

Minnesota Forest Resources Council  
DRAFT Minutes  
Cloquet Forestry Center, Cloquet  
July 23, 2014

**Members Present:** Bob Stine (Chair), Greg Bernu, Forrest Boe, Wayne Brandt, Alan Ek, Dale Erickson, Shaun Hamilton, Bob Lintelmann, Gene Merriam, Dave Parent, Kathleen Preece, Shawn Perich, Mary Richards, Mike Trutwin, Ann Long Voelkner (alternate for Darla Lenz)

**Members Absent:** Darla Lenz, Bob Owens, Susan Solterman Audette

**Staff Present:** Dave Zumeta, Lindberg Ekola, Rebecca Enfield, Calder Hibbard

**Guests:** Mark Abrahamson (MDA), Mark Calstrom (MN DNR Forestry), Rebecca Flood (MPCA), Geir Friisoe (MDA), Peter Jacobson (MN DNR Fisheries), Gaylen Reetz (MPCA)

**Chair's Remarks**

The meeting began with introductions from Bob Stine. Bob reminded the Council of the upcoming two-day Council meeting in September and encouraged members who have not yet made hotel reservations to contact Rachael Nicoll. The September 17-18 meeting will be held in Grand Marais and will include a tour of Hedstrom Lumber, which is celebrating its 100-year anniversary. The draft meeting agenda was passed out to Council members. Shawn will send a copy of Northern Wilds to Council members prior to the meeting.

**Approval of Meeting Minutes\***

Mike Trutwin approved and Alan Ek seconded the meeting minutes. *The minutes were unanimously approved.*

**Approval of Agenda\***

Forrest Boe approved and Dave Parent seconded the meeting agenda. *The agenda was unanimously approved.*

**Executive Director Remarks**

Dave Zumeta began by passing around DNR volunteer reimbursement request forms. Dave requested that MFRC members submit requests quarterly (submitting by September 30<sup>th</sup>, December 31<sup>st</sup>, March 31<sup>st</sup>, and June 30<sup>th</sup>). Rachael Nicoll will send reminder emails to Council members who use reimbursement forms. Dave also mentioned that the FY 2015 work plan development process is underway, noting that it will be a coordinated effort with the P&F Committee. Dave has sent performance review materials to MFRC staff members.

Dave yielded the remainder of his time to Kathleen Preece. The Minnesota Forest Resources Partnership (MFRP) is hosting a conference in December focusing on the current state and future opportunities for Minnesota forests and forest industry. The conference will take place on December 10<sup>th</sup> and 11<sup>th</sup> at the Arrowwood Conference Center in the Brainerd area. Attendance at the conference will be by invitation. Kathleen welcomed input on key stakeholders to invite. She also asked the Council to co-host the conference, but with no financial commitment. Bob Stine stated that it makes sense for the MFRC to support the conference as it has been charged with conducting the Minnesota forest industry global competitiveness study. The Council will send a formal letter of support to the MFRP.

## **Committee Reports**

### *Personnel and Finance*

Bob Stine said that the committee has met twice since the last Council meeting, on June 30 and July 8. The meetings focused on two issues: the Fiscal Year (FY) 2015 budget and the budget requests for future fiscal years. An FY 2015 budget summary was sent in the MFRC meeting mailing packet. The P&F Committee approved the budget. It was mentioned that the current MFRC budget is nearly exhausted after salary and fringe benefit costs. As a result, the P&F Committee has focused largely on pursuing a budget restoration/change level request for FY 2016-19. Conversations regarding the change level request centered on two considerations: the amount of a General Fund increase to request and how the additional funds could be used most efficiently.

### *Site-Level*

Dave Parent reported that the committee met on July 15. Dave Zumeta provided an overview of the funding contributions for the publication of the Forest Management Field Guide. He also noted that there has been a lot of time and effort invested in obtaining financial support to cover the publication costs. Dave Parent discussed future opportunities for integrating site-level data on a watershed scale and noted the need to maintain the integrity of the monitoring program.

### *Landscape Planning/Coordination*

Shaun Hamilton reported that the committee met on July 16. Lindberg Ekola provided a draft meeting summary and the Public Review and Plan Approval Schedule for the 2<sup>nd</sup> Generation Northeast Landscape Plan. The committee reviewed both the Northeast and Southeast planning processes.

### *Information Management Committee*

Kathleen Preece reported that the committee met on June 9. The meeting, which involved a tour of the Natural Resources Research Institute (NRRI), provided an opportunity to meet with the new NRRI Director, Rolf Weberg, and discuss potential opportunities for collaborating with NRRI on pertinent forest issues in the future. Bob Stine noted that he and Calder Hibbard will have a meeting with DNR Commissioner Landwehr to discuss the competitiveness study in the near future.

