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January 3, 2007 Board of Forestry Meeting Minutes

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Items listed in order heard

The attachments listed below are available on the web @ <http://egov.oregon.gov/ODF/Board>

Attachments

- (1) Symposium Draft Agenda, Agenda Item 1A
- (2) Staff Presentation - Additional Harvest & Habitat Runs, Agenda Item 2
- (3) Additional H & H Model Runs and Analyses Requested by the Board, Agenda Item 2
- (4) Staff Presentation - Performance Measures, Agenda Item 2
- (5) Staff Presentation - Operator of the Year Awards, Agenda Item 3
- (6) Written Comment – Craig Patterson, Agenda Item 4
- (7) Staff Presentation – Smoke Management OAR, Agenda Item 6
- (8) Public Comment – David Cramsey, Agenda Item 6
- (9) Public Comment – Mike Dykzeul, Agenda Item 6
- (10) Written Comment – Stephanie Oman, Agenda Item 6
- (11) ODEQ Perspective – SSRA Establishment, Agenda Item 6

OREGON STATE BOARD OF FORESTRY
January 3, 2007 Meeting 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. Chair Hobbs called the public meeting to order at 8:0 a.m.

Board Members Present:

Steve Hobbs, Chair	Larry Giustina	Diane Snyder	Chris Heffernan
Jennifer Phillippi	Barbara Craig	Bill Hutchison	

Others Present:

Jerry Anderson, Forest Capital Partners
Gary Blanchard, Starker Forests
David Cramsey, Roseburg Lumber Co.
Mike Dykzeul, Oregon Forest Industries Council
Brian Finneran, Oregon Department of Environmental Quality
Ley Garnett, Oregon Public Broadcasting - Radio
Wayne Gieseey
Dave and Catherine Holgate, Holgate Logging and Contracting
Ralph Huffman, Huffman-Wright
Rod Huffman, Huffman-Wright
David Ivanoff, Hampton Affiliates
Chris Jarmer, Oregon Forest Industries Council
Tim Josi, Forest Trust Land Advisory Committee
Michele Logan, Department of Justice
Dale and Terry McFall, Holgate Logging and Contracting
Harold Merritt, Plum Creek Timberlands
Dick Posekany, Frank Lumber Co.
Gil Riddell, CFTLC
Toby Schofield, Huffman-Wright
Tracy and Laurel Smouse, Emerald Valley Thinning, Inc.
Gary Springer, Starker Forests
Rex Storm, Associated Oregon Loggers
Ray Wilkeson, Oregon Forest Industries Council
Tom Wolf, Trout Unlimited
Butch Wright, Huffman-Wright
Bob Van Dyk, Wild Salmon Center
Marvin Brown, State Forester
Gayle Birch, Board Support
Dan Postrel, Agency Affairs
Rob Nichols
Clark Seely, Associate State Forester
Pam Stroebel Valencia

Jim Paul, ASF Forest Mgt.
Lisa DeBruyckere
Jeff Brandt
Barbara Lee
Rosemary Mannix
Pam Overhulser
Rob Nall
Mike Wilson
Joan Tenny
Paul Bell, ASF Protection
Charlie Stone
Jim Trost
Bill Lafferty
Bob Young
Rick Gibson
MaryHelen Holly, KOG

Ted Lorensen, ASF Resources
David Morman
Walter Schutt
Peter Daugherty
Mike Cafferata
Marganne Allen
Lanny Quackenbush
Mike Bordelon, NWOA
Dave Lorenz
Terry Orton
Gregg Cline
Dan Shults, SOA
Jack Tannehill
Kellie Carlson

The following consent items were removed from the consent agenda and addressed during Agenda Item 2, State Forests Management.

- C. 2007 State Forests Management Work Plan
- F. Forest Management Plan Issue Paper - Updated
- G. ODF Response to the Harvest & Habitat Project Peer Review

Consent Agenda

- A. MINUTES – November 2, 2006 BOARD MEETING

Approved by consent.

The minutes of the November 2, 2006 Board meeting are approved.

- B. MINUTES – NOVEMBER 3, 2006 FOREST MANAGEMENT PLAN WORKSHOP

Approved by consent.

The minutes of the November 3, 2006 Forest Management Plan Workshop are approved.

D. FOREST REGULATION - ISSUE 6
OBJECTIVE 3- LARGE WOOD PLACEMENT, OAR ADOPTION

Approved by consent.

The following Oregon Administrative Rules are adopted by the Board: 629-600-0100 Definitions, 629-640-0105 Placing Large Wood Key Pieces in Type F Streams to Improve Fish Habitat and 629-640-0110 Live Tree Retention Credit for Improvement of Type F Streams.

