Elliott State Forest Research Advisory Committee
Meeting Number Five
Umpqua Community College
Health, Nursing and Science Center
Tuesday, July 30th

Advisory Committee Website: https://www.oregon.gov/dsl/land/pages/elliott.aspx

Advisory Committee Members present: Asha Aiello, Steve Andringa, Paul Beck, Chris Boice, Jen Clark, Melissa Cribbins, Eric Farm, Geoff Huntington, Mike Kennedy, Ken McCall, Mark Stern, Bob, Salinger, and Keith Tymchuk

Department of State Lands and Oregon State University Staff: Ken Armstrong, Michael Collins, Meliah Masiba, Robert Underwood, Ryan Singleton, Jennah Stillman, and Bill Ryan

Oregon Consensus Facilitation Team: Peter Harkema, Amy Delahanty, and Brett Brownscombe

Action Items

Action Item	Who	Date
DSL explore mechanisms for public input going forward	DSL	ongoing
OSU to incorporate AC member feedback regarding recreation and access guiding principles. OSU will provide the group with a draft suite of guiding principle statements to members for review.	OSU	Prior to September 26th Meeting
Send updated meeting topic sequence document to AC members.	OC	ASAP and prior to August meeting
Circulate draft July 30 meeting summary to AC members for review and comment.	OC	Completed.

Welcome, Agenda Review and Process Overview
Commissioner Chris Boice welcomed the Advisory Committee (AC) to Douglas County and Umpqua Community College. Facilitator Peter Harkema then invited members to do a round of introductions. Peter noted that Oregon Consensus (OC) did not receive any edits from AC members on the draft June 25 meeting summary. There being no further proposed edits, the group formally approved the document.

Updates
Geoff Huntington (OSU) noted that he had extended an invitation to brief AC members who were not in attendance at the June 25th meeting where he presented OSU's 2018 financial analysis PPT presentation. Geoff offered to meet with any members who wished to further discuss this information.

Geoff then spoke to the recent harvest that occurred on the OSU McDonald-Dunn Research Forest. He noted the OSU College of Forestry Dean Anthony Davis' response letter was circulated to AC members prior to the meeting, but that OSU also wanted to have the opportunity for an in-person discussion. Geoff then acknowledged the recent activity on the MCDonald-Dunn Research Forest had been a mistake and may have eroded some trust with the College of Forestry. Geoff stressed that nothing about the selection of this particular track for harvest on the forest was based on the need for revenue associated with the new building. He explained there was evidence based on recent aerial photos that the track showed diminishing health in the stand. It was acknowledged there was not a formalized process for stand management decisions to be communicated from staff to leadership at a level of detail that would highlight something like this, and that OSU is adjusting this process for the future. Additionally, OSU will be moving forward with an updated management plan for the MacDonald-Dunn Research Forest.

Geoff stated that this event has highlighted the importance of a governance structure the Elliott State Research Forest because, among other things, it will provide: a formalized structure for management decisions; specific research initiatives; and fiscal accountability related to management of the forest. Geoff said throughout the AC process OSU is listening to different values and goals, and noted OSU will assess existing stakeholder processes with other forests owned and managed by the college as well. Following this, there was a robust discussion among AC members. AC members expressed a variety of perspectives related to both the harvest on the McDonald-Dunn and the response by the University. A number of comments were also shared by members related to: OSU's approach to management plan review; the aerial photos as a means of verifying declining stand health; ensuring a process with stakeholders provides accountability and transparency, but also nimble and balanced.

Peter thanked the group for their candidness and willingness to engage in the conversation. He noted having conversations such as these can prove to be challenging via email and shared DSL will explore the potential of setting up a project email or alternative means of communications so the public has a way to provide information to AC members throughout the process. It's anticipated communications sent to the AC will be collated each month and distributed in the meeting packet to streamline communications. It was also suggested by an AC member communications could come through members, rather than OSU and DSL.

