

# Board of Forestry Meeting Minutes

## December 12, 2012 - VDOF Headquarters

Attendees from Virginia Department of Forestry (VDOF): Carl Garrison, State Forester; Rob Farrell, Deputy State Forester; Ron Jenkins, Assistant State Forester; Dean Cumbia, Director of Forest Resource Management; Todd Groh, Assistant Director of Forest Resource Management; and Becky Woodson (acting recording secretary.)

The meeting began at 9:30 a.m. Mr. Garrison noted that we are creating new territory with the new Board of Forestry.

**Roll Call by Becky Woodson:** Mr. Ken Morgan, Mr. Tommy Barnes, Ms. Nadine Block, Dr. David Smith, Mr. Glen Worrell, Mr. Franklin Myers, Mr. Greg Scheerer, Mr. Ervin Bielmyer, Mr. Don Bright, Mr. Joel Cathey, Ms. Anne Beals.

**Approval of Agenda:** There being no changes to the agenda, Dr. Smith made motion to approve which was seconded by Ms. Beals.

**Recognize Visitors:** Mr. Kurt Christensen, forest landowner from Culpeper; Mr. Paul Howe from Virginia Forestry Association (VFA); Mr. Andrew Smith from Virginia Farm Bureau; Mr. Jim Mooney from VA Loggers Association; Mr. James Hudson (VA Wetland Consultants); and Mr. John Weakley (landowner).

**Public Comments:** Mr. James Hudson of Virginia Wetland Consultants (representing Mr. Weakley) noted that Virginia Wetland Consultants are proponents of Cobb Creek Reservoir and understand the positives of project but are concerned with proposed mitigation. He stated that this is the most public forum in which they have discussed the project. The management of the State Forest will change if it is used for mitigation bank credits. The proposal is for 100 foot buffers on each side of stream channels which are not the same as streamside management zones (SMZ.) This will remove 1,800 acres of timberland from production and they are concerned about valuation. He suggested that the values need to be based on market. This program is administered by the State in coordination the Corps of Engineers, and using the Cumberland State Forest would undercut private wetland mitigation business. It sets a precedent that you could go to state-owned land and then the private sector is not going to come to VWC to ask them to do a bank.

State Forests are owned by all taxpayers. If a tornado comes through the State Forest and destroys streambanks does the State have to incur the expense to mitigate the streambank? The permit requires escrow to be put aside to handle catastrophic events – does that come out of VDOF pocket? It has not been fully negotiated as of now and we do not know all the details. What would happen when the following Governor has a different opinion? The Army Corps of Engineers is requiring different credit value depending whether it is protecting or restoring streambanks – higher credit value if streambank is already eroded. Mitigation is required for loss of functioning value.

There is no action needed from Board of Forestry currently as this is in the hands of administration. This was brought to the Board of Forestry as it is a project VDOF is working on and will continue to be a topic of discussion for our agency as well as the administration and the

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private sector. There are a lot of concerns and the administration is trying to address the legality of it and the availability of private banking for like projects and conservation value.

Mr. Worrell asked, "Do we have any idea on time frame of this project? Will VDOF get a call and say guess what we've done?" Is VDOF still involved in negotiation now or is it above VDOF and out of your control? How do you define involved? Mr. Garrison responded that whatever will take place on the ground VDOF will have to oversee and that a management plan has not been formulated yet.

Dr. Smith and Mr. Scheerer expressed concern about mitigation credits being given for stream buffer widths greater than state BMP guideline widths. There is no science proving that stream buffer widths greater than 50 feet provide any better stream protection.

Mr. Christensen stated his opinion that VDOF should not be involved in land use planning and eco-system services. VDOF should stick to core of traditional functions such as fire and reforestation.

**Approval of Minutes from Previous Meeting:** There being no changes or edits to the minutes from previous meeting, Dr. Smith motioned for approval and Ms. Beals seconded. The minutes from May 2012 meeting were approved with no opposition.

### **STATE FORESTER'S REPORT**

Mr. Garrison asked the Board members to review the Memorandum of Procedures (MOP), which are basically by-laws for the Board, before the next meeting. The MOP were reviewed and approved by previous Board of Forestry last year. However, being a new Board there are changes going forward with it that need to be made (Code 10.1-11). He asked that Board members have their edits at the next meeting.

### **NEW BOARD MAKEUP**

Mr. Garrison gave an overview of the BOF make-up due to the Code change. Both the Board of Forestry and the Reforestation of Timberlands (RT) Board were abolished and a new Board was created. The new Board was expanded from 11 to 13 so that there was enough representation from at-large folks as well as industry representatives. The new Board is made up of two members representing the pine pulpwood industry; two members representing pine lumber industry; two members representing the hardwood lumber industry; one member representing the timber harvesting; two members representing the small non-industrial private landowner; and the remaining position are at-large. We are getting away from Congressional district representation; membership is geographically distributed across the state and would be related to the forest resources community. This is a good mix of the two Boards. The Board currently needs one At-Large member and one forest landowner. Offers were made for these positions but not accepted. To Mr. Garrison's knowledge, no other offers have been made since the initial Board makeup. Travis Hill asked VFA to submit more nominations and Mr. Garrison asked the Board to let him know if they had any recommendations. The Board needs to meet three times a year at the minimum. The State Forester serves as the Executive Officer and is a non-voting member of the Board. Dr. Smith asked if there were any other names in the hopper. Mr. Howe noted that VFA

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has recommended Carolyn Moon and John Burke for vacant positions. The Governor likes to have a choice for candidates. The packets at the next meeting will include the Code section/language for the new Board.

