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June 4, 2008 Meeting

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

1. Letter from the Eastern Oregon Forest Protection Association and the State Forester’s response, Agenda Item F
2. Juntura, Silver Creek and Twickenham Rangeland Fire Protection Associations Budgets, Agenda Item G
3. Staff Presentation, Agenda Item 2
4. Wildfire Reduction Act of 2009 Policy Package, Agenda Item 3
5. Enhanced and Integrated Private Forests Program Policy Package, Agenda Item 3
6. Federal Forest Coordination Policy Package, Agenda Item 3
7. 2009-11 Biennial Budget Reduction Summary, Agenda Item 3
8. Staff Presentation, Agenda Item 4
9. Public Comment – John Warness, Agenda Item 4
10. Public Comment – Lyle Defrees, Agenda Item 4
11. Public Comment – Phil Adams, Agenda Item 4
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13. Public Comment – John Rounds, Agenda Item 4
14. Staff Presentation, Agenda Item 7
15. Summary of Individual Board Member Evaluations, Agenda Item 9

OREGON STATE BOARD OF FORESTRY

June 4, 2008 Meetings Minutes

In accordance with the provisions of ORS 526.016, a meeting of the Oregon Board of Forestry was held at the State Forester's Headquarters, 2600 State Street, Salem, Oregon. In the absence of an appointed Chair, Board member Cal Mukumoto agreed to facilitate the meeting, and called the public meeting to order at 8:02 a.m.

Board Members Present:

Larry Giustina	Bill Hutchison	Peter Hayes
Jennifer Phillippi	Barbara Craig	Cal Mukumoto

Others present:

Phil Adams, Roseburg Forest Products
Michael Atkinson, Western Lane FPA
Jim Carr, Coos PFA
Ken Cummings, Forest Capital
Lyle Defrees
Mike Dykzeul, Oregon Forest Industries Council
John Ford
Mike Gaudern, Oregon Small Woodlands Association
Jake Gibbs, Lone Rock
Wayne Giesy
Kevin Godbout, Weyerhaeuser
David Hampton, Hampton Affiliates
Mike Heath, Forest Resource Trust Advisory Committee
Chris Heffernan, NEO Budget Committee
Matt Higgins, Plum Creek
Mary Ellen Holly, Keep Oregon Green
Chris Jarmer, Oregon Forest Industries Council
Brett Johnson, JW-TR, Klamath FPA
Ted Lorensen, ODF retired
Greg Miller, Weyerhaeuser
Milt Moran, Linn FPA
John Morgan, Ochoco Lumber Co.
Mitch Parker, Green Diamond, NOW FPA
Mateusz Perkowski, Capital Press
Dick Posekany, Frank Lumber Co.
Ted Reiss, Eastern Lane FPA
Rex Storm, Associated Oregon Loggers
Bill Swarts, Cascade Timberlands
Bill Shumway, Klamath FPA
Gary Springer, Starker Forests
Pat Sullivan
John Warness, Forest Capital
Ray Wilkeson, Oregon Forest Industries Council
Marvin Brown, State Forester
Gayle Birch, Board Assistant
Dan Postrel, Agency Affairs
Clark Seely, Associate State Forester
David Clouse, Quality Assurance
Jeff Foreman

Peter Daugherty, Private Forests
Mike Cafferata
Brad Knotts
Lanny Quackenbush
Sandy Middleton
Brad Knotts
Jim Cathcart
Paul Ries
Nancy Hirsch, Chief, State Forests
John Barnes
David Morman, Resources Planning
Paul Bell, Chief Protection Division
Travis Medema, Protection
Mark Hubbard, Business Services
Michelle Remmy

Mike Bordelon, NWOA Director
Steve Laam
Doug Decker
Gregg Cline
Cliff Liedtke, EOA Director
Dan Shults, SOA Director
Bill Hunt

The consent agenda, with one revision to the April 29-30 minutes, was approved in one block.

