

**Minnesota Forest Resources Council
Cloquet Forestry Center
17 September 2008
Minutes**

Members Present: Al Sullivan, Wayne Brandt, Bruce Cox, Alan Ek, Dave Epperly, Dale Erickson, Shaun Hamilton, Rob Harper, Joel Koemptgen, Bob Lintelmann, Gene Merriam, Dave Parent, Shawn Perich, Kathleen Preece, John Rajala, Mary Richards

Members Absent: Bob Oswald

Guests: Jim Manolis (MN-DNR), John Bathke, Steve Betzler (MN Power), Jan Green

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

Chair's Remarks

Al Sullivan opened the meeting with a round of introductions and noted that a number of Council members have been dealing with health concerns. Bob Oswald was absent from the meeting, having recently undergone surgery.

Al confirmed the MFRC meeting dates for 2009: February 4, March 25, May 20, July 15, September 23-24 (two-day meeting/field tour at Maplelag Lodge in Callaway), and November 18.

Public Input/Communication to the MFRC

None.

***Approval of 16 July Meeting Minutes**

Mary Richards moved, and Dave Epperly seconded, approval of the 16 July 2008 MFRC meeting minutes. The minutes were approved.

***Approval of 17 September Meeting Agenda**

Wayne Brandt moved, and Dave Epperly seconded, approval of the 17 September 2008 MFRC meeting agenda. The agenda was approved.

Executive Director Remarks

Dave Zumeta commented on the process to fill the Site-level Manager position. An interview panel has been established. Three candidates, all from out-of-state, will be interviewed. Dave is hopeful that he will be able to hire one of the candidates later this fall.

Committee Reports

Personnel and Finance

Al reported that the Personnel and Finance Committee met yesterday and discussed a number of issues. Al distributed a summary of MFRC expenditures for FY08 and the proposed budget for FY09. The principle item to note for FY08 is that we carry forward some funds, primarily a result of salary savings. We can't carry over money from FY09 to FY10. Al then distributed the staff accomplishment report, which is summarized by program activities. This has been another very productive year and credit goes to the Executive Director, Council staff, and Committee chairs. Al then distributed and explained the staff work plan for FY09. He also noted that this is the time of year to submit a performance review for the Executive Director. Al welcomed comments from Council members.

Dave Zumeta added that FY09 funding might increase if we are successful in competing for the grant from the U.S. Endowment.

Site-level

Dave Zumeta reported that the Site-level Committee met on August 8 and referred Council members to the *Committee Update* in the mailing. The update provides a report on the MPCA board decision regarding the proposed Mt. Timber wood pellet facility. The MPCA board agreed with staff recommendation that there is not a need for an EIS on the proposed facility.

A personnel update was provided at the meeting. Rick Dahlman was in attendance and described the process to double-fill his position (DNR Division of Forestry Best Management Practices Coordinator) for an interim period. He was also seeking guidance on a number of site-level issues in order to advise the Division of Forestry with respect to future site-level monitoring.

The Committee also made a decision on which recommendations from the Site-level review report should be forwarded to the MFRC for consideration. This item will be discussed later today.

Finally, the Fish and Game Oversight Committee sent a report and letter to the DNR Commissioner and legislators. There was one portion that incorrectly commented on the MFRC and the RSTC report. Dave Zumeta and Clarence Turner have worked to initiate communication from Forestry to Fisheries to clarify the facts. At this time, the issue has not been resolved. This problem reflects long-standing issues and a lack of adequate communication. Council members discussed the difficulty of addressing sub-landscape or landscape-level water quality concerns.

Joel Koemptgen asked whether there has ever been a complete EIS on biofuels in Minnesota. Dave Zumeta responded that there has not. Discussion regarding whether the science is keeping up with industry ensued. The Biomass Guidelines Committee conducted a rigorous review and MFRC is funding research on the ecological impacts of woody biomass harvest. Al Sullivan noted that this will be an iterative process with the new guidelines and further research and monitoring. Wayne added that consideration of the physical and available biomass supply across the state is missing. Dave responded that some researchers in Alan Ek's department have a proposal to do something along those lines. Wayne indicated that the NextGen board has approved the proposal.

Wayne commented that there were a number of statements regarding technical fixes to the site-level monitoring that he needs to better understand. The changes could have significant implications for the monitoring report. He is also concerned that a simple over-sampling to increase non-industrial private land representation could skew the results and suggested caution.

Landscape Planning and Coordination

Shaun Hamilton reported that the Landscape Committee met in August. Minutes were distributed in the *Committee Update*. He then distributed a document with Landscape Program updates. The Committee spent time reflecting on the 2-day MFRC meeting in the Southeast (SE). Folks were really impressed with the SE committee hosts. The Landscape Committee is focusing on the next 2-day meeting, which will be hosted by Mary Richards. The 2008 meeting set up a model for regional committee participation and there are a number of activities we could consider. Shaun asked Council members to reflect on potential topics to address next year, including: the Richards' family forest, management on the White Earth Reservation, forest management on nearby state forests, shoreline vegetation management, blowdown concerns, hybrid poplar, prairie restoration and afforestation.