### **LETTER FROM PREVIOUS CHAIRMAN BLOUNT**

Mr. Garrison encourages everyone to review Mr. Blount's letter (included in package) to the new BOF which urges the BOF to forge new partnerships. Mr. Garrison asked the Board members to review and become familiar with the Strategic Plan and the State Assessment documents which were handed out. He noted that Mr. Morgan and Dr. Smith are both very interested in educational outreach – there is a handout in packet detailing DOF education projects. There is a question of how to provide enough education to elevate the professionalism of VDOF staff; continuing education; and some professional certified foresters within the organization.

**Agency Reorganization:** VDOF budget reduction was attained through attrition (no layoffs). There has been generally good support and response to VDOF reorganization. Mr. Garrison reviewed the Regional reorganization chart. There have been no additions to overall staff numbers; we have closed six offices and Mr. Garrison described the VDOF Going Mobile which began July 1, 2012. Mr. Garrison referred to Ticer Study in 2003 that suggested that we need to put emphasis in forestland conservation efforts and we would like to have Forest land Conservationist in each Region. We currently only have two forestland conservationists. We VDOF created three Deputy Regional Forester (DRF) and 23 Senior Area Forester (SAF) positions, all which were done internally and was a good opportunity for promotion. An NRCS grant helped provide leadership training for new DRFs and SAFs. The work areas will be larger with fewer offices. Field staff will be or have already been provided Smart Phones and laptops. Mr. Garrison encourages Board members get to know Dept. of Forestry field staff and meet with local VDOF personnel to ask what can Board take to table for staff.

Mr. Morgan asked, how does the team get the work done? Mr. Garrison noted that staff needs to be flexible and manage their own area; areas may be uniquely different. It is up to the Senior Area Forester (SAF) to distribute work and coordinate activities. Mr. Worrell inquired as to the total number of field people – 234 total in VDOF of which 126 are field people. We are currently under hiring freeze – any new hiring needs to be tied to public safety. Mr. Morgan suggests monitoring VDOF programs, such as reforestation during the transition and look for warning signs that landowners aren't using Department as much.

### **LEGISLATIVE INITIATIVES AND BUDGET ISSUES (Ron Jenkins)**

The Commonwealth of Virginia operates on biennium budget. Budgets are developed in odd number years (in 2011 developed 24 month budget to begin July 1, 2012). Agencies have the opportunity to request amendments to their budget in the year immediately following the session that approved the biennium budget. During the 2012 General Assembly session, the legislature will consider our budget amendments to our 2012-2014 biennium budget.

In 2013 we will develop the next 24 month budget for 2014-2016. It is submitted by late July, maybe August; announced December 2013; and will be addressed by legislature that meets in January 2014.

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The State Executive Branch agencies use the flatline base budget with few exceptions (Medicare; Medicaid, employee insurance premiums, etc.) Inflationary increases to normal operating expenses are not funded by the General Assembly and the agency must bear normal inflationary increases.

All agencies can submit a budget amendment for their additional budgetary needs. It is normal for the administration to ask agencies to look at programs no longer applicable and to look at providing core services with more efficiency. VDOF has lost 30 percent of budget over five years; ~100 positions lost over 5 years since 2007. This year the Commonwealth revenue reports were looking good. However, the Governor asked agency heads to prepare budget reduction plans amounting to four percent of their general fund base budget.

There are three areas needed in the VDOF for core services: people, equipment, and technology. We experienced success this year from the Secretary's office for "going mobile" equipment and technology; upgraded information system and emergency equipment that is at rotation age. Achieved first level of support for those two things and hope they will make it into the Governor's budget as amendments.

We will use funds from conservation easement tax credits to fund conservation work.

VDOF will reduce discretionary expenses across a variety of cost centers. We will refinance an equipment loan through Treasury from five year term to seven years.

IT reallocation: reallocated nursery and State Forests VITA cost (not General Funded) from Special Revenues. Reforestation of Timberlands General Fund reduction: total of 587K; may not be in the Governor's proposal. We know the importance of the RT Program; increase revenues not meeting needs of administration; losing people did not meet the needs of the administration; look at funds coming in for programs.

Mr. Morgan charged the BOF to dialogue with legislators. The legislators don't understand long-term impact in reducing the Reforestation of Timberlands funds. The Board has more flexibility to speak. Rob Farrell will E-mail talking points to Board of Forestry members to use in lobbying legislators. How much of 587K is RT? RT = 290K – leave 1.2 M which is tax portion for RT; roughly speaking ½ of General Fund appropriation to RT doesn't affect tax amount. Leave 1.5 million for RT.