### **Written Communication to the MFRC**

There was one written communication to the MFRC, a letter from the Commissioner of the Minnesota Department of Agriculture (MDA) requesting a recommendation from the MFRC regarding MDA declaring an exterior quarantine on the mountain pine beetle.

### **Recommendation to Commissioner of Agriculture regarding MDA declaring an exterior quarantine on Mountain Pine Beetle\***

Bob Stine introduced Geir Friisoe and Mark Abrahamson from MDA. Geir reminded the Council of the presentation they had given at the March Council meeting regarding the serious threat to pine represented by the potential mountain pine beetle invasion into Minnesota. Geir referred to the letter sent from the MDA Commissioner seeking the advice of the Council regarding the proposed exterior quarantine on mountain pine beetle. Geir stated that he and Mark were present to continue that conversation.

Mark Abrahamson provided a summary of the issue. The biggest risk of introduction is a pine log with bark still attached. Removing the bark prior to transport removes the threat of transporting mountain pine beetle. The goal of the quarantine would be to prevent logs with bark from moving out of infected areas into Minnesota.

A question was asked about what Canada has done to address the issue. In Canada, funds have been provided for sanitation to prevent the spread from Alberta into Saskatchewan; however, Canada does not have a quarantine. The MDA can only regulate the movement of wood between states, not between countries. An option to prevent the spread from Canada into Minnesota is to petition the United States Department of Agriculture (USDA) Animal and Plant Health Inspection Service (APHIS) to monitor transportation of mountain pine beetle between international borders.

Mark stated that Wisconsin and Michigan would likely follow Minnesota's lead if a quarantine occurs. Mountain pine beetle has a rapid rate of spread and would move readily through Minnesota, Wisconsin and Michigan, necessitating consistent policies throughout the region. Mark stated that all wood entering Minnesota originating from infected areas would have to comply with quarantine protocols.

Education and outreach are the most important methods to ensure the success of the prospective quarantine. Another important step taken by the MDA is to provide an extended public comment period to allow formal contact with producers and stakeholders. Finally, once the quarantine is in place, anyone buying pine out-of-state would need a certificate to bring the wood into Minnesota.

Wayne Brandt stated that he is not aware of any of his members moving western wood into Minnesota with bark on, noting that the bigger risk is bark coming in from out west for landscaping. Mark stated that bark alone poses less of a risk, so wood used for landscaping, such as mulch, is not subject to the proposed quarantine. It was also mentioned that there would be no length or size requirements: all pine wood with bark would be subject to quarantine compliance.

Forrest Boe noted that the Division of Forestry is supportive of the quarantine but suggested using the public comment period as a time to figure out the risk bark poses. He proposed developing a bark protocol as part of the quarantine.

Dave Zumeta asked how the MDA plans to interface with APHIS. The MDA would petition APHIS to control the U.S./Canada border. The state quarantine would regulate wood coming in from states with infestations. When MDA petitions APHIS, it would request that APHIS follow those same protocols.

Bob Stine concluded that Minnesota is not able to prevent mountain pine beetle from being introduced naturally, but it can prevent the pest from being introduced through unnatural means.

Wayne Brandt moved, and Greg Bernu seconded, the approval of the Resolution Proposing Exterior Quarantine on Mountain Pine Beetle. *The resolution was unanimously approved.*

### **Implications to water quality of converting forest land to potato fields in west central Minnesota**

Forrest Boe introduced Mark Carlstrom, the MN DNR Forestry Park Rapids Area Forest Manager, Peter Jacobson, DNR Fisheries Research Supervisor, and Rebecca Flood, the Assistant Commissioner of the Minnesota Pollution Control Agency (MPCA).

Mark began by acknowledging the environmental, social and economic aspects of this issue. Forest land conversion in the Park Rapids area and elsewhere became a more significant issue after the Tree Growth Tax Law was repealed. In many cases, the only option to prevent land conversion is to purchase the land. The strategy for acquiring the land is an interdisciplinary approach involving various DNR divisions. A scoring system was developed to assess acquisition interest. Land was ranked land as high, medium or low. One major challenge occurred when land deemed as high priority was purchased and converted to agricultural land during the planning process. Another challenge is the lack of funding available to acquire more than a modest amount of land.

Rebecca Flood noted that the Upper Mississippi River Basin landscape is especially vulnerable to water quality degradation for three reasons: sandy soils, shallow aquifers and the surrounding lakes area. However, due to the ease of access to ground water used for irrigation and the forest tax policies in Minnesota, the conversion of forest land to agricultural land is sensible from an economic perspective. Impacts of withdrawal for irrigation have been seen in the Straight River in the form of thermal stress. In Park Rapids, the previous drinking water well exceeded the accepted nitrate levels, and a new, deeper well had to be drilled. There is a high level of interaction between ground and surface water around Little Rock Creek. As a result, there has been a dramatic escalation of nitrates, reduced stream flow, degraded aquatic habitat and substantial water temperature increases.

