

**Minnesota Forest Resources Council
Meeting Minutes
Cloquet Forestry Center
November 28, 2007**

Council Members Present: Al Sullivan, Wayne Brandt, Bruce Cox, Dave Epperly, Shaun Hamilton, Bob Lintelmann, Jan Green (in lieu of Gene Merriam), Bob Oswald, Dave Parent, Kathleen Preece, Bob Owens (in lieu of John Rajala), Mary Richards, Jim Sanders, Alan Ek (in lieu of Bob Stine), Dale Erickson (in lieu of Dick Walsh)

Absent: Gene Merriam, Shawn Perich, John Rajala, Bob Stine, Dick Walsh, Paige Winebarger

Guests: Steve Betzler (MN Power), Olin Phillips (MN DNR), Bob Krepps (St. Louis County), Art Norton (TNC), Keith Wendt (MN DNR), Dick Peterson (MN DNR), Doug Thomson (TNC), John Bathke, Matt Norton (MCEA)

Staff: Dave Zumeta, Clarence Turner, Lindberg Ekola, Calder Hibbard, Leslie McInenly

Staff Absent: Mike Phillips

Chair's Remarks:

Al Sullivan greeted attendees and initiated a round of introductions. He reported that Dick Walsh has resigned from the Council for health reasons. Al announced the 2008 MFRC meeting dates: January 30th in Cloquet, March 26th in Shoreview, May 21st in Shoreview, July 16-17 in Southeast Minnesota, September 17th (location TBA), Dec 3 (location TBA). He is considering the possibility of a two-day winter meeting at Maplelag Resort in Callaway, MN during 2009.

Public Input/Communications to the Council

None.

Approval of September 19, 2007 Meeting Minutes

Bob Oswald made a motion to approve the September 19, 2007 meeting minutes. Shaun Hamilton seconded, and the minutes were approved.

Approval of November 28, 2007 Meeting Agenda

Wayne Brandt moved to approve the November 28, 2007 meeting agenda. Jim Sanders seconded the motion. The agenda was approved.

Executive Director Report

Dave Zumeta reported that Mike Phillips continues to make progress and face setbacks in his recovery. He noted that the 6th annual Forest and Wildlife Research Review will be in Duluth in January. The MFRC is cosponsoring the review and a number of agenda items are of considerable interest to the MFRC. A draft of the MFRC 2007 annual report will be sent to Council members for review during the second week of December.

Dave mentioned that an ad hoc committee (Wayne Brandt, Dave Epperly, Gene Merriam, Bob Oswald, and Kathleen Preece) has been established to review and determine implications of the Governor's task force report and recommend an MFRC response. The Governor has also created a forestry sub-cabinet, which met on November 7th. The sub-cabinet consists of seven state agency commissioners or deputy commissioners. Some items discussed at the meeting are relevant to this ad hoc committee and may be an agenda item for the next Council meeting.

Jan Green asked about how creation of the forestry sub-cabinet will impact the role of the Environmental Quality Board (EQB). The EQB used to be the place where various cabinet members got together and established policy. Dave Zumeta responded that the EQB role seems to have diminished and noted that Paige Winebarger would be a good person to ask regarding the activities and role of the EQB. As far as Dave knows, the EQB does not have any forest initiatives. Dave Parent added that the forestry sub-cabinet has concerns pertaining to more than just environmental issues (e.g., the forest-based economy). Wayne Brandt added that the EQB does, however, have statutory responsibilities while the forestry sub-cabinet does not. Shaun Hamilton noted that the forestry sub-cabinet is in a unique position to connect forestry with other policies such as water quality and global climate change. Dave Zumeta was particularly impressed with Department of Employment and Economic Development (DEED) Commissioner Dan McElroy and how in touch he was with job numbers regarding forest resources. Commissioner McElroy is very attuned to the rural economy and will co-chair the sub-cabinet with Commissioner Holsten.

MFRC Committee Reports

Personnel and Finance

Al Sullivan reported that the Personnel and Finance Committee has not met since the September Council meeting. He anticipates they will be meeting before January 30th.