Consent Agenda:

A. MINUTES – April 29 & 30, 2008 BOARD MEETING AND WORKSHOP

Peter Hayes requested a revision to the minutes: p. 11, Item 7, paragraph changed to read:

Staff will pursue the request for the development of summary data for key ~~indicator-type species population trends~~ **land health baseline information (biotic and abiotic)** in the Tillamook and Clatsop State Forests to inform the Board as it refines the nine performance measures and targets **and explore options for improvement of the Forest Management Plan.**

With consensus, it was ordered:

The minutes of the April 29 and 30, 2008 Board Meeting and Workshop are approved with one revision.

B. STATE FORESTS MANAGEMENT – ISSUE 2, OBJ. 1 – ADAPTING THE FOREST MANAGEMENT PLANS

Program Response the Recreation Assessment - Status report on the feedback received from external stakeholders from a review of the draft action plan.

Informational item.

C. STATE FORESTS MANAGEMENT – ISSUE 2, OBJ. 1 – ADAPTING THE FOREST MANAGEMENT PLANS

Issues List – report that tracks progress on specific issues.

Barbara Craig requested the matrix chart be re-titled from Board of Forestry Issues List to “**Individual Board Member Issues List.**” Staff will make that change in future reports.

Informational item.

D. REGIONAL FOREST PRACTICES COMMITTEE APPOINTMENTS AND REAPPOINTMENTS

Approved by consent.

Northwest Regional Committee:

Reappoint	Tally Patton	term expiring September 2010
Reappoint	Mike Barnes	term expiring September 2010
Appoint	recruiting	term expiring September 2010

Southwest Regional Committee:

Appoint	Shaun Harkins	term expiring September 2010
Appoint	Bud Long	term expiring September 2010
Appoint	Ken Hendrick	term expiring September 2010

Eastern Regional Committee:

Reappoint	Martin Lugas	term expiring September 2010
Reappoint	Jim Todd	term expiring September 2010

E. FOREST VITALITY – ISSUE 3, OBJ. 5 – PROMOTE THE DEVELOPMENT OF FORESTRY CARBON-OFFSET MARKETS

Two reports prepared through Phase 1 of the West Coast Regional Carbon Sequestration Partnership (WESTCARB): (1) *Baseline Greenhouse Gas Emissions and Removals for Forest and Agricultural Lands in Oregon*, and (2) *Carbon Sequestration through Changes in Land Use in Oregon: Costs and Opportunities*.

Informational item.

F. WILDFIRE RISK MANAGEMENT – ISSUE 7

Annual Letters to the State Forester from the Non-Operating Forest Protective Associations

The letter from the Eastern Oregon Forest Protection Association and the State Forester's response, missing from the printed agenda, were provided (Attachment 1).

Informational item.

G. WILDFIRE RISK MANAGEMENT – ISSUE 7

Approval of the Annual Budgets of the Rangeland Fire Protection Associations

The budgets of the Juntura, Silver Creek and Twickenham Rangeland Fire Protection Associations, missing from the printed agenda, were provided (Attachment 2).

Approved by consent.

H. APPROVAL OF THE CHARTER FOR THE QUALITY ASSURANCE PROGRAM AND THE DEPARTMENT AUDIT COMMITTEE

Approved by consent.

I. FOREST REGULATION – ISSUE 6, OBJ. 3 – EFFECTIVE AND EFFICIENT IMPLEMENTATION OF THE FOREST PRACTICES ACT

Temporary administrative rule to address Intermediate Down Slope Public Safety Risk sites.

Responding to the Larry Giustina's question, Mike Cafferata, Private Forests Policy Unit Manager, stated the proposed temporary rule had not been reviewed by the Regional Forest Practices Committees. The proposed rule will be reviewed at the Northwest and Southwest Regional Committees' June 25 and 27, 2008, respectively.

Approved by consent.

Action and Information:

1. STATE FORESTER AND BOARD MEMBER COMMENTS

State Forester Marvin Brown reported that Elaine Hallmark, Oregon Consensus Program, has agreed to continue working with the Board as it continues to refine its consensus decision-making processes. He recommended the Board hold a workshop in August 2008, focused on State Forests issues, to be facilitated by Ms. Hallmark.

The Board's subcommittee, Jennifer Phillippi, Larry Giustina and Peter Hayes will identify the issues to be discussed, and work with Ms. Hallmark to develop a facilitated process to address those issues.

