the State Forester agrees to not include such a transfer in the next budget request without the counties' consent, confirms that dollars budgeted to offset timber sale project costs will only be spent on Board of Forestry land timber sales, and that use of the project cost offset dollars should take into account an equitable distribution to appropriate counties. The agreement has been signed by Tillamook County Commissioner Tim Josi on behalf of the counties.

With Board consensus, Chair Hobbs ordered:

Approval is given to the State Forester to sign the Agreement for Use of Certain State Forestry Development Account Funds.

Chair Hobbs, on behalf of the Board, thanked District Forester Bill Hunt and the Klamath-Lake District personnel for the informative and insightful tour of the Sun Pass State Forest on November 1, 2007.

1A. **PUBLIC COMMENTS**

There were no comments from the public.

2. **WILDFIRE RISK MANAGEMENT – ISSUE 7, OBJECTIVE 3 – SMOKE MANAGEMENT PLAN IMPLEMENTATION**

Charlie Stone and Jim Trost, Protection from Fire Program, reviewed the Smoke Management Rule proposal which was refined following the Board's discussion at its June 6, 2007 meeting. HB 3468, which would have provided General Fund and Harvest Tax funding support failed; a consensus fee structure was developed to provide total support of the program through burn fees. A "clean copy" of the rule package was provided (Attachment 2), and also a revised copy of the Summary of Public Hearing comments (Attachment 3).

Mr. Stone highlighted major features of the rule package, including Smoke Sensitive Receptor Areas designation, best burn practices, registering and reporting, fee structure, program evaluation and enforcement. It is anticipated that the Environmental Quality Commission will provide concurrence for the rule package and incorporate it into the State Implementation Plan.

The majority of the rules will be effective January 1, 2008. The rules affecting registration and accomplishment reporting for lands under "level 2 regulation" will become effective January 1, 2009.

Following a brief discussion, and with Board consensus, Chair Hobbs ordered:

The OAR package known as the Smoke Management Rule and shown in Attachment 2 is adopted. Specifically, Chapter 629, Division 48 – Smoke Management, sections -0001 through -0500 is adopted; 629-043-0040 is amended; 629-043-0041 and 629-043-0043 are deleted.

3. FOREST VITALITY – ISSUE 3 AND FOREST REGULATION - ISSUE 6

Nomination to the Committee for Family Forestlands and Approval of the Revised Charter

Peter Daugherty, Private Forests Program Director submitted the Committee's revised charter and a reappointment nomination for the Board's approval.

The Committee recommended the Board reappoint Ned Livingston as the eastern Oregon representative for a three-year term expiring July 2010.

The revised Charter reflects the Committee's concern about the impact of Federal forestland management, provides clarity, and adds representatives from public land managers and forestry interest/consulting groups as ex-officio members.

Mr. Daugherty reported that the Committee had been challenged to find an environmental member and citizen-at-large member; the search is continuing. Ron Cease, Chair of the Committee for Family Forestlands will continue to serve until a replacement is found; a replacement must be also be found to replace Peter Hayes, newly appointed Board of Forestry member.

With Board consensus, Chair Hobbs ordered:

Ned Livingston is reappointed to the Committee for Family Forestlands as the eastern Oregon landowner representative. The revised Charter for the Committee for Family Forestlands is approved.

4. STATE FORESTS MANAGEMENT – ISSUE 2, OBJECTIVE 2 –
ENDANGERED SPECIES ACT COMPLIANCE TOOLS

Jim Young, Coos District Forester provided an update on the Elliott State Forest planning process, the Forest Management Plan and the Habitat Conservation Plan revision process.

Currently the Elliott State Forest is managed under the 1995 Northern Spotted Owl Habitat Conservation Plan (HCP) and take avoidance for marbled murrelets. The incidental take permit for marbled murrelets expired in 2001, prompting plan revision.

Mr. Young described the key concepts of the multi-species habitat conservation plan designed to comply with the Endangered Species Act: provides a sustained, even-flow harvest of timber; provides revenue to the Common School Fund; establishes conservation areas to protect the most important forest habitat for owls and murrelets; develops updated aquatic riparian strategies to provide for properly functioning habitats; and defines forest habitat by structure rather than age as it was in the 1995 plan.