Site-Level

Dave Parent highlighted two pieces of the Site-level Committee report: (1) the Committee will identify, and report to the Landscape Committee, elements from the RSTC report that are pertinent for consideration in the next generation of landscape plans; and (2) guideline revisions are anticipated a year or two after the riparian economic analysis is completed.

Landscape Planning/Coordination

Shaun Hamilton, who has replaced Bob Stine as Chair of the Landscape Committee, noted that the Landscape Program update was distributed at the start of the meeting. In addition, a document describing Regional Landscape Operating Principles was distributed. Shaun requested that Council members contact staff with any comments or concerns. Absent comments, the Committee will share this document with regional committees to be used as guidelines. Shaun described background efforts pertaining to an initiative for long-term funding and support of the Landscape Program. Wayne Brandt, Shaun Hamilton, Jon Nelson (MN DNR), and Dave Zumeta are considering anticipated future needs of the Landscape Program and are planning actions in preparation for the 2009 legislative session. There will be a landscape summit on January 17th in Grand Rapids for the three northern landscape regions. Council members, and particularly Landscape Committee members, are encouraged to attend.

Dave Parent had a comment pertaining to the Landscape Committee's suggested decision-making procedures (last paragraph, Subdivision 2 economic considerations, "Council shall analyze the cost and benefits of landscape plans....The Council shall also identify and quantify timberland acreages that will no longer be available for harvest"). Dave recommended the regional landscape committees enter into landscape plan revisions with a plan or idea on how to incorporate that Council role. Lindberg Ekola responded that the last paragraph came directly from discussions with committee members.

Dave Zumeta reported that the West Central landscape committee met at Maplelag Resort and expressed appreciation to Mary Richards for hosting the meeting. He also noted that the absence of Mike Phillips in the last several months has been a challenge. The remaining MFRC staff has

stepped up and done a great job. Lindberg has been recognized for his work across the state. Leslie, Calder and Clarence have all been very helpful. There have been many accomplishments in light of staffing challenges. Al Sullivan concurred.

Forest Resources Information Management (IMC)

The next IMC meeting will be at the Natural Resources research Institute (NRRI) in Duluth. The Committee will be discussing two topics, (1) biomass energy and development throughout the state and (2) methodology of inventory among agencies. The Committee has decided to try to address future policy and information-related topics individually at select meetings.

Written Communications to the MFRC

None.

Committee of the Whole: Opportunities for landscape scale fuel risk reduction in northern Minnesota – Jim Sanders and Dave Epperly

Dave Zumeta commented that Jim Sanders provided a retrospective on the Ham Lake Fire at the July meeting in Virginia. At that meeting, Jim stated that we must deal with the Firewise program and have a real discussion about the scale of our management activities; we need to get beyond “tinkering”. That presentation was the impetus for this agenda item.

In the last two years, we have set records for wildfires in Minnesota. We are fortunate that the Ham Lake Fire occurred in Cook County (due to the county’s proactive advance preparation). Ham Lake was not a blowdown fire: it was a wind- and drought-driven fire. The Council’s challenge is to make sure the state is prepared for wildfires of this scale. Jim distributed tables on wildland fire statistics from the National Interagency Fire Center and historical fire data in Minnesota. In the past, it was an exception to deal with structure concerns. Today, the exception is to not have a structure in the mix. Suppression is now half of the USDA Forest Service budget. In terms of fire management, we need to have a prevention plan. Superior National Forest has treated over 60,000 acres and placement of landscape fuel treatments helped in recent fires. Advance planning also helped. Two different incident commanders indicated they had not seen evacuations as smooth, quick and efficient as those in the northern Minnesota fires. The Minnesota Interagency Fire Center (MIFC) is a unique setting in the Lake States and nationally. The collaboration saves millions of dollars thanks to efficient interagency fire suppression.