Recreation Management on OSU Research Forests Presentation

Brief overview of recreation management on McDonald-Dunn Research Forests

Ryan Brown (OSU) presented information about the McDonald-Dunn Forest and recreation management. The purpose of this presentation was to familiarize members of the AC with the goals of the McDonald-Dunn Forest; visitor information; current recreation use; overview of the recreation and engagement program; and funding streams (*For additional information, please see PPT presentation*). There were several questions related to resources, staffing, and enforcement on the Forest.

Recreation Guiding Principles

Geoff Huntington (OSU) shared the College intends to develop a proposal that is reflective of the five public values shared by the Land Board, as well as to the collaboration between OSU and the Advisory Committee. At the last meeting, there was a suggestion for OSU to convene a recreation and access focus group, which included representation from the AC to provide input on the recreation aspects of a research charter for the Elliott. Geoff shared that since that time, a focus group was convened to discuss recreation values. Geoff and AC members Asha Aileo and Ken McCall provided their observations with the group. The AC was then invited to provide additional feedback to OSU. OSU shared that they would incorporate additional feedback from AC members and provide the group with a draft suite of guiding principle statements.

ACTION ITEM: OSU to incorporate AC member feedback and provide the group with a draft suite of guiding principle statements prior to the September AC meeting.

Research Charter Update

Geoff provided a brief update of OSU's work to develop a vision and broad framework for an Elliott State Research Forest. The update was intended to provide an overview of the initial thinking regarding the proposed "Multiple Objective Area (MOA)" and "Conservation Emphasis Area CEA)" Geoff shared OSU is discussing setting up a system in the MOA that would include a series of replications with approximately three different management regimes occurring in different areas of the MOA zone. The goal with the proposed approach would allow for long-term controlled

experimentation on how achieving specific biological/ecological objectives is connected and/or related to forest yield utilizing a gradient of harvest intensity. It was noted that this leaves opportunity for a range of additional and related research topics to be investigated, including habitat needs for at-risk species, carbon related research, water quality relationships to forest management techniques, or long and short term impacts of forest disturbances.

A number of questions and comments were related to: balance of conservation, productivity and livelihood; definition of productivity and intensive forestry; opportunities for long-term carbon storage; and land swaps. The group was then divided into subgroups to provide additional input on desired and potential research questions they believe to be highly relevant to Oregon and Northwest forests.

Carbon Analysis Presentation
Tom Tuchmann, US Forest Capital
Tom Tuckman provided a brief overview presentation of the carbon sequestration market and considerations for exploring a carbon strategy on the Elliott State Forest. Tom shared US Forest Capital was contracted with OSU to provide both the carbon analysis and financial modeling for a potential Elliott State Research Forest. Tom provided a general overview of carbon markets e.g. voluntary versus regulated markets; potential carbon opportunities on the Elliott; and the ESRF carbon project overview, primary objectives and deliverables.

Tom highlighted US Forest Capital will be conducting a carbon assessment to obtain updated information on the age class distribution of trees in the Elliott. Questions asked by members were related to impacts of involuntary wildfires and pests on carbon agreements. There were also questions regarding carbon sequestration and, in particular, how markets account for wood products developed in carbon projects.

Key takeways from this presentation included:

- There is often a substantial difference between the amount of carbon a forest is sequestering and the amount of carbon that current markets will recognize in their accounting.
- There are substantial differences in the way existing markets treat public vs private lands in baseline and additionality calculations, and this can sometimes result in vastly different opportunities to monetize carbon on publically owned forests.
- Voluntary markets rarely undertake carbon deals at the scale of the Elliott, and the average price paid by voluntary markets per ton is generally lower than that for projects eligible for the existing regulatory markets.

- There will be a change in the pricing mechanism of the California market that may substantial impact (reduce) the price paid for carbon projects originating outside that state, but it is too soon to predict this outcome with any certainty.