The public draft environmental impact statement and the draft HCP is expected to go out for a 60-day public review in March 2008. The remainder of the NEPA process will run through 2008. A decision on approval of the HCP by the federal service, Board of Forestry and the State Land Board is anticipated in early 2009.

Options to increase the harvest on the Elliott State Forest are being explored for the 2010 annual operations plan. This would include thinning of mature stands (120-130 years) to develop advanced structure consistent with the proposed HCP.

To speed up the HCP process and increase harvest, Mr. Young stated it might be in the state's interest to remove coho as a covered species in the proposed HCP. Currently, coastal coho salmon are not federally listed and there is uncertainty about their listing status due to recent court decisions. If coho are removed from the HCP and they are listed after HCP approval, the strategy would be to manage for take avoidance.

Several unlisted species are included for coverage in the proposed HCP. If any of these species are listed in the future, the HCP would provide management certainty.

5. STATE FORESTS MANAGEMENT – ISSUE 2, OBJECTIVE 1 – ADAPTING
THE FOREST MANAGEMENT PLANS

Alternative Approaches to Improve the Performance of the Forest Management
Plan and Performance Measure Targets

Nancy Hirsch, State Forests Program Director, Dave Lorenz, Assistant Southern Oregon Area Director, Ron Zilli, Assistant Astoria District Forester, and Jim Paul, Assistant State Forester, presented background material and assisted the Board in its discussion of alternative approaches (staff presentation –Attachment 4).

Following the adoption of Greatest Permanent Value and the forest management planning rule in 1998, the Board adopted the Northwest and Southwest Forest Management Plans (FMP) as administrative rule in 2001. In 2003, the State Forester adopted implementation plans (small scale and time limited) consistent with the FMP.

At its March 2007 meeting, the Board adopted nine performance measures to be used to provide periodic information on the outcomes resulting from State Forest management strategies.

In June 2007, the Department convened a Forest Management Plan Options Development work group that was charged to explore new potential management plan approaches to improve the overall performance of the FMP. The work group developed three options: Emphasis Zone Approach [*Conservation & Wood Production Emphasis*]; Current FMP [*with Take Avoidance*]; and, Current FMP with Endangered Species Act Options [*Take Avoidance/HCP*]. The Emphasis Zone Approach was illustrated in an example prepared for the Astoria District.

Ms. Hirsch reviewed the proposed *general* targets for the following performance measures for the Tillamook and Clatsop State Forests (Attachment 5):

- 1 - Net Return on Asset Value
- 2 – Financial Contribution to Communities
- 4 – Forest Health
- 7 – Recreation
- 8 – Public & Stakeholder Involvement
- 9 – Oregonian’s Awareness & Support

To illustrate the *specific targets* for performance measure 3 – Financial Contributions to Government Services and performance measure 6 – Wildlife Habitat, Jim Paul described the outcomes in complex structure achievement and revenue increase percentage (Attachment 6). [*Complex structure includes both layered and older forest structure.*]

**Box A: Improve complex structure to 19-23% of the landscape;
Increase revenue by 10-20%**

Management approach may include continuing with structure-based management as the overall approach; moving to take-avoidance in the short-term.

*Outcome estimates 95,000 - 115,000 total acres of complex structure;
\$6-\$12 million annual revenue increase*

**Box B: Improve complex structure to 17-20% of the landscape;
Increase revenue by 15-35%**

Management approach may include using a combination of structure-based management and long-rotation even-age management; moving to take-avoidance in the short-term.

*Outcome estimates 85,000 - 100,000 total acres of complex structure;
\$9-\$20 million annual revenue increase*

**Box C: Improve complex structure to 14-18% of the landscape;
Increase revenue by 30-50%**

Management approach would mean shifting to long-rotation even-age management; likely moving to take-avoidance.

*Outcome estimates 70,000 - 90,000 total acres of complex structure;
\$17-\$29 million annual revenue increase*

Concluding the staff presentation, Ms. Hirsch stated at its January 9, 2008 meeting, the Board would review the Work Plan outlining the improvements to the FMP and the framework within which the interaction of the measures and targets would be evaluated.

Prior to the Board's discussion, Chair Hobbs called for public testimony.