E. FOREST VITALITY - ISSUE 3
OBJECTIVE 5 - CARBON OFFSET MARKETS

Approved by consent.

The following Oregon Administrative Rules are adopted by the Board: 629-022-0040 Definitions, 629-022-0110 Eligible Landowners and Land, 629-022-0120 Applying for Trust Funds, 629-022-0130 Project Plan, 629-022-0150 The Trust Contract, 629-022-0160 Trust Security Instrument, 629-022-0200 Implementing the Project Plan and Payments, 629-022-0220 Project Rates and Costs, 629-022-0230 Resource Management Professional Fees, 629-022-0250 Life of the Contract, 629-022-0300 Repaying Trust Funds, 629-022-0320 Interest Rate, 629-022-0380 Catastrophe - Salvage Adjustments; 629-022-0390 Adequately Stocked Forest Stand and 629-022-0410 Remedies for Breach of Contract.

The following Oregon Administrative Rules are repealed: 629-022-0310 Buyout Option, 629-022-0330 Growout Option, 629-022-0340 Growout Option - Payback Percentage Rate Calculations, 629-022-0350 Growout Option - Landowner Payment Calculations, 629-022-0360 Growout Option - Expected Volume and 629-022-0370 Adjusting the Expected Volume.

Action and Information:

1. STATE FORESTER AND BOARD MEMBER COMMENTS

State Forester Marvin Brown reported that the Board's meeting agenda packets would soon be slimmer. Each meeting agenda includes a consent item containing the meeting summary [minutes] and all handout/presentation material [attachments] provided to the Board at that meeting. To reduce printing and mailing costs, the attachments for each of the Board's 2007 agendas will be posted on the agency's website: <http://egov.oregon.gov/ODF/BOARD>

Chair Hobbs reported that Federal Forestlands Advisory Committee (FFAC) met in December 2006, and refined its charter, set direction, and began developing its vision. A half-day workshop will be scheduled for June 5, 2007 with the Board and the FFAC to integrate ideas about federal forestlands.

Responding to Larry Giustina's question regarding the recent windstorms, Mike Bordelon, Northwest Oregon Area Director reported that initial assessments were underway, with the most windthrow occurring in Astoria. Dan Shults, Southern Oregon Area Director reported that scattered blowdown occurred, totaling less than 1 MMBF. It was not expected that the implementation plans would be affected, and that most material would be salvaged.

1A. PUBLIC COMMENTS

Gary Springer, Committee for Family Forestlands member provided a copy of the draft agenda for the upcoming April 27-28, 2007 Symposium in Corvallis (Attachment 1). The Symposium titled *Looking Forward II: Oregon's Families and their Forestlands - What's at Stake*, will be co-sponsored by the Committee for Family Forestlands and the Board of Forestry.

2. STATE FORESTS MANAGEMENT - ISSUE 2 Objective 1 - Adaptive Management Additional Harvest & Habitat Model Runs

Jeff Brandt State Forests Program Adaptive Management Unit Manager and Pam Overhulser, State Forests Program Policy Analyst, presented a series of analyses, by District, illustrating the sensitivity of harvest volume and structure achievement to silvicultural choices, structural targets and landscape level complex structure (Attachments 2 and 3).

The model runs showed that structure-based management prescriptions enhanced the development of complex structure, through time and that the percent of complex structure achieved was inversely related to harvest volume.

Following the staff presentation, and prior to Board discussion, Chair Hobbs called for public comment.

Wayne Giesy urged the Board to ground-truth the model runs.

During the Board's discussion, Marvin Brown commented that state land management and industrial forestry differ, however some state stands would be harvested before becoming "complex habitat" since not all stands are destined to become complex structure.

Diane Snyder expressed concern over the lack of data on habitat.

Jeff Brandt pointed out that modeling was not the ultimate tool, yet it did illustrate the differences between management trade-offs. Improvement in the stand level inventory would improve the information related to habitat attributes.

Pam Overhulser added that the value of models was the sense of what the harvest levels and structure development would be under different management scenarios over a long period of time. Science-based information related to the total habitat needs of species continues to evolve.

Objective 4 - Performance Measures

Jim Paul, Assistant State Forester and Lisa DeBruyckere, State Forests Program Director summarized nine proposed state forests performance measure objectives related to economic, environmental and social values (Attachment 4).

Economic Performance Measures:

Net Return on Asset Value. Discussion covered the various methods used to evaluate the net return on asset value of state lands. Staff was directed to return to the Board in March 2007 with calculations for net present value, and other short-term calculations that could represent return on asset value.

The Department's recommendation to enter into a cooperative agreement with Bruce Lippke, University of Washington to develop ROAV [return on asset value] methodology **was approved**.