Elliott State Forest Habitat Conservation Plan Update - Presentation

Troy Rahmig (ICF) presented information regarding the ESRF Habitat Conservation Plan process. The purpose of the presentation was to provide members with an overview of: 1.) the regulatory charge; 2.) data used to inform the HCP strategy; 3.) definition of terms 4.) siting conservation areas; 5.) monitoring; 6.) and next steps. (*For additional information, please see PPT presentation*). Questions asked were related to wildfires and protections covered within the HCP; and Barred Owl impacts.

Next Steps

Peter thanked the group for their work and reviewed the meeting's action items. The next meeting will be held **August 22 at Oregon State University in Corvallis, OR**.

Elliott State Research Forest Advisory Committee Carbon Analysis Briefing

July 30, 2019

US Forest Capital

US Forest Capital

US Forest Capital

- Conservation finance advisory firm
  - Strategic planning, sourcing, resource mgt., governance, funding
  - Closed $300 million, 150,000 acres since 2007
- Carbon
  - Largest CA project, 4 mm tonnes, 9th largest nation wide
  - SIG - 20 mm tonnes, 800,000 acres, 14 approved projects.

USFC's Elliott Team

- Mason Bruce Girard
- Spatial Informatics Group
- Dr. John Sessions

US Forest Capital

Project Overview

Primary Objectives

- Work w/OSU to narrow mgt approaches associated w/research forest
- Create a model that can be used by OSU when research objectives & corresponding management scenarios are finalized

Deliverables

- 3 Management Scenarios
- Financial Model
  - Acre allocations by management approach
  - Financial report
- Carbon
  - Preliminary Report
  - Implementation Plan
  - Assessment of potential stocks

US Forest Capital

Carbon Feasibility Analysis Components

- Carbon 101
- OSU Eligibility
- Actions & budget associated with Registration
- Estimate carbon stocks
  - Associated with OSU research scenarios
  - Financial values

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Project Timeline

	Project Month	Carbon Assessment	Financial Model	Other
July	1		- Data development for models	- 3 mgt. scenarios & prescriptions finalized. - HCP prescriptions finalized - Spot cruise finalized
August	2	- Final Carbon Primer & Implementation Plan - Work w/College to determine whether/ how model carbon	- Develop growth and yield	
September	3	- Baseline calculated	- Harvest scheduling completed	
October	4	- Carbon additionality calculated	- Financial modeling completed	
November	5	- Final report	- Incorporate carbon - Final report	- Prepare summary & presentation materials

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Carbon 101

Key Concepts

- Accounting
  - Baseline
  - Additionality
  - Permanence
  - Leakage
- Types
  - Avoided Conversion
  - Reforestation/Afforestation
  - Improved Forest Management

Registration Process

- Compliance or voluntary?
- Select registry
- List
- Inventory
- Project design document
- 3rd party verification
- Registry approval
- CARB approval (if compliance)
- Sales

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Carbon Market

- California Compliance
  - Post 2020 rules
- Oregon Compliance
- Voluntary
- Demand
- Pricing

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Primary Questions

- Voluntary vs. compliance
- OSU Research Forest eligibility
  - Common Practice
  - Current law and encumbrances
  - Forest management rules – unit size, fertilization, etc.
- HCP relationship with Carbon Project
- Offset Market
- Carbon protocol selection

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What's Required

- Determine feasibility scenarios
- Model harvest schedule for each scenario
- Model baseline/scenario
- Model additionality/scenario
- Economic estimates
- Integrate forest harvest and carbon analyses