Tim Josi - Forest Trust Land Advisory Committee Chair and Tillamook County Commissioner, joined by Chuck Hurliman - Tillamook County Commissioner, Mike Propes - Polk County Commissioner, Richard Lee, Ann Samuelson and Patricia Roberts - Clatsop County Commissioners, provided an historical overview of the county special-purpose lands, and urged the Board to achieve the highest financial return to the counties by choosing the targets in Box C, or to create a Box D – H&H Wood Emphasis (Attachment 7).

Bob Van Dyk, Wild Salmon Center reminded the Board that the north coast forests provided significant salmon habitat, the restoration and enhancement of which was a key commitment of the Wild Salmon Center. He noted that timber harvest volume on the Clatsop and Tillamook State Forests had increased four-fold since 1990, from 50 million board feet to over 200 million board feet in 2005-06. Mr. Van Dyk expressed concern that complex structure was to be used as a wildlife indicator of performance, and that the Department would be "yoked" to timber prices to meet the *Financial Contributions to Government Services* performance measure of increasing annual revenue. Retaining wood on the landscape, building structure, created options for the future by building inventory. He urged the Board to choose Box A, to improve complex structure and increase volume. (Attachment 8)

Ray Wilkeson, Oregon Forest Industries Council and Dave Ivanoff, Hampton Lumber, urged the Board to realize the full potential of the state forests by improving public timber supply. A healthy forest products infrastructure depends upon an even flow of fiber through all market cycles. Raw material costs have not adjusted commensurably with the decline in end-product selling values. The proposed Box C strategy was endorsed. (Attachment 9)

Bob Ragon, Douglas Timber Operators noted that Oregon's federal forests were primarily managed for wildlife habitat. He supported take-avoidance strategies on the Tillamook State Forest, even-aged management and encouraged the establishment of research plots to evaluate strategy risk.

Noting that timber harvest levels were at an historic high, Donald Fontenot, Oregon Chapter Sierra Club stated it was disturbing that the Board was considering increasing the harvest even more. He suggested developing a Box A+, lowering the annual harvest to 150 million board feet and moving toward a 50% older forest structure-layered landscape. He also urged the Board and Department to increase staff positions for recreation, and to develop recreation zones.

Jim Paul, Nancy Hirsch, Ron Zilli and Dave Lorenz assisted the Board in its discussion.

Intent Statement: The Board began its deliberations with a discussion of the proposed Performance Measure Targets Intent Statement. **With consensus of the Board, the Intent Statement was adopted, with the understanding that it would be reviewed and refined when necessary:**

[Board refined] Intent Statement--The timeframe for these performance measures and targets is specific to the next two decades; however management approaches utilized by the department to achieve these targets will ~~ensure the~~ **establish goals for** long-term sustainability of the social, environmental, economic values being provided, consistent with OAR 629-035-0020. The Board shall review the progress made towards these targets every two years through the biennial review of the State Forest performance measures. The reviews of the measures will provide the Board the opportunity to adjust the performance measures, targets, and/or the Department the opportunity to adjust management practices, as warranted, based on the most current information available at the time. Further refinement of the entire set of performance measures and associated targets is anticipated to occur periodically into the future. The next review of these performance measures will occur in the fall of 2008.

General Targets: Following adoption of the Intent Statement, the Board discussed and reached consensus on the *general* performance targets. Chair Hobbs ordered: **The general performance measure targets, as shown in Attachment B, are adopted by the Board, with the understanding that the general targets will be refined over time.**

Specific Targets: Referring to Attachment 6, the Board discussed specific and quantitative targets for performance measure 6 – Wildlife Habitat and performance measure 3 – Financial Contributions to Government Services, described as Target Alternative Box A, B and C to illustrate the changes in complex structure and revenue.

Box A – improve complex structure to 19-23%; increase revenue by 10-20%

Box B – improve complex structure to 17-20%; increase revenue by 15-35%

Box C – improve complex structure to 14-18%, increase revenue by 30-50%

To determine the discussion starting point, Chair Hobbs conducted a straw poll, asking Board members to indicate their preference by choosing a “Box”:

Low A, High B

Hutchison

Mukumoto

Hayes

Low B, High C

Phillippi

Hobbs

C

Giustina

Craig

Comments Supporting Box C Targets:

- Timber harvest dollars produce the revenue needed to meet other needs and values, such as recreation and monitoring. Standing volume continues to grow. Without forest management, forest fuels build up.
- Framed as optimization from an economic perspective while maintaining environmental goals.
- Targets critical to address loss of infrastructure.
- Risks are minimal – forests are already management for structure, wildlife and water protections through the Forest Practices Act.
- Species are at more risk from fragmentation and forest landscape turnover.