In the absence of an appointed Chair of the Board of Forestry, Cal Mukumoto will serve as facilitator and provide the governance needed. The Board discussed the vacant Chair position and two open appointments, as well as the appropriate venue to convey the message to the Governor and State Senate leadership.

1A. PUBLIC COMMENTS

John Ford expressed his ire at the way his civil penalty case was handled by the Department.

For the Board and audience, Cal Mukumoto stated that Mr. Ford had a contested matter pending before the Board (Agenda Item 8). Because Mr. Ford did not file any exceptions to the order, OAR 629-001-0045 did not allow Mr. Ford to give oral argument concerning the Board's disposition of the order. Therefore, the Board should not consider any comments made by Mr. Ford's argument relevant to the Board's disposition of the proposed order.

Mr. Ford stated his land was taken from him due to the Department, as he had a person in escrow that withdrew their offer. He noted the Board was not a legal board as the Governor had not reappointed members. He stated it took six months to get the final order. He appealed to the Board to do what was right.

2. FOREST VITALITY – ISSUE 3, OBJ. 5 – PROMOTE THE DEVELOPMENT OF CARBON-OFFSET MARKETS

Forest Resource Trust – Proposed OAR Amendments

Jim Cathcart, Forest Resource Trust Manager, and Mike Heath, Interim Chair Forest Resource Trust Advisory Committee, presented proposed amendments to OAR 629-022-0030, developed by the Board's standing committee. HB2293-A established new rules for the Cost-Share Program, and generalized the Stand Establishment Program as the Loan Program. (Presentation - Attachment 3)

Mr. Heath highlighted specific provisions including rules necessary to implement the cost-share program, allowing qualifying private and local government landowners to be eligible for the Loan Program, and clarified that a final harvest of only a portion of the project area triggers full payment of monies due as pro-rated to the area actually harvested under the Loan Program. The amendments also establish specific provisions for the State Forester to grant exceptions to reforestation obligations and maintaining forest cover on a case-by-case basis, and would allow the Forest Resource Trust program to fund environmental restoration practices.

During the Board's discussion, staff was asked to **describe the marketing and outreach strategy, and measures of success for performance at a future meeting.**

With Board consensus, it was ordered:

The State Forester is directed to begin the formal rulemaking process, including public hearings.

3. FORESTRY PROGRAM FOR OREGON IMPLEMENTATION - ISSUE 1, OBJ. 1, SUSTAINABLE FOREST MANAGEMENT

2009-11 Biennial Budget Development – Policy Packages and Reductions

Clark Seely, Associate State Forester provided copies of the proposed 2009-11 Policy Package and the 2009-11 Biennial Budget Reduction Summary. Mr. Seely focused the Board's attention on the Wildfire Reduction Act of 2009 (Fire Protection), the Enhanced and Integrated Private Forests Program (Private Forests), and the Federal Forests Coordination package (Forest Resources Planning).

Paul Bell, Division Chief, Protection, gave an overview of the **Wildfire Reduction Act of 2009** (Attachment 4), constructed to provide resources to increase district capacity during fire seasons, and maintain or increase the capability to provide air attack resources and move-up resources during periods of highest threat for fire starts. The package includes an initial investment of General Funds with the objective of reducing the number of fires that escape to become large costly fires. The accompanying 2009 legislative concept also provides a restructuring of the financial responsibility for the cost of wildfire suppression between forest landowners and the general public.

The total cost of the package is estimated at \$9.3 million in General Funds, for 124 additional positions (mostly seasonal firefighter positions), services and supplies, the insurance premium, and transportation equipment.

Ted Lorensen, (retired) Division Chief, Private Forests, and Peter Daugherty, Private Forests Program Director, described the **Enhanced and Integrated Private Forests Program** policy package (Attachment 5) which would add the resources necessary to provide an adequate level of needed services for private forestlands. The package contained three components, each focused on geographic ownership mix. Mr. Daugherty provided an overview of the components: sustainable forestry in residential and wildland/urban interface areas; sustaining family forestlands; and, compliance and effectiveness monitoring.

The total cost of the package is estimated at \$4.96 million in mixed General Funds, other funds and federal funds for 20-26.5 full time, permanent positions.