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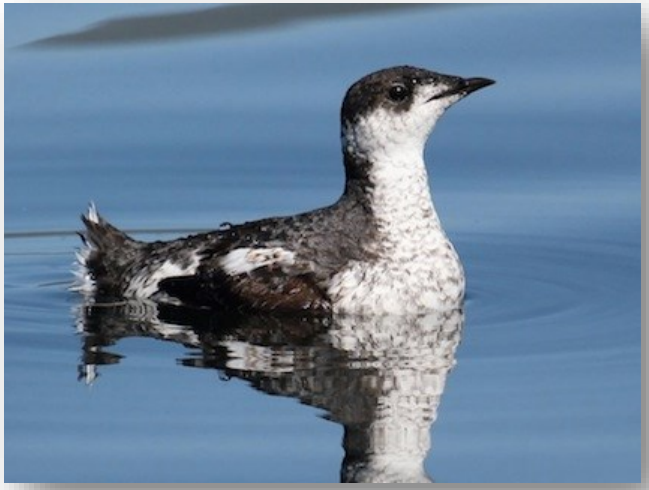
Advisory Committee
Elliott State Research Forest HCP

July 30, 2019

HCP Update:
Terrestrial Conservation Strategy

Agenda

- Review the regulatory charge
- Data used to inform the strategy
- Definition of terms
- Siting conservation areas
- Monitoring
- Next steps



Regulatory Charge

- **Endangered Species Act Regulatory Threshold**
- **Avoid, Minimize, and Mitigate Take to the Maximum Extent Practicable**

Take: *harass, harm, pursue, hunt, shoot, wound, kill, trap, capture, or collect, or attempt to engage in such conduct of any threatened or endangered species*

Harm: Any act which actually kills or injures species, including significant habitat modification or degradation where it actually kills or injures wildlife by significantly impairing essential behavior patterns, including breeding, feeding, or sheltering

Data Used

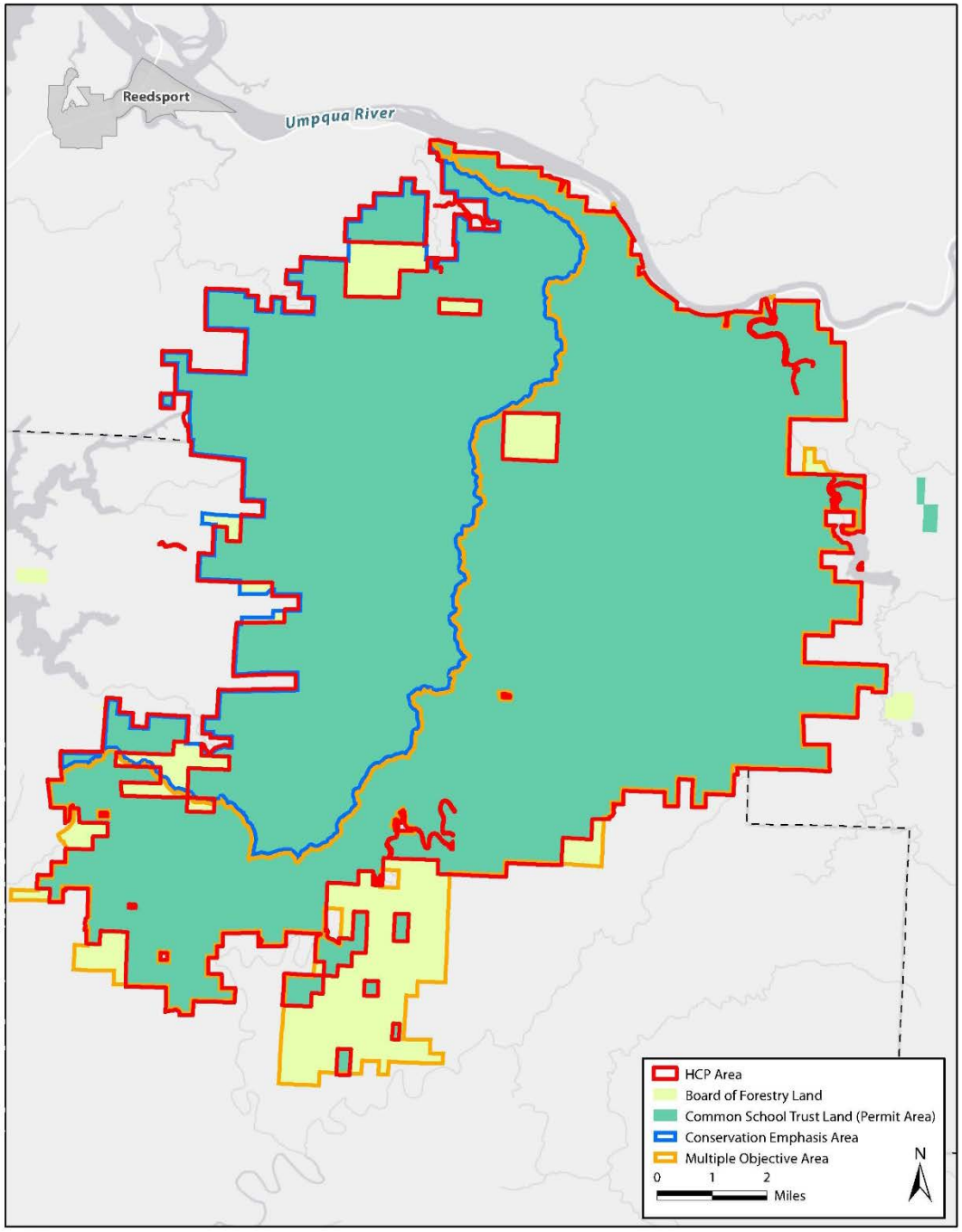
- **Northern spotted owl:**
  - Nest site survey data (1994 – 2017)
  - Presence/absence of owls
  - Nest status: occupied or abandoned
  - Nesting pair or single owl
  - Activity centers around nest sites (nesting, roosting, foraging)
- **Marbled murrelet:**
  - Survey data: significant observations
  - Designated marbled murrelet management areas (MMMAs)
- **Forest stand and structure:**
  - Stand age
  - Stand structure
  - Advanced structure (currently being updated)