Comments Supporting Box A-B:

- More “tools” in Box B to provide flexibility.
- Targets in Box B overlap Boxes A and C.
- Cannot solve Oregon’s problems on the back of the State Forests, which must deliver on multiple values.
- Forests must become more complex in structure, yet it is unknown how much is necessary.
- Take a proactive approach and err on the side of caution. Even-aged management will not provide suitable habitat for some species.

Other Comments:

- The performance of the Forest Management Plans in achieving greatest permanent value must be improved. The constraints must be understood, and effective adaptive management process must be developed which utilizes performance measures as a vehicle.
- The performance measures must be completed; species of concern protocol and recreation plan implementation must be addressed.
- Oregon state forest policy must remain with the Board. Federal forest management has been prescribed in legislation and is impossible to adapt, modify or improve.
- Decisions regarding targets should take place in November 2008, following staff's development of specific improvements to the forest management plans.
- Older forest structure should not be sacrificed in the uplands.

A modified proposal for modeling and analysis was discussed which established specific targets to improve complex structure to 17-20% over the next 20 years for wildlife habitat in mature forests, and to increase revenue 30-35% within 10 years from the Tillamook and Clatsop State Forests.

Until November 2008, the Department would operate under the current Forest Management Plan with the in-place annual operations plans. Changes, resulting from the Board's decision in November 2008, would not be implemented until the 2011 annual operations plans, at the earliest.

At the January 9, 2008 meeting, the Board will review the work plan that will, in part, describe the steps staff will take to accomplish the modeling and analysis.

Although Board members expressed reservations with the modified proposal, the Board did reach consensus and Chair Hobbs ordered:

Specific targets are adopted to improve complex structure to 17-20% over the next 20 years for wildlife habitat in mature forests, and to increase revenue 30-35% within 10 years from the Tillamook and Clatsop State Forests.

[Ed. note: Although the Board took action on the targets for the Wildlife Habitat (#6) and Financial Contributions to Government Services (#3) performance measures, the Board inadvertently failed to act on the performance measure targets for Forest Road Risks and Fish Habitat (#5). Staff will prepare a Consent Agenda Item for that topic at the January 9, 2008 Board meeting.]

6. FOREST VITALITY – ISSUE 3, JOINT RESOLUTION – STATE OF OREGON FOREST CLUSTER ECONOMIC DEVELOPMENT STRATEGY

[Heard November 1, 2007, Running Y Board Room, 6:37 – 6:48 p.m.]

The Board of Forestry, joined by the Oregon Economic and Community Development Commission Members Wally Van Valkenburg – Chair, Tony Hyde, Carl Talton, Steve Emery, Department Director Bob Repine, Department Deputy Mike Salsgiver, and Tim McCabe, the Governor’s Senior Policy Advisor on Economic Policy, heard a presentation from David Morman, Forestry’s Resources Planning Program Director.

Mr. Morman, joined by Carol Whipple, Oregon Forest Resources Institute Board of Directors Chair (Attachment 10) described the Joint Resolution (Attachment 11) and Memorandum of Agreement (Attachment 12) which formalized the respective agency roles, responsibilities and objectives for development of the *State of Oregon Forest Cluster Economic Development Strategy*.

With consensus of the Board, Chair Hobbs ordered:

Signing of the Joint Resolution and Memorandum of Agreement for Oregon’s Forest Cluster Strategy by Board Chair Hobbs is approved.

There being no further business before the Board, Chair Hobbs adjourned the November 2, 2007 public meeting at 3:44 p.m.

At 3:50, the Board entered Executive Session to conduct a follow-up meeting regarding the State Forester’s annual performance review. ORS 192.660(2)(i)

On Thursday, November 1, 2007, the Board and guests toured the Sun Pass State Forest, hosted by the Klamath-Lake District. The tour focused on the Eastern Region Forest Management Plan and the Sun Pass State Forest management strategies (itinerary – Attachment 13).

Respectfully submitted,


Marvin Brown, State Forester and
Secretary to the Board

GB