The DNR is the permitting entity for irrigation pivots. The DNR considers permit requests one at a time. Gene Merriam stated that the DNR ought to consider long-term and cumulative impacts in the permitting process. It was noted that there should be a limit on how many irrigation permits are issued.

In 2014, the MPCA developed a strategy to monitor, assess and develop protection and restoration plans. To ensure success, the goal is to partner with locals and agencies to apply best management practices to address specific problems. Geir Friisoe added that MDA is aware of the issues and is concerned. Both MDA Certification and Pest Management and Water Quality divisions have been working with other agencies to protect and restore water quality.

Wayne Brandt noted that that to prevent converting forest land to agricultural land, the economic conditions need to improve. Forest land conversion is only going to increase unless the forest-based economy improves.

#### **Forest Resources Council strategic discussion**

On June 12, 2014, the MFRC staff met to discuss the strategic direction of the MFRC. Dave Zumeta noted that in an effort to gain the perspective of a younger generation, the strategic discussion intentionally included all staff.

Calder Hibbard provided an overview of the strategic planning session. MFRC staff reviewed MFRC statutory mandates, program goals and objectives, strengths and weaknesses, and threats and opportunities to the MFRC. Strengths of the MFRC include a diversity of perspectives, a wealth of experience and broad stakeholder support. Weaknesses include vulnerability to budget cuts, inadequate visibility and inadequate use of existing technology.

The staff identified the following four five-year goals: MFRC is the go-to entity for sustainable forestry; MFRC is the clearing house for forest resource information; staff works more closely with MFRC members and committees; and MFRC remains relevant in an ever changing world.

The staff developed three major action items in an effort to achieve these goals: improve communication, enhance coordination between programs and develop an aggressive funding plan. Improving communication includes updating the MFRC's digital presence, using digital communication tools and increasing communication between staff and committees and with MFRC members. The goal of targeted coordination between programs is to increase our effectiveness in addressing key issues that we should focus on at the state-, landscape-, and site-levels simultaneously. In light of budget constraints, the staff identified the need for a robust funding plan. The funding plan should pursue relevant sources, including non-General Fund sources.

Dale Erickson inquired why the MFRC doesn't have a direct connection to the legislature. Bob Stine stated that Council membership is outlined in statute. It was noted that although a legislator does not serve on the Council, the MFRC has a good presence at the legislature and the DNR has also done a good job at advocating for the Council at the legislature.

Shaun Hamilton stated that the critical question is not about increasing visibility but about increasing relevance. The MFRC should consider who its constituency is. The MFRC needs a vehicle to assert itself as the premier forest resources authority. The MFRC needs to educate people on why they should care. Alan Ek mentioned that one of the Council's goals is to clarify issues coming out of the legislature. It is not necessary to target everyone, but a legislative communication strategy ordered by issues or organization could be useful.

Alan stated that rather than try to be the clearing house for all forest resource information, the MFRC should bring up key issues and focus on those. It was noted that what the Council does is generally up to the Council but how it is done has been left up to the executive director. Noting that the MFRC staff is beholden to the decisions of the Council, the Council ought to provide more direction to staff.

Bob Stine summarized the three action items. There was agreement that communications needs to be addressed. The Council should provide direction for coordinating between programs. It was mentioned that MFRC staff has been successful at going after grants, but fulfilling grant requirements can be difficult and required matches present financial challenges. Bob stated that if the Council thinks about the goals of the MFRC on a higher level and is less concerned over how the staff achieves those goals, then the MFRC will have more relevance. Shaun Hamilton replied that if the Council puts less focus on the individual programs and more focus on integrated goals, then the individual programs become one means of achieving those goals.

A question was raised regarding whether the Council is expanding its statutory commitment with these actions. Shaun Hamilton responded that the action items do not expand the statutory commitment of the MFRC; rather, they are a tool to achieve the statutory mandates.

#### **FY 2016-17 MFRC budget restoration/change level request**

The Personnel and Finance Committee has met twice since the last Council meeting. Discussions were intended to address the MFRC's decreasing budget, how things are done, the role of grants and staffing costs. The goal of the meetings was to develop and approve a budget restoration/change level request for FY 2016-19. Dave Zumeta provided information as to why the change level request is needed. The annual budget for FY 2015 is \$580,000, down from \$780,000 in FY 2009. He also noted that due to inflation and the increasing cost for salaries and fringe benefits, the operational budget has gotten much smaller. It was also noted that the MFRC has become increasingly dependent on financial support from the DNR, which conceivably could cause undue influence on decision-making. Options for dealing with the budget shortfall include: staff layoffs, using contractors instead of full-time staff (although this is not a viable option because of union agreements), dissolving the Council or seeking a General Fund budget increase. The P&F Committee determined that the only viable option is to seek a General Fund increase.