Dave Epperly noted that Minnesota is blessed with some of the nation’s best expertise in fire management (including Jim Sanders, Bob Krepps, and Olin Phillips). The MIFC is an outstanding organization and system. Dave talked about the forces that created our current landscape: social influences, aging forests, changing climate, and more. Ninety-eight percent of Minnesota wildfires are human-caused. It is important to build awareness not only when conditions are ripe but also when we get complacent. Dave also stated that the fire season has elongated. We had our first fire last year in *February*, and we just had a November 13th grass fire. People are not expecting those fires. A multi-million dollar investment is required to change fuel conditions. With the BWCA blowdown, huge investment was made in preparedness and community wildfire planning. Involved local initiatives are needed. In southern Minnesota, the wildfire potential is very real. We need to establish mechanical alternatives for fuel reduction. Biomass harvesting for fuel reduction is an opportunity that should be explored.

Dave contended that the single most important preventative measure is public awareness. We need to educate people, use zoning laws, and recommend the proper way to expand communities. There is a real need to work with communities and provide technical guidance. Forest and timber health is a concern at the landscape level. Intensive management around communities helps

educate citizens not just on fire, but also on forest management. We need to be more vigilant in recognizing potential opportunities. The biggest danger we have is a lull in fires, resulting in complacency and lack of recognition of the need for continued preparation.

Al Sullivan asked Council members to consider what they think would be a reasonable outcome of this discussion. What should the Council do in terms of prevention, preparation, and suppression?

Bob Owens asked Jim whether there is a need to reach out to communities and lay out what is expected from communities. Jim responded that there is a need. The USFS is utilizing the Healthy Forest Restoration Act (HFRA) to reach out to communities. As a result, Cook, Lake and St. Louis counties have all developed “community wildfire response plans”. The Forest Service has also taken on timber sales to help with fuel reduction. The Council needs to consider how to integrate these protection plans into regional landscape plans. Our role is not suppression, but rather to integrate the entities we represent into the landscape program. We won’t change all forested acreages, but can strategically place our efforts. Dave Epperly added that those communities that understand their fire potential are best able to prevent fire. The Council’s role is to help communities build awareness of their fire potential. Jan Green commented that she has not seen any public awareness efforts outside the Gunflint trail. There has been no coverage regarding county responsibilities and plans in the newspapers. She argued that the need for community responsibility must be made more apparent at a legislative level. Counties, for example, have a legislative mandate to do a water plan.

Jan argued that public awareness probably cannot be improved. If people in Malibu don’t understand they are in a high fire area, no one will. Shaun Hamilton agreed with Jan regarding public preparedness and personal stewardship. He asked about the role of zoning and fire management practices at the community level. Dave Zumeta responded that the Division of Forestry has been trying to get zoning administrators aware of fire risk for a long time.

Wayne Brandt asked whether the state ought to be considering/developing a broad plan similar to the community wildfire plans. Jim responded that this type of planning should be done, but it has to be done strategically across the state and not all at once. Dave Epperly agreed. Wayne asked whether the Council should think about asking our regional landscape committees to consider specific management actions that would mitigate fire risk. Jim responded positively. Dave Parent stated that we need to determine how forest plans can be developed in a manner that will not lead to fire risk. For example, if we recommend reversion to jack pine in our landscape plans, how does that influence fire risk? Jim responded that those are questions on which the Landscape Program should work.

Dale Erickson stated that many loggers bring their equipment to help in fire management and they would much rather help in advance of the fire to reduce danger. He said that this is an opportunity to impress upon communities that fire risk/prevention is a result of management decisions (parallel to spruce budworm). People understand why we are cutting in response to budworm, but it would not have happened without disease. Bruce Cox agreed, stating that he is amazed there has not been a huge fire associated with over-mature jack pine and budworm infestation. Bruce credited the folks involved, noting that the Bemidji Pioneer recently showed a chipper on a site working with the Firewise program to reduce fuel load. Even without the Council, there is a pretty good system out there.

Jan Green also cited homeowner insurance as a problem because cost is not commensurate with risk. With respect to zoning, unless you get the legislature to mandate consideration for fire-

prone locations, fire will not be considered. Mary Richards inquired about elementary education on fire and discussed the potential role of resorts in educating people.