Financial Contributions to the Private Sector. Discussion included the feasibility of incorporating the analysis of the number and type of forest-related jobs in the state by various measures, such as zip code and by counties with state forestlands.

Financial Contributions to Local and State Government Services. Discussion included measuring Schedule K income tax contributions, infrastructure issues, and changes in rural Oregon. The Board suggested intent statements could provide the contextual background information necessary to promote understanding of the influences contributing to changes in indicators.

Social Performance Measures:

Recreational and Educational Opportunities. Discussion covered the economic value of recreation in state forests through surveys; the human resource asset and social fabric by locale; the context necessary for decision-making; direct and indirect influences in the context of contributions; and evaluating the health and vitality of communities by examining trends and indicators. The Board struggled with linking the performance measures with societal trends in rural communities and the Board's jurisdiction. Even though the impact of state land activities might not be measurable on the local social fabric, it was part of the greatest permanent value of the lands.

Staff proposed re-examination of the measures and will return in March 2007 with additional proposals.

Following the Board's discussion, Marvin Brown introduced Peter Daugherty, the new Private Forests Program Director.

Environmental Measures:

Forest Health. Discussion covered the broad influences on forest health, including invasive species, acres burned by uncharacteristic wildfire, and forest area by fire regime class.

Maintenance of Soil and Water Resources. Mr. Brown offered third party audits as a way for the Board to adapt the Forest Management Plan through independent verification. The Board's discussion covered the hydrologic connection to road systems, criteria for compliance with federal law, meeting greatest permanent value and the articulation of such in standards.

Staff was directed to proceed with the measure that would calculate the road connection to streams and fish passage barriers, and to define the hydrologic connection to streams. Staff, in cooperative consultation, will continue to examine other measures that could better meet the objectives of maintaining and restoring properly functioning aquatic habitats.

Maintenance and Enhancement of Native Fish and Wildlife Habitats. The Board discussed occupancy surveys, associated costs and existing data.

The Board's discussion of performance measures at its June 2007 meeting will focus on the evaluation of Greatest Permanent Value.

Consent **Item C** - 2007 State Forests Management Work Plan, Consent **Item F** - Forest Management Plan Issue Paper and Consent **Item G** - ODF Response to the Harvest & Habitat Project Peer Review. Clarifying questions were asked and answered regarding the modeling program and monitoring priorities, species of concern strategies, take avoidance and pursuance of a Habitat Conservation Plan.

[The Board suspended discussion of Agenda Item 2 for the Operator of the Year Award item. For continuity, the entire discussion is shown here.]

3. 2006 FOREST PRACTICES OPERATORS OF THE YEAR

The Operator of the Year Award Program publicly recognizes operators who have excelled in effort, innovation, cooperation, consistency, and prevention to achieve or surpass the standards of forest resource protection (Attachment 5).

The Eastern Oregon Regional Operator the Year Award was presented to Holgate Logging and Contracting of Lakeview.

The Northwest Oregon Regional Operator of the Year Award was presented to Emerald Valley Thinning, Inc. of Philomath.

The Southwest Oregon Regional Operator of the Award was presented to Huffman-Wright of Canyonville.

4. **FORESTRY PROGRAM FOR OREGON IMPLEMENTATION – ISSUE 1**
Objective 2 – Measure Progress
Endorsement of Oregon Indicators of Sustainable Forest Management
and Initial Desired Trend Statements for Indicators

David Morman, Forest Resources Planning Program Director summarized the major revisions to the proposed Oregon Indicators of Sustainable Forest Management and the Initial Desire Trend Statements for Indicators which were designed to quantify success in the achievement of the seven strategies contained in the *Forestry Program for Oregon*, and to define sustainable forest management in Oregon. To provide context, a draft Statement of Intent was also proposed and summarized.

Mr. Morman reiterated the intent to utilize existing available resources to finalize data protocols and begin data collection. Staff will continue to refine the trend statements as it works toward recommendations for quantifiable indicator targets. He noted the indicators and trend statements must be viewed as an integrated set of measures of environmental, social, and economic performance.

Endorsement of the indicators would assist the Department in its prioritization of statewide monitoring, research and assessment projects. Understanding human impacts and natural influences on the dynamics of forest ecosystems must be part of the analysis.

Written comment was received in the form of a paper titled *National Report on Sustainable Forests 2003: A Perspective from the Ground Up*, by Craig Patterson, McKenzie Bridge, Oregon (Attachment 6).

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

The Board endorses the Oregon Indicators of Sustainable Forest Management, and the Initial Desired Trend Statements for those indicators.

The Board approves the Statement of Intent for future use of the Indicators.