Ted Lorensen, (retired) Division Chief, Private Forests, and David Morman, Forest Resources Planning Program Director reviewed the **Federal Forests Coordination** policy package (Attachment 6) designed to provide resources to actively

engage in federal forest management, federal natural resources policy development and certainty of timber supply to support Oregon's mill infrastructure. The package reflected the work of the Board's Federal Forestland Advisory Committee and the work underway through the Western Governor's Association.

The total cost of the package is estimated at \$1 million in General Funds for 6 fulltime, permanent positions.

The Board discussed the need for a communication plan and implementation strategy for legislative and gubernatorial support for the Federal Forestlands Coordination package, and the Department's Legislative Emergency Board request for Sudden Oak Death eradication funds in late June 2008.

Continuing with the presentation, Clark Seely briefly reviewed the 2009-11 Biennial Budget Reduction Summary (Attachment 7). The reduction options were developed in a deliberative fashion. If reductions are required, services would be reduced or eliminated.

Informational item.

4. WILDFIRE RISK MANAGEMENT – ISSUE 7

2008-09 Fiscal Year District Budgets and Estimated Rates

Paul Bell, Division Chief, Fire Protection, and Travis Medema, Deputy Chief, provided budget background and described the issues affecting the fiscal year 2008-09 district budgets and estimated rates (Attachment 8).

The wildfire protection system has historically provided an effective and efficient method of addressing the State's initial attack and large fire management needs. The system relies heavily on landowner participation and a complex mix of landowner and State General Fund dollars, which provides prevention and suppression activities at the statewide and district levels.

To fund the initial attack fire protection system within the State, district fiscal budgets are developed as the principle mechanism. Through the development of district fiscal protection budgets, a service level cost is determined consisting of Personal Costs and Equipment Costs. This cost is then divided by the total number of Timber and Grazing acres, resulting in a per acre rate. After determining a rate for Timber and Grazing acres, the rates are then split on a 50/50 match of landowner dollars and General Fund dollars.

An additional General Fund mechanism exists in the form of a Special Purpose Appropriation, which currently funds aviation assets such as the two heavy air tankers, Lead plane, and the Type 2 helicopters. This equipment is strategically moved and placed in high risk areas around the State.

Two components, District fiscal budgets and the Special Purpose Appropriation, make up the backbone of funding for the initial attack system. This system has the primary focus of stopping fires at the smallest possible size limiting damage to critical forest resources and limiting large costly fires. By suppressing small fires, the risk and costs to forestland owners and all Oregonians are significantly reduced.

Fuel and climate conditions have led to increased costs and the need for additional resources, as well as the upward climb in the duration of fire seasons, and the costs of firefighting resources. Declining milling infrastructure has led to parceling and sale of forestlands for other uses. Without active management, the potential exists for significant forest fuel build-up, which greatly increases the risk of large catastrophic wildfires.

The fiscal year budgets have increased in almost all budget categories. Significant increases in the Salem Headquarters' budget (which supports the field operations), increased personnel costs, contracts and aviation costs, fuel and equipment costs, and uncontrollable and unfunded charges, have all affected the protection budgets.

Following staff's presentation, Mr. Mukumoto called for public comment. Landowners from eastern, southern and northwest Oregon formed panels to deliver their message to the Board.

Eastern Oregon Landowners: John Warness - Forest Capital Partners (Attachment 9), Chris Heffernan - North Slope Hay, Pat Sullivan, Lyle Defrees – EOFPA (Attachment 10), Bill Shumway – EOFPA, Bill Swarts – Olympic Resource Management, John Morgan – Ochoco Lumber and Brett Johnson - JW-TR.

Chris Heffernan complimented Department fire personnel for their dedication and professionalism. **John Warness** noted that the Northeast Budget Committee rejected the proposed budget of the Northeast Oregon District based on the increase of uncontrollable costs passed on to landowners. He added that if landowners could not make ends meet, highest and best use alternatives come into play. He urged support of the Wildfire Reduction Act of 2009. **Pat Sullivan**, representing grazing landowners, remarked that grazers were paying 33% of value for fire protection. He urged the Board to scrutinize all budgets with General Funds. **Lyle Defrees** remarked that higher fire patrol assessments increase the chance of net income losses. He urged the support of legislation where the public equally and fairly share the cost of forest protection. **Bill Shumway** stated that under the present economic conditions, fire protection was not affordable. **Bill Swarts**, addressing transfer costs, questioned the level of local support received from the Salem Headquarters' costs, and urged stabilization of the assessment rates. **John Morgan** noted that the budget assessments had increased 31%, while fire protection remained at the same level. He added that timberlands were being converted to other uses, and that the lack of active management on federal lands was putting other lands at risk. He urged more support from the State's General Fund. **Brett Johnson** stated net sale dollars were down 20% from last year. While assessment costs had increased, fire resources have not. During difficult economic times, timber management was less appealing. JW-TR was looking into higher and better uses; land conversion was possible.