Dave Zumeta raised a question posed by Shawn Perich, asking how fuel reduction efforts will affect thermal cover in northern Minnesota. Jim responded that biomass harvest is only one tool; the strategic placement of fuel reduction harvests will determine the impact on thermal cover. Details regarding placement of these harvests should be dealt with in the Landscape Program. Dave Parent commented that Shawn's question would be of greater concern if we get to the point where fuel reduction becomes a secondary product of biomass harvest. Alan Ek stated that 1.2-2.5% of biomass is harvested in Minnesota each year. Given those rates, it would be 50-70 years before we harvest the state in a way that has a big impact. Additionally, biomass grows back and many of the harvest techniques stimulate re-growth. He thinks we are too early in the game to be very worried about the amount of cover. When the time comes, we can adjust our guidelines.

Al Sullivan referred to the routine use of prescribed fire in the South for forest management and asked whether there is a role for routine prescribed fire in Minnesota. Jim responded that fire was removed from the toolbox, resulting in a change in fire behavior. He stated we ought to get back to that regular fire routine. Council members discussed the costs and benefits of prescribed fire.

Shaun Hamilton stressed the need to integrate fire reduction and forest health issues with harvests. We are not just talking about dead biomass. Dave Parent suggested that if the Council is interested in these forest issues, we cannot make action dependent on whether a harvest site is ready for commercial harvest. Bob Krepps noted that prioritizing work is one of the challenges for community plans. Dave Zumeta stated that we have an opportunity with the combination of community protection plans and the upcoming revision of our landscape plans. There is a whole array of concerns relative to increasing large fires and decreasing resources in terms of the Forest Service budget. One way to address those concerns is to collaborate across agencies and with utilities, and proactively pursue emerging opportunities. How do we make this work?

Jan stated that the only research that has been done regarding fire has been in the BWCA. We have applied that knowledge over different ecotones and we don't have adequate research.

Firewise Program overview

Olin Phillips (DNR Division of Forestry) provided an overview of the national Firewise program, a program that encourages responsible community and personal actions to help mitigate the impacts of wildfire. Post-fire evaluations have demonstrated that the manner in which fire burns across a continuous forest is very influenced by microclimate. We can use that to our advantage. The goal of Firewise is to reduce losses. The increasing cost of fire suppression is due to the fact that structures are now encountered everywhere we go. Our ability to address a fire has changed and Firewise aims to help. Olin reviewed the components of Firewise (risk recognition and mitigation, fuels reduction, education, and incentives). How can we build incentives for Firewise programs into insurance? How can we get developers to promote Firewise communities?

In Minnesota, the Firewise program was a response to the Andover fire of May 1999, an aggressive crown fire. Firewise has also been emphasized in the blowdown area and is also used as a classroom project in which students use Firewise assessments to learn GIS while providing a service to the community.

Olin reviewed details about structures that were saved or lost during the Ham Lake Fire. He described how roof sprinklers change the microclimate around houses. A discussion on sprinklers, the use of propane generators, roof types, and insurance ratings ensued. Jan asked

how the Firewise program relates to zoning. Olin responded that zoning makes folks responsible to take actions and stated that they have worked with communities that independently raised zoning questions. Council members further discussed opportunities associated with zoning and ways in which to encourage homeowners to mitigate their fire risk.

Al asked the Council members to describe what they think the Council role ought to be with respect to wildfire management. Wayne suggested the Landscape Committee should spend more time with Olin (DOF) and the Forest Service to think through what kind of things could be done and provide some resources to regional landscape committees to prod them to consider action. We need to better educate the regional landscape committees. Al indicated that it works better to get a small group to do this sort of work. Dave Epperly commented that, on the tactical side, we are positioned very well with landscape resources to identify the risk geospatially, put out the word to protect high risk areas, and emphasize the appropriate tools at the appropriate times and places. Jim commented that we have an opportunity in the Northeast landscape region to see how useful community protection plans are and how to integrate them into landscape plans. We can then bring that knowledge to other landscape regions. Al asked the Council members to consider a possible resolution or action item as a means to offer some encouragement to the government.