5. FORESTRY PROGRAM FOR OREGON IMPLEMENTATION – ISSUE 1
Objective 4 – Adaptive Management Tools
Governance Performance Measure Process Development

Clark Seely, Associate State Forester recommended the Board establish an ad hoc subcommittee of Board members to finalize the implementation process of the new key performance measure relating to state board governance.

With Board consensus, Chair Hobbs ordered:

Barbara Craig, Larry Giustina and Steve Hobbs are appointed to an ad hoc subcommittee to create the Board’s model and process for full review and approval by the Board.

6. WILDFIRE RISK MANAGEMENT – ISSUE 7
Objective 3 – Smoke Management Plan Implementation

Charlie Stone, Fire Policy Analyst reviewed the proposed Oregon administrative rules drafted to update the Smoke Management Plan and maintain compliance with federal law (Attachment 7). Changes in fuel conditions, short-term climate, and state and federal air quality regulations have occurred since the last major revision of the Smoke Management Plan (SMP) in 1992. In September 2005, the Smoke Management Review Committee published a report which made recommendations for changes to the SMP. The proposed rule package responds to several of those recommendations.

Under the proposed rules, mandatory compliance with all elements of the SMP would be extended to all eastside federal forestlands within a forest protection district. Smoke sensitive receptor areas (SSRA) have been defined as areas designated for the highest level of protection. Mr. Stone described the rationale for the proposed SSRA criteria, followed by best burn practices and procedures. The elements of the proposed fee structure and alternatives were summarized.

Following Mr. Stone's presentation highlighting the main elements of the proposed rule package, Chair Hobbs called for public comment.

David Cramsey, Roseburg Forest Products stated that rules and regulations that reduce the opportunity to burn or increase the cost of burning, would force landowners to reduce their efforts to manage forest fuels with prescribed fire. Mr. Cramsey described unintended consequences of the proposed SSRA and fee structure (Attachment 8).

Mike Dykzeul, Oregon Forest Industries Council expressed concern regarding the proposed criteria for establishing SSRA. He recommended that new SSRA designations include other criteria and be based upon quantifiable measurements. He also opposed program enhancements until annual acre accomplishment data was available in the proposed flat rate system, and addressed monitoring capability. Mr.

Dykzeul submitted written proposed revisions to the proposed administrative rules (Attachment 9).

Harold Merritt, Plum Creek Timberlands supported the SSRA criteria submitted by OFIC, and the Department's recommended fee structure, but expressed strong concern about the proposed burn fees. He closed stating the funding for the program should not cost more than the benefits.

Jerry Anderson, Forest Capital Partners opposed the proposed increase in burn fees, and supported alternative 5.

Written comment, via e-mail, was received from Stephanie Oman, Florence, urging the Board to designate the city of Florence as an SSRA, and citing her reasons (Attachment 10).

Following public comment, the Board began its discussion assisted by Charlie Stone, and Brian Finneran, Oregon Department of Environmental Quality (DEQ).

Mr. Stone explained the Smoke Management Review Committee's rationale for the proposed fee structure, and elaborated on the budget proposal. Regarding SSRA, Mr. Stone described the negotiations with the DEQ to develop the rule proposals for approval by the Board and State Forester, as well as the DEQ and its Environmental Quality Commission (EQC).

Barbara Craig expressed concern with the negotiated SSRA criteria based upon population, and the potential limitation on the use of prescribed fire as a management tool. The reduction of catastrophic wildfire fuel loading and public health air quality issues related to wildfire must be explored. She suggested the Board meet with the EQC for a policy discussion.

Mr. Finneran, DEQ referred to his written comments presented at the September 6, 2006 Board meeting (Attachment 11), which detailed DEQ's perspective on the establishment of new SSRA. DEQ notes a key to success has been recognition of public sensitivity and continued improvements to the program that balances the need for burning with significant growth in population, urbanization, tourism and the increased public and political sensitivity and new air quality regulations. He noted the EQC will schedule a special meeting to consider public comment on the proposed rules and to receive a briefing on the Oregon Smoke Management Plan.

Chris Heffernan opposed increasing the economic burden on forestland owners by arbitrary population circles.

Charlie Stone suggested staff revisit the SSRA criteria and return to the Board in March 2007 with merit-based, quantifiable alternatives for SSRA designation, and with a reexamination of program funding enhancements. The Board agreed with the suggestion.

With no further business before the Board, Chair Hobbs adjourned the public meeting at 5:50 p.m.

Following the public meeting, the Board met in closed **Executive Session** from 5:57 p.m. to 6:22 to consult with legal counsel regarding real property transaction negotiations ORS 192.660(2)(e).

Respectfully submitted,

Marvin Brown, State Forester and
Secretary to the Board

GB