Southern Oregon Landowners: Milt Moran – Cascade Timber Consultants, Phil Adams – Roseburg Forest Products (Attachment 11), Jake Gibbs – Lone Rock Timber, Ted Reiss – Seneca Jones Timber Co., and Jim Carr – Campbell Group (Attachment 12).

Milt Moran commented on the increase of Salem Headquarters' Protection from Fire Program cost increases and the effect on assessments. The sales of large tracts affect Oregon's forestland base, fire and timber management. **Phil Adams** stated district budgets must reflect a true assessment of an ability to execute effective, efficient initial attack, meeting a predetermined standard. Current services costs must be managed prudently to avoid potential loss of capacity and burden shifting at the district level. The formulas and allocations must be addressed by the Governor and Legislative Assembly. **Jake Gibbs** encouraged the Board to review cost formulas, adequate staff and resource levels, and fund allocation. **Ted Reiss** remarked there was a serious problem with the funding of fire protection in Oregon. Increasing costs strain the system. Landowners have been paying the majority of firefighting extra costs. **Jim Carr** addressed factors contributing to the costs of protection from fire. He noted that federal wildfire policies have forced adjacent landowners to consider the potential for fires to burn from federal lands onto state protected lands, and added the current funding structure were skewed to landowners paying a greater share. Equity must be restored. Public use of private forestland for recreation, and the benefits of water and other resources must be considered when addressing the issue of equity.

Northwest Oregon Landowners: David Hampton – Hampton Affiliates and Mitch Parker – Green Diamond Resource Co.

David Hampton remarked that increased costs did not translate to “more boots on the ground.” **Mitch Parker** stated that costs must be scrutinized and reduced. The 69% increase in State government service charges was unacceptable and would break the system overtime; there must be fiscal accountability and transparency.

Written comments were received prior to the Board meeting from **John Rounds** (Attachment 13) illustrating the relative landowner costs for forestland owners in the western United States, and urging the State to assist landowners by paying more of the fire fighting costs as in neighboring states.

Following public comment, Paul Bell and Travis Medema rejoined the Board for its discussion of the Department's recommendation.

Bill Hutchison asked if there was something comprehensive that the Board could do, noting that increased harvest would reduce fires over time. Mr. Bell responded that strategic plans were in place to address certain costs, and staffs were working toward the development of district standards of protection. He recommended that the 94% performance expectation be increased to 97%, as this 3% of fires accounted for over 70% of firefighting funds expended. General Fund shifts have transferred increased costs to landowner. Mr. Medema added the Board's Wildfire work plan would also be revised.

Mr. Bell referred to the Department's request of \$2.2 million from the Legislative June Emergency Board, which is included in the Districts' budgets. If that request was not approved, the budgets would be reduced. He added that Oregon's fire protection funding was unique in the nation. Other states have large General Fund components.

The Department expects the Wildfire Reduction Act of 2009 to address many of the issues brought forward. The policy issue before the State is balancing actual wildfire suppression costs to be paid 50% by landowners and 50% by the State.

Following discussion and with Board consensus, it was ordered:

The fiscal year 2009 District and Association Protection budgets are approved. Cal Mukumoto will sign the budgets representing the Board of Forestry.