Forest Legacy accomplishments and future direction

Dick Peterson provided a summary of the Forest Legacy (federal and state) programs. In the last 17 years, the federal program has protected 1.5 million acres. Two-thirds of those acres have been in Northeast. Through an assessment of need, each state prioritizes Forest Legacy areas. Minnesota joined the program in 2000. In Minnesota, we have received eight federal grants (plus state and private funding) and have protected over 60,000 acres.

Dave Parent asked about Blandin Foundation's contribution to the program and the recent easement in Koochiching and Itasca counties. Dick responded that the grant to The Nature Conservancy (TNC) was generated from a number of private foundations (Blandin, Surdna, McKnight, 3M, etc.). TNC contributed about 47% of the funding for the \$12 million dollar project. Jan Green noted that everyone seems to be taking credit for this easement and wondered where credit was due. Dave Zumeta responded that he served on the Forest Legacy advisory group and credits former TNC Director Ron Nargang for pulling the group together. Dave commented that the relationships developed and exhibited between the nonprofit groups have been rather remarkable. Al added that trustees of the TNC also contributed to the project.

Dave Zumeta mentioned that Council member John Rajala was on the landowner side of the Sugar Hills land transaction. Dave Parent complemented the program for the impressive amount of area protected, noting 17 projects in Rice County alone. Jan asked whether there is GIS capability to figure out exactly where these properties are located. Dave Parent stated that the larger sites with public access can be found on the DNR website. Dick added that GIS is available for about 58,000 acres (those available for hunting and recreation).

Shaun Hamilton reviewed the Trust for Public Land's involvement with the Forest Legacy program. The TPL worked with Forest Capital Partners, which purchased the former Boise Cascade lands. The sale of Boise Cascade lands was really a wake-up call to the community. The threat to working forests in Minnesota is home development. Shaun described conservation easements and working forest conservation easements, noting that working easements are conservation tools, not preservation tools. Shaun commented on the specific terms of the Koochiching-Washington Forest Legacy easement.

Jan asked whether the conservation easements were tailored for different properties or whether a particular template is followed. Shaun responded that reference examples were used for the terms of the easement but each particular project is developed through a collaborative effort and negotiation. Dick added that an initial template was developed at the start of the program. Many of the original provisions are still included in each easement, but there is no requirement to make easements identical. He commented that the federal guidelines specify that no more than 25% of the land can be non-forested area. Minnesota is even stricter, with no more than 10% non-forested land allowable.

Council members inquired about mineral rights, access to family forestland inholdings, and fees for management and monitoring. Dave Epperly reported that Commissioner Holsten has established a Forest Legacy Advisory Team in response to the recent accomplishments of the program. Keith Wendt distributed a working outline regarding the Forest Legacy Advisory Team Report. Minnesota has made incremental adjustments to reflect state needs (as opposed to federal needs) since the program started. As a result, a report unique to Minnesota was needed. As the report is finalized, possible legislation will be considered. Unlike the Reinvest in Minnesota (RIM) program and others, there is no supporting legislation for Minnesota's Forest Legacy program. The advisory team consists of eight stakeholders and five DNR managers. The report will be provided to Council members before the next meeting.

Dave Parent asked if there has been any discussion about payment in lieu of missed taxes to local government and if there has been consideration of retaining some of the payment to the landowner for monitoring. Dick responded that there are several creative ways to deal with funding and provided examples from Maine and Utah. Al asked Council members to hold further questions until January.

Forest Protection Plan status

Al reviewed the development of the Forest Protection Plan Task Force. Dave Zumeta reported that the task force met three times to develop a plan addressing statewide invasive insect, disease, and plant risks to forest health. There are about 20 members on the task force. Restricted time and resources will limit the scope of the report. The plan only addresses part of what the legislature wanted. The task force has identified gaps in the current system relative to what the state and federal government thinks is needed, and identified goals to fill in those gaps. The next meeting will develop and prioritize strategies to meet those goals. Strategies will be general in nature but will provide a framework for parties to develop a full plan in the future (dependent upon funding). The report was supposed to be to the legislature by Dec 15. The task force decided to do a more thorough job and deliver the report later in January.