The budget restoration/change level request was approved by the P&F Committee and has been sent to the DNR Commissioner's office. Forrest provided an overview of the change level request process at the DNR. Each division at the DNR submits its respective change level requests, and as a department, the requests are ranked. Then, the chosen requests are sent to the Governor's office.

Submitting a change level request does not guarantee a General Fund increase. Relative to the other change level requests in the Division of Forestry, the MFRC's is small. A small request has pros and cons. Pros include that the amount of money being requested is not substantial. Cons are that it is a small request and could be overlooked, and that the money is being used as a course correction and not for anything new. Dave Zumeta disagreed with the statement that the increased budget would not be used for anything new. Over the past five years, MFRC staff members have been the main authors of \$2.7 million in successful federal, non-General Fund state and private grant requests: continuing to obtain these types of grants is dependent upon having adequate core General Fund dollars to support the staff members who write the grants. Gene Merriam noted that the commissioner and divisions are dealing with the allocation of scarce resources, and the Division of Forestry accounts for a large portion of the DNR's General Fund. A question was raised regarding the amount being requested. As a percentage of the MFRC's budget, the request is a large percentage; requesting any amount larger than the current request would reduce the likelihood of the budget restoration/change level request getting approved.

Forrest Boe is meeting with Commissioner Landwehr on August 8, and assured the Council that the Commissioner is aware of the MFRC's request. Bob Stine stated that for now the Council is relying on Forrest to communicate with the Commissioner's Office, and once the legislative session starts other Council members will be asked to get involved.

### **Status of public review draft and initial public comments received on revised Northeast Landscape Plan**

Lindberg Ekola provided an update on the Northeast Plan process and schedule. The plan is out for public review. Notice of the plan was sent out in press releases, a notice was placed in the EQB Monitor, a notice was distributed via email and the Superior National Forest has distributed information regarding the Plan. The public review process is a 45-day period with comments due on August 11, 2014.

The Northeast planning committee will review the comments on August 20, 2014, and the Landscape Committee will review public comments and make recommendations on August 26. Shaun Hamilton noted that staff will be organizing comments rather than responding to comments. Dave Zumeta noted that there would likely be comments submitted by some of the entities that have been active in the planning process plus some other entities.

Dave Parent asked if the plan includes the MPCA monitoring program. Lindberg noted that some watershed issues are addressed in the plan. Shawn Perich asked if the plan addresses mining.

Lindberg stated that it did, noting that this type of planning is the highest level of planning we do, and that there are options to integrate with additional planning at the watershed scales later down the road.

Dave Zumeta noted that there was an effort made not to have mining as a central focus of the Northeast Landscape Plan. At a landscape level, prospective forest land conversions from proposed mining projects are fairly small. The bigger issue is the amount of energy mines use and the potential for woody biomass use. Greg Bernu mentioned the social impacts mining has on forestry, such as workers shifting from logging to mining. Greg stated that this is the most complex planning process in which he has ever participated.

Lindberg Ekola thanked the Council for the opportunity to provide updates. The revised plan will be reviewed and considered for approval at the September 17 MFRC meeting.

#### **Public Communications to the MFRC**

Steve Betzler from Minnesota Power was present but had no comments.

#### **MFRC Member Comments**

Forrest Boe asked if there would be an action item to go with the presentation of water quality on conversion of forest lands. Mike Trutwin noted parcelization, permitting the pivots, nitrate levels, and the impact on wetlands as potential foci. Alan stated there are quantitative impacts on water and noted agricultural subsidies as an issue. Shawn Perich stated that the Site-level Monitoring Program is working on a watershed basis and asked if the Site-level Program could look at land conversion as well. Bob Stine noted that one of the challenges is how to affect decisions about private land; people have the right to sell and buy private lands.

Lindberg Ekola asked the Council what activities the regional committees can take to help pursue these issues. Forrest Boe stated that SFIA could use more Council support, as could allocation of Lessard-Sams funds, allocation of Clean Water Funds and SFRMP implementation plans. In terms of the issue related to impacts of land conversion on water quality, Forrest suggested three potential next steps: develop Council support items, have relevant MFRC staff attend key legislative hearings and have each Council member meet with their MFRC committees to discuss how best to address this issue.

Dale Erickson stated that water quality and forest industry health are two critical issues that can increase the Council's visibility if the Council focuses decision makers' attention on them.

Bob Stine recapped meeting logistics for the two-day September meeting. The meeting will begin at 9:30 a.m. and is scheduled to adjourn at 3:00 p.m. on Wednesday, September 17. There will be an evening session that day. The Thursday morning field tour will end at noon. Shawn Perich noted that walking will be required and proper field attire should be worn.

Shaun Hamilton moved, and Dave Parent seconded adjourning the meeting. *The meeting was adjourned at 2:50 p.m.*