5. **MARY RELLERGERT FORESTRY EDUCATION AWARD**

The Mary Rellergert Forestry Education Award is a joint project of the Oregon State University's Oregon Natural Resource Education Program and the Department of Forestry. This year, the Mary Rellergert Forestry Education Award which honors individuals and organizations that have made significant contributions to the advance of education and understanding, was given to:

Pam Wilson, a Philomath Middle School teacher, in the Formal Educator Category

Tillamook School District No. 9, in the Organization category

Kristin Babbs, education program coordinator with the Tillamook Forest Center, in the Non-formal Educator Category

6. **EMERGENCY FIRE COST COMMITTEE [EFCC] REPORT**

Ken Cummings, Chair of the Emergency Fire Cost Committee, Barte Starker, past Chair and EFCC Member, and Tim Keith, Oregon Forest Land Protection Fund [OFLPF] Administrator, reported on the EFCC actions and activities.

The balances of the OFLPF have steadily declined for the past ten years due to the increasingly costly fire seasons. The cost of firefighting resources has escalated much faster than the general rate of inflation; cost effective management of resources is essential. The EFCC has continued to take action and study options to mitigate the financial drain on the Fund. HB 3044(A), which became effective October 2007, increased taxes and assessment funding by 25% was supported by the EFCC.

The EFCC faces a \$6 million deficit in the OFLPP. At its June 3, 2008 meeting, the EFCC agreed to request a transfer of funds from the State Treasury to offset the projected deficit. The loan, plus interest, must be repaid the next year. Taxes and assessments in the upcoming fiscal/calendar year will increase as much as 52% for loan repayment.

Federal land managers must regain the social license to manage sustainably and put the lands on a trajectory toward forest health. Many of the federal lands in Oregon are subject to catastrophic wildfire due to overstocking and fuel loads. On private lands, Barte Starker recommended the reinstatement of a revised slash rating system to equalize the risk rating around the State. A base level of fire resistance must be established.

With Board consensus, it was ordered:

The Emergency Fire Cost Committee report is accepted.

** Following the EFCC report, Cal Mukumoto recognized the exceptional service of Barte Starker, presenting him with plaque from the Board of Forestry, EFCC, and Department of Forestry. The EFCC presented Mr. Starker with a log truck replica to add to his collection.

7. WILDFIRE RISK MANAGEMENT – ISSUE 7

Forestland Classification Committee Recommendations

Travis Medema, Deputy Chief, and Paul Bell, Division Chief, Fire Protection, gave a brief summary of the Forestland Classification System. The classification of forestland and associated rates are the principal source of revenue for fire protection in the form of a Forest Patrol Assessment. The goal of the review was to improve efficiency and develop consistent administration.

The 29-member Forestland Classification Committee recommended four core principal steps:

- Revise ORS Chapter 526 to allow classification committees to classify lands in multiple counties, add a member of the fire service to the classification committee, and add minor statute language to include “interface” in the definition of forestland (currently in process as a legislative concept).
- Revise OAR Chapter 629 over the next two years.
- Update and revise the Department's “Assessment of Forestland for Fire Protection” directive (currently in process).
- Develop a comprehensive policy and guidance manual and computer-based information management tools.

Informational item.

8. FINAL ORDER – JOHN FORD

Lanny Quackenbush, Private Forests Program Operations Unit Manager summarized the principle points of the contested case involving John and Marian Ford. Cal Mukumoto described the Board's options. The Fords were cited for failure to complete planting of harvest units within 24 months after completion of an operation that reduced stocking to a level that required reforestation, a violation of OAR 629-610-0040(3). The penalty for the violation was \$500.

With Board consensus, it was ordered:

The amended proposed order is adopted as the Board's final order.

9. FORESTRY PROGRAM FOR OREGON IMPLEMENTATION – ISSUE 1, OBJECTIVE 4 – ADAPTIVE MANAGEMENT

2008 Board Governance Performance Evaluation

Clark Seely, Associate State Forester provided a summary of individual Board member evaluations (Attachment 15), and assisted the Board as it conducted the 2008 collective self-evaluation. The Board will consider the draft final report at its July 24, 2008 meeting. The results of the 2008 evaluation will be included in the Department's Fiscal Year 2008 Key Performance Measures Annual Report submitted to the Oregon Progress Board and included in the Department's 2009-11 Agency Request Budget.

Bullet points shown were comments made by Board members during review of the Board's Best Practices Criteria: [*strongly agree and agree = yes; disagree and strongly disagree = no*]

1. Executive Director's performance expectations are current. **Yes**
 - Must provide comments on the position description in January 2009
2. Executive Director's performance has been evaluated in the last year. **Yes**
3. The agency's mission and high-level goals are current and applicable. **Yes**

The Board understands this to mean that the Board's Forestry Program For Oregon and Oregon Forest Practices Act/Rules are current.