Climate change advisory group update

Clarence Turner distributed a handout summarizing the purpose and activities of the Minnesota Climate Change Advisory Group. The advisory group is on a very short time frame as the final report is due to the Governor on February 1.

Jan Green asked if there has been any effort to prioritize the end results. Clarence responded that there are six technical working groups and each has identified policy options. An evaluation of the cost and benefits is an overall part of the process. Dave Zumeta added that the group started out with 300 proposals, winnowed them down to about 50, and will further refine these proposals. Dave expects legislation out of this effort and indicated it will be bi-partisan. Clarence highlighted three policy options with the most direct impact on forestry: (1) expanded use of biomass feedstocks for electricity, heat or steam production, (2) forestry management programs

to enhance greenhouse gas benefits, and (3) forest protection to reduce clearing and conversion to non-forest cover.

Jan commented that there isn't any expression of the uncertainty in the science. Clarence responded that he and Dave worked hard to incorporate some science, but this is a political process. Dave commented that their basic role has been to make sure that forests are even considered. There are a lot of emerging demands on our forestlands and we will have to expand our forestland to meet demand. He noted that Joe Maher (UPM-Blandin) and Pete Aube (Potlatch) are also on the advisory group, as are a whole array of environmental organizations. The group has tried to come to reasonable agreement. Dave agreed that this is a political process. Clarence added that, while the process is political, a lot of these things are just good to do.

Research Advisory Committee status – Al Sullivan and Calder Hibbard

Al Sullivan reported that the Research Advisory Committee (RAC) has been reconstituted. Members include Al Levine (CFANS), Mike Lalich (NRRI), George Ice (NCASI), Mark Holsten (DNR), Peter Reich (UMN – Dept. Forest Resources), and Tom Martinson (Lake County). Tom Schmidt (USDA Forest Service) serves as an *ex-officio* member.

Al attended the first meeting, introducing the purpose of the RAC and provided background. The main charge is the disposition of research funds appropriated by the legislature to be spent on research including: (1) the identification and recommendation of best practices for setting up and administering timber sales on public lands, a study of the history of timber market corrections, a stumpage market/land management economic analysis, value-added manufacturing, and improved logging technology (\$200,000); and (2) site-level ecological impacts of woody biomass harvest (\$300,000). The committee met, reviewed the charge and discussed the size of grants and scope of research. Calder and Leslie hope to send out RFPs in the next few weeks. Proposals will be reviewed in February. The other charge of the RAC is the development of a strategic forest resources research assessment. Once we get out of the gate with research funds, the Committee will take a step back and look at research needs and priorities.

Public Communications to the MFRC

Matt Norton agreed that development of the Climate Change Advisory Group recommendations has been a very political process, requiring extensive fact checking. Much of the difficulty is that this huge committee is looking at many complex concepts while hurtling down a path to get everything done in six months' time. The consequences will be enormous. The state is trying to get a grip on things we can do immediately to get our global carbon budget back in balance. We do not have a decade to come up with good options. Despite what a pain it is, it makes sense for everyone to keep an eye on the activity of this group, fact check, and send in comments. With respect to Forest Legacy accomplishments, it is great that the public interest is being protected, and development is being stalled or stopped in critical areas. Matt feels that it was an unfortunate oversight to not include an environmental representative on the team advising the commissioner.

MFRC Member Comments

Jan Green stated that she and Wayne Brandt have been discussing the proposed Kedco wood pellet plant near Duluth and would both like to see some follow-up either by inviting Kedco to present to the MFRC and/or have the Council follow the environmental review process.

Jim Sanders made a motion, and Dave Parent seconded, to adjourn the meeting. The motion was approved and the meeting was adjourned.