Hybrid poplar was discussed and determined to be smaller issue, with just over 40,000 acres planted in the western part of the state. Alan Ek indicated that the actual acreage going into the ground is slowing. Issues pertaining to hybrid poplar include the cost of establishment, public and private ownership, markets, and wildlife habitat conflicts.

Rob Harper thought the SE meeting and field tour was really well done, providing an opportunity to visit with people dealing with public forests, private forests and interstate commerce issues. He suggested the 2009 meeting focus on cross-boundary issues, the White Earth band, and biofuels on the forest edge. Rob would like to work with either the West Central committee or Mary to further develop the topics. Council members commented on the enthusiasm, accomplishments and the collaborative model demonstrated by the natural resource professionals in the Southeast. Dave Zumeta suggested the resort and tourism industry should be a topic covered by the 2009 meeting. The industry is facing a lot of challenges and there is a connection with the MFRC policy issues pertaining to the forestland base.

Wayne shared a concern from a member of the Northern Regional Landscape committee who feels there is a lot of tension in the committee and too much focus on “the next thing”. The concern is that the committee will become a group that just starts projects and doesn’t finish them. Shaun added that the Northern committee sent a letter to Al Sullivan with positive comments regarding the Native Plant Community training funded by MFRC.

Alan Ek suggested an analysis be conducted in the next few years to determine whether forests are moving toward the desired forest conditions in the landscape regions. Dave Zumeta responded that 20 percent of Clarence Turner’s job is focused on landscape monitoring.

Forest Resources Information Management Committee (IMC)

Calder Hibbard reported that the IMC met the last week of August and discussed the Interagency Information Cooperative (IIC) work plan, the upcoming forest inventory survey, the forest resources research assessment, and the parcelization study.

Rob Harper commented that the transition of the committee chair responsibility from Jim Sanders to himself has been further delayed as a result of Rob’s work responsibilities in Milwaukee through early winter. He anticipates assuming the chair role sometime early next year.

Written Communication to the MFRC

Dave Zumeta distributed a letter, dated 10 September 2008, from the Northern Regional Landscape Committee to Al Sullivan pertaining to ECS training that the Council helped fund.

***Committee of the Whole: Proposed MFRC Resolution in response to Site-level Monitoring Program Review Recommendations**

Dave Zumeta provided background on the review of the Site-level Monitoring program that he and Dave Epperly asked Clarence Turner to conduct. Clarence presented the results of his review to the Council in July and also to the Site-level Committee in August.

Clarence reviewed the intent of his recommendations and the resulting resolution submitted by the Site-level Committee.

Alan commented that he agrees with Wayne Brandt regarding exercising caution in over-sampling to boost representation of non-industrial private forest (NIPF) landowners and suggested we work to attain a procedure that will result in a larger, and more clearly, sampled NIPF ownership. Clarence responded that over-sampling, given time constraints in the short-

term, is likely the way to go for the 2009 sample selection. Beyond 2009, Clarence agreed with Alan's suggestion. Dave Zumeta recorded that suggestion as an amendment to the resolution: "work to obtain a larger and more clearly representative sample of NIPF landowners for implementation monitoring".

Wayne Brandt moved the proposed resolution and Alan Ek seconded. Wayne then moved to amend the resolution as described. Rob Harper seconded the motion.

Dave Parent commented that the perception of NIPF sample adequacy is based upon a notion of the level of harvest on NIPF lands, and he has never heard a convincing argument to support the assumed harvest. Alan responded that other states have better data sets to track harvest. Historically, those data suggest that NIPF lands have produced equal or more than their fair share. We just don't have that data in Minnesota.

The amendment to the resolution was voted upon and approved.

Council members discussed the various scales addressed by the recommendations in the resolution, noting that some recommendations are fundamental to the program and some are specific. Dave Zumeta commented that the resolution was crafted to reflect the unanimous view of the Site-level Committee members, who liked all but one (recommendation 3) of Clarence Turner's recommendations. Recommendation 3 suggested placing full responsibility (including funding and staffing) for monitoring activities with the Council, as opposed to with DNR. Dave asked John Rajala to explain his recommendation that the Council revisit recommendation 3 in 2010. John responded that the current system isn't broken, so we shouldn't attempt to fix it now; however, the recommendation seems a big enough issue to merit revisiting in the future.

Discussion to clarify the resolution ensued. Gene Merriam commented that there is a somewhat clear delineation of program responsibility but the terms are ambiguous. The language states that the Commissioner shall establish a program and the Council should provide program direction. But, where is the point of delineation? Wayne responded that, historically, there was some intention to muddle that distinction a bit. He stated that MFRC should not be involved in on-the-ground operations.

Jan Green clarified that there are three levels of monitoring. We do site-level monitoring. Research results in effectiveness monitoring. The DNR conducts resource monitoring. She noted that Paul Ellefson (the original Chair of the MFRC) tried to push DNR to take more responsibility for site-level monitoring, but DNR Commissioner Sando was not receptive to that suggestion.

The resolution was called to a vote and adopted unanimously.

DNR High Conservation Value Forest Process

Dave Epperly introduced discussion on the DNR's High Conservation Value (HCV) forest strategy. The HCV strategy will reinforce DNR sustainable forestry principles and support certification. HCV forests improve timber availability, provide quality environmental objectives and opportunities for adaptive management and public education. The DNR will be focusing on sites for adaptive management to identify the results of management to make sure specific goals are met. He then introduced Jim Manolis, from DNR, to present the proposed approach to Forest Stewardship Council (FSC) Principle 9. Principle 9, as described by the FSC, is the "maintenance of High Conservation Value Forests (HCVFs), defined as environmental and social values that are considered to be of outstanding significance or critical importance."

Jim distributed copies of his presentation and provided a brief overview of third-party certification, FSC Principle 9, and the DNR's proposed approach to identify and manage High Conservation Value Forests. He noted that the definition of HCVFs is quite broad. The DNR HCVF workgroup has been tackling the issue of how to make principle 9 operational. Some key messages are: (1) HCVFs are not synonymous with no management. The majority will remain working forests. (2) HCVFs provide an opportunity to demonstrate how we can integrate multiple purposes and values. (3) Management and monitoring will be different from the norm. There will be higher scrutiny. (4) HCVF will not be implemented statewide. Pilot projects will be selected to test, communicate, and evaluate approaches to HCVF management and monitoring.

Jim described the six different HCV categories and provided examples of each. He noted that many of the FSC standards were initially developed for developing countries and are currently under revision.

The initial DNR focus for HCVF implementation will be on forest assessment, identification, public consultation, and management. Some biological HCVFs are currently considered in the DNR's management systems (e.g., MN County Biological Survey sites and the old-growth forest network), but they haven't been formally identified as HCVF yet. Some will receive a blanket designation (e.g., old-growth forest); others will require an interdisciplinary process for selective designation. Jim noted that the FSC auditors thought this was a comprehensive approach. Next steps will include reviewing and commenting on draft FSC standards, identification of HCVFs at the subsection level, and identification of site-level pilot(s) for HCVF adaptive management. Jim used the Manitou project as an example of a demonstration pilot site. While the Manitou is not a high biodiversity site (moderate), it has provided a good example on an operational level.

Wayne voiced his concern the first site restricted under the old-growth designation within the Rochester Blufflands was a red pine plantation on a farm, an effort seemingly to merely restrict harvest in the area. For MFI (Minnesota Forest Industries), that action reduces credibility. MFI will be watching the HCVF process with a sharp eye. Wayne also noted that Minnesota has done a lot with respect to managing forests with high conservation value. Jim responded that the state is getting credit for a lot of what has been done. Jim questioned, with respect to the old-growth example, whether it matters to industry that a designated old-growth forest gets a new label (HCVF). Wayne responded that it does not matter if it does not change the management approach on the part of the DNR. Old growth is not a reservation. If the stand blows over, it is no longer considered old growth. Jim stated that HCV forests identification and designation will also be adaptive. Anticipated integration of the HCVF and SFRMP (Subsection Forest Resource Management Plan) processes was discussed. Wayne noted that he wouldn't want the HCVF process to override decisions made in SFRMP.

Alan Ek was concerned that DNR employees will feel that HCVF designation is just adding another layer of complexity with an additional classification system. He suggested that categories need to be identifiable, adaptable, repeatable, and must cover the entire landscape. If a pilot site is created, it needs to be representative of the entire landscape. This will require hundreds of pilot sites. The scale is nontrivial when you consider classes. Al noted that the burden will be how well the classification scheme compares to the information we already have. We are currently struggling with ECS mapping and Al is nervous that we are off into a new system.

John Rajala commented that, while we may not like having to go through this process, we asked for this with the decision to become certified. Some requirements of FSC certification are things probably more geared to a less mature forestry concept in other parts of the world. The Manitou example leaves a possibility for elements of management that can grow HCV areas. Protection

only lasts so long. He suggested that now is an excellent time for the DNR to provide input back to FSC to leave open those opportunities. Dave Epperly agreed, commenting that timber quality is a high conservation value. Where it grows is synonymous with other conservation values. He is leery of trying to influence how the FSC decisions are made, but we do want to understand them. We want to demonstrate that management is a form of protection.

Alan stated that HCVF classification is a value system with categories. He noted that scientists aren't going to be comfortable with value-laden classification.

Shaun Hamilton commented that the examples of HCV2 (large landscape) forests are preserves; they are not working forests. The identification of preserves seems contrary to the current discussion. Jim responded that, within HCV category 2, there probably are no opportunities for additional designation on state lands. Wayne asked whether peatlands are included in the FSC certification. Jim responded that they were not due to the additional cost of certification.

Draft Pre-proposal to the U.S. Endowment for Forests and Communities, Inc.

Al Sullivan opened discussion on the Request For Proposals (RFP) from the U.S. Endowment for the identification of Forest Investment Zones. He noted that the deadline for pre-proposal submission is in two days.

Dave Zumeta directed members to two attachments received in the Council mailing, the U.S. Endowment RFP and a draft pre-proposal response, and summarized both documents. Leslie McInenly described submission limitations.

Dave stated that this program seems to be a good fit for the MFRC. The Endowment is looking to fund sub-state projects. Given the way Investment Zone is defined, staff feels we are uniquely suited to identify an investment zone that represents several of our landscape regions. Dave described the reasoning behind selecting the three northern landscapes and described how, if funded, the **Northern Minnesota – Forest Investment Zone** would implement different initiatives within landscapes and compare the outcomes of the initiatives to develop guidelines (best practices) for regional landscape planning.

Dave reviewed potential partners interested in the NM-FIZ and provided some background on the U.S. Endowment, a foundation established from a trade dispute settlement between the United States and Canada. He then asked for discussion regarding the draft pre-proposal.

Alan recommended the language in the summary regarding “What will the FIZ do?” be improved with more specific details (e.g. demonstrations, tours, etc.) as opposed to merely objectives. He also suggested a timeline should be incorporated to demonstrate efficient progress.

Dave Parent questioned whether we have the ability to accomplish objectives in the Northern Regional Landscape (N-RL) with respect to the primary forest products industry.

Shawn Perich recommended improvements to the readability through font and layout changes. He also noted that mining should be included in the introduction as one of the industries that the regions rely upon.

John Bathke asked whether the three bulleted initiatives are examples of potential projects or if they are the specific projects identified for each region. Dave Zumeta responded that they will all apply broadly to the NM-FIZ, but will be emphasized in specific regions.

Rob recommended including the diversity of industries, the renewable energy (“25 by 25”) legislation, our complex ownership patterns, and the concentration of tribes and bands as additional factors that make Minnesota unique and compelling. Shawn added that we are home to two major continental headwaters.

Shaun asked whether we are shifting to a specialized products industry, instead of a more robust industry. Wayne recommended the punctuation be changed to reflect a more robust industry.

Rob suggested the addition of more specificity regarding what the NM-FIZ could accomplish rather than just jump-starting landscape planning goals. He also suggested more emphasis be placed on the alignment of our goals with Great Lakes Forest Alliance and the Blandin Foundation Vital Forests/Vital Communities Initiative. Al agreed, indicating that we need to get more punch into the summary because it sets the initial impression.

Dale Erickson suggested adding a component for resource management scholarships for youth within these regions. Wayne agreed, noting that the workforce is a very high priority within the industry.

Shaun noted this level of innovation will be a high priority for Council and we need to be ready.

Shawn Perich suggested we incorporate the recent, large wildfires in language describing the biofuels for forest health initiative. Bruce Cox commented that the Minnesota Forest Resources Partnership is uniquely situated with respect to administrating this and may be in a position to help.

Dave Zumeta asked Bob Lintelmann to review the pre-proposal and make sure any references are accurate from a tribal perspective.

Public Communications to the MFRC

None.

MFRC Member Comments

Dave Zumeta stated that the next meeting will be on December 3rd in Cloquet. Susan Thornton will discuss the LCCMR Statewide Conservation Plan. The Blandin Foundation has a group looking into forester and logger education and may present their work.

Wayne asked whether we should include some of the priority policy topics, selected at the July meeting, on the next agenda. Dave Parent noted that the recent Fedkiw and Rose book highlighted some remaining GEIS questions that ought to be discussed. Alan asked for an update on the constitutional amendment if it passes. Lindberg Ekola requested the opportunity to give a brief update on the opportunity area projects within the Landscape program.

For individuals that will be participating in the upcoming Blandin tour to Finland and Sweden, John stressed the importance being open to, and learning about, forest management in those countries. Shawn reported that he has been asked to serve on the DNR’s moose management committee. He will keep the Council apprised.

Wayne Brandt moved to adjourn the meeting. Rob Harper seconded. The meeting was adjourned.