 - The FMP is the Board's policy document on State lands.
 - The Forest Practices Act and the Forest Management Plan sit at the same level of importance.
 - **Add the Forest Management Plan to the Board's Understanding Statement.**
4. The Board reviews the Annual Performance Progress Report. **Yes**

5. The Board is appropriately involved in review of the agency's key communications. Yes
- There is room for improvement.
 - There are things that the Governor does not want the Board Involved in – yet wants the Department involved.
 - Confusion exists when the State Forester testifies before the Legislature –representing the Department or the Board?
For example, the Bureau of Land Management's Western Oregon Plan Revision.
 - There are issues where tension exists; the *Forestry Program for Oregon* is a course filter for communication.
 - Copies of testimony to stakeholders and legislative Committees would be helpful
6. The Board is appropriately involved in policy-making activities. YES
The Board understands this to mean those policy activities that particularly have a statewide perspective, including holding Board meetings at different geographic locations around the State.
- The statement seems to be different than the italicized “understanding” statement. Criteria should be added to that statement.
 - The consensus work with the Oregon Consensus Program could improve Board communication, effectiveness, and clarity
 - The Board' role is to say “where we are going”, and the staff's role is to “figure out how we get there”, the Board must fully articulate “where we are going.” If not, staff must answer questions in the implementation plans.
 - The Board must set the policy direction and provide sufficient discretion for the Department.
 - The Board looks to the performance measures for information; they are not the “answer.”
 - Field tours and out-of-town meetings are valuable.
7. The agency's policy option packages are aligned with their mission and goals. Yes
- The Department is doing a tremendous job of helping the Board see how the budget lines up with key initiatives, policy option packages, legislative concepts and work plans.
8. The Board reviews all proposed budgets. Yes
9. The Board periodically reviews key financial information and audit findings. Yes
The Board understands this to mean significant financial issues and as audits are released. By way of example, this would include the 2007 D.L. Phipps Nursery situation or the \$10 million State Forests Fund situation.
- The examples must be refreshed.
 - In the corporate setting, the Board might serve as its own audit committee. [*The Department employs an Auditor for risk management*]

- | | |
|---|------------|
| 10. The Board is appropriately accounting for resources. | Yes |
| 11. The agency adheres to accounting rules and other relevant financial controls. | Yes |
| 12. Board members act in accordance with their roles as public representatives. | Yes |
| 13. The Board coordinates with others where responsibilities and interests overlap. | Yes |
| <ul style="list-style-type: none"> • An important role. • Should look for more opportunities to have a Board member attend other agency Board/Commission meetings. | |
| 14. The Board members identify and attend appropriate training sessions. | Yes |
| 15. The Board reviews its management practices to ensure best practices are utilized. | Yes |
| 16. The Board values public input and transparency in conducting its work through outreach to and engagement of stakeholders and by using its work plan communication tools. The Board also values input and communications with its standing advisory committees, special ad hoc committees and panels and external committees with Board interests. | Yes |

Summary Questions for Consideration:

1. How are we doing?
 - Reinforce consensus building
2. How do we compare to others and/or to our target?
 - Reviewing other Board's and Commission's targets would be helpful.
3. What factors are affecting our results?
 - We really have a lot on our plate; it is a real challenge.
 - It's hard to get through everything.
 - Improving the integration of new members and maintain continuity.
 - Be more diligent by providing context for decisions.
 - Meeting summaries are needed. *[Marvin Brown added the Board could identify those issues during the Work Plan review for a meeting summary. Meeting summaries are substantially different task than "minutes"; staff must be sent to training. The Department must "gear up" for that.]*
 - Board members could orally self-summarize actions.
4. What needs to be done to improve future performance?
 - [see comments above]

10. FOREST REGULATION – ISSUE 6

Work Plan Update

Peter Daugherty, Deputy Chief Private Forests Division, and Mike Cafferata, summarized the issues to be considered in the revision of the work plan, and also recommended the work plan title be changed to Private Forests Work Plan.