Definitions of Terms

- **Conservation Core Area: Portion of the forest that is managed for the benefit of Northern Spotted Owl and Marbled Murrelet to maintain occupied sites and high-quality nesting habitat. Silvicultural practices and other management activities in those areas will be limited and focused on improving habitat quality:**
  - MAMU Conservation Core Area: Location where there are concentrations of recent observations of MAMU below the tree canopy. Conservation Core Areas could also include existing advanced structure forest around those significant observations
  - NSO Nesting Conservation Core Area: 0.5 mile area around NSO nest locations where a nesting pair has been confirmed consistently

Siting Core Conservation Areas

To provide flexibility for research, allow for revenue generation necessary to manage the forest and sustain a research program, and maximize ecological benefits



Siting Core Conservation Areas

- **Complement the research design**
- **Are located in the conservation emphasis area**
- **Benefit multiple rather than single species**
- **Provide contiguous habitat (or other species benefits through their placement on the landscape)**
- **Contain significant observations of murrelets**
- **Have spotted owl nesting locations that have been more recently and consistently active**
- **Increase management, monitoring, and harvest efficiency (decrease costs relative to revenues)**

Monitoring Requirements

- **Compliance Monitoring**
  - Is the HCP being implemented as written
    - Conservation actions
    - Levels of take (habitat modification)
  - Reported at regular intervals (typically annually)

- **Effectiveness Monitoring**
  - Is the conservation strategy working?
    - Are minimization measures working
    - Is habitat developing as planned
    - Are restoration and enhancement commitments functioning properly
    - Are the biological objectives being achieved
  - Reported at regular intervals (varies depending on monitoring requirements)

Next Steps

- **Update forest stand data**
- **Update assumptions about potential species habitat**
- **Estimate potential impact of research forest related activities on covered species and their habitat**
- **Adjust the terrestrial conservation strategy to meet the regulatory standard under the endangered species act**
- **Adapt the terrestrial conservation strategy to align with the research forest design framework**
- **Look for areas of multi-species benefit, including aligning terrestrial and aquatic conservation strategies**

Questions

Troy Rahmig

ICF, Conservation Planning & Permitting

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