### **Legislative Issues/Proposals**

We look at the authority we have and our stakeholders and make sure they are lined up with services and demands. This year's proposals are more technical adjustment – no policy driven bills or changes. Three proposals this year:

Mr. Jenkins gave an update on new State Forests, which brings VDOF total acres in the State Forest system to approximately 67,000 acres. Mr. Christensen asked if the two State Forests were donated.

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The Channels State Forest in Washington County was purchased. There were no General Operating Funds were used for purchase and there was great support from Senators and Delegates in that area.)

The Old Flat State Forest in Grayson County was a land swap between Department of Conservation and Recreation and VDOF – we swapped some Appomattox Buckingham State Forest land to DCR.) This property has unique features for potential orchard for Frazier fir and other species of that nature.

There was a proposal from outside which questioned VDOF's authority to sell nursery seedlings. Code reads that the State Forester may establish and maintain and manage seedlings but it might be read as if he needs to give them away. VDOF had lawyer review language and indeed it doesn't clearly say that he may sell them and of course by practice we've been selling them for many years. We don't think there is a problem, but to be sure that we don't have any future problems, we will ask for a slight change to the Code section to make it clear that the State Forester can sell seedlings. We're confident that this will be simple.

We look forward to receiving any suggestions in the budget or the legislative area from the Board members and will consider them all. Mr. Garrison said this is an advisory Board and we want the Board to actively make recommendations.

### **Reforestation of Timberlands Program Orientation and Updates – Todd Groh**

Mr. Groh made a brief presentation to help orient the Board members to the Reforestation of Timberlands Program.

The Reforestation of Timberlands (RT) Program was adopted in 1971 in response to 1967 forest survey which showed more pine was being cut than was being grown in the state. The forest industry voluntarily proposed the forest products tax legislation. Industry supported doubling the tax in 1980. The 1992 forest survey showed things had turned around from a loss of 15% removals over growth, to a gain of 25% growth over removals. In the most recent survey 2011, an average over the last seven years showed a statewide gain of 23%, growth over removal. The objective of the RT Program has been successful in getting the pine resource back into the field by planting and releasing pine plantations.

The RT Program is funded by the Forest Product Tax (FPT) that is to be matched by the Virginia General Fund. Recent history shows that the program funding was the highest in the early 2000 years with the best funding in 2008.

**Landowner Eligibility:** private landowners, forest industry, companies all eligible. Few forest industry or companies apply for RT. VDOF employees and BOF members are also eligible and public ownership does not qualify.

**Rates:** There are eight practices rates available to landowners. The Department increased the site preparation practice rates in FY2013 promote more site preparation. Traditionally, Virginia landowners are doing a lot of pine plantation release over site preparation and Virginia is one of

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the few southern states that does so. The Department's research shows that the better the site is prepared prior to planting the better the trees grow.

***From the Code of Virginia:*** The Board is responsible for formulating recommendations to the State Forester on the Program administration and to provide input on the yearly proposed practice incentive for rates for landowners.

### **Current RT Topics:**

In July 2011, there was a special RT Board meeting convened to look at the RT Code and the Administrative Code (Forest Products Act) line by line and to make suggestions. Another goal of the Code review was to update references to archaic forest products, update code definitions; what does primary processor mean with regard to paying the forest products tax (FPT)?

The Tax Department does all the collections for FPT. VDOF can tell the Tax Dept. all the industry that should be paying tax but they cannot tell us who is actually paying. VDOF is working with the Tax Department. to have a reciprocal agreement that would allow us to get this information. Todd will have proposed regulation changes that the RT Board proposed at next Board meeting.

Mr. Cathey asked about average size of tracts and if the acreage limit addressed in the Code is taken into consideration? The Code allows a landowner project up to 500 acres, but the Department capped it at 100 acres per landowner to help spread the funding. Mr. Bright noted that for chips processed in the woods and taken to a plant/mill, the logger is responsible for paying the severance tax, not the plant/mill owner

Mr. Groh mentioned that he had sent a letter to chipping operators in the Pittsylvania County area several years ago informing them of the forest products tax responsibilities but did not receive much return dialogue.

### **STATE FORESTS**

Mathews State Forest in SW VA is a gem in the rough. We've got a fantastic State Forest that needs to be developed. We want to develop restrooms/trails and better access roads. DOF submitted application for VDOT recreational access grant and was awarded 400K for road improvement work. We have already started removal of trees and have new access from public highway; have submitted Capital Outlay CO2 (document that says OK to start construction); and are excited about making improvements.

### **VIRGINIA GROWN**

Mr. Garrison stated that this is a fantastic program which is slow in picking up and will provide more visual presence for VDOF.

### **EQUIPMENT**

The budget amendment was approved by Secretary's office and going forth to Governor for consideration additional money to buy equipment. VDOF employees are working now with 26-27 year old equipment and we don't want to put firefighters in bad situation. We were very

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fortunate in last two General Assembly sessions to get appropriation for equipment and are hoping to be successful this third year. The current plans are to purchase four dozers with environmental cab plus transports at >\$250,000 each.

### **NURSERY/SEEDLING DEMAND**

It look like we will sell out, with 100% of loblolly obligated right now. We increased supply over the last two