Bill Hutchison opened the discussion Water Protection Rule Concept 8, noting that Ballot Measure 49 impacts the concept. Mr. Daugherty added that it would be addressed in the revised work plan, as well as the process for revision when circumstances change.

Larry Giustina asked if monitoring has been accomplished related to large woody debris. Mr. Cafferata responded by listing the actions taken by the Department: sites were identified in the summer of 2006; a literature review was developed; and, recently a map was completed of the stream sections across the State by gradient. He agreed that it has been a slow process.

Mr. Daugherty agreed to prepare a revised draft work plan for approval by the Board at a future meeting. The outline, to include subject matter and direction, will be prepared in advance of the draft work plan for Board review and input at its September 2008 meeting.

The Department is directed to revise the Forest Regulation Work Plan into a Private Forests Work Plan. Staff will also provide an outline of subject matter and direction to be reviewed by the Board at its September 2008 meeting.

** Peter Hayes opened a discussion regarding the toxics issue, specifically, updating the science-based understanding of the intended and unintended consequences of west side use on Oregon's forests.

Larry Giustina noted that the use of chemicals is under the oversight of the Department of Agriculture for labeling. He stated it was not the Board's role to challenge the label.

Barbara Craig added that the Board had addressed the issue and decided the Department would do a literature review as it related to forest application, but that the Governor had a multi-agency approach to the human health issues.

Mr. Hayes stated he did not have a clear sense that the Department was doing a literature review, and unclear as to the status of the topic.

Marvin Brown called upon Peter Daugherty for an update. Joined by Private Forests staff members Mike Cafferata and Brad Knotts, Mr. Daugherty stated pesticides and would be outlined in the revised work plan; although the toxics issues was broader than the Private Forests Program, it spanned the agency as a whole.

During development of chemical use rules in 1997, the Board developed principles related to pesticide use and application, although a broad policy around pesticides had not been developed. Mr. Cafferata stated that relying on public perception rather than science would be a shift in policy that would dramatically change the administrative rules.

Mr. Cafferata added there was dueling-science issue that must be resolved. The Department had neither the time nor technical expertise to conduct a literature review. The Department is attempting to build support and advocate for a multi-agency literature review, with mixed results. The multi-agency group was not anxious to develop a literature review that would meet the Department's needs, although the Department would benefit from the work of other agencies.

Mr. Hayes commented that the Board should take adequate responsibility to figure out what levels are injurious to the larger ecosystem. The multi-agency group process had serious flaws: lack of clear leadership; lack of clear process; lack of accountability; lack of timeframe for deliverables. Although the Department had been involved in the process, it was not an integral player. The Department is proceeding in a way that needs may not be met. His sense was that public perception was that Board and Department do not care about the issue, and would only care if a lawsuit was filed. The damage done by the absence of communication or information results in misperceptions. There are public responsibility issues for the Board.

Larry Giustina suggested giving policy direction to staff for involvement and input. Mr. Hayes agreed, and stated without that direction, the process may not provide the kind of results needed by the Board and Department. He urged the Board to develop a clear articulation of the Board's interest, and state the process must provide successful outputs that are integral to the Board and Department.

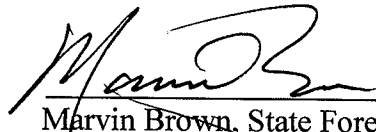
Mr. Giustina remarked the Department should help move the multi-agency group toward developing the information base to include forestry issues. Mr. Cafferata noted that the group may not address forest chemicals, as forest chemicals typically do not accumulate. He added that the Department is working with the Department of Environmental Quality, through its Pesticide Stewardship Partnership, to continue monitoring of water quality.

Mr. Hayes suggested directing the Department to recommend options to develop a comprehensive literature review. Mr. Daugherty stated the issue could be included in the Work Plan as it relates to application on private lands, defining the work product and strategy for accomplishment.

Jennifer Phillippi requested a copy of the revised Emergency Board request letter related to Sudden Oak Death *[revised request mailed to the Board June 6, 2008]*.

With no further business before the Board, Cal Mukumoto adjourned the meeting at 5:07 p.m.

Respectfully submitted,



Marvin Brown, State Forester and
Secretary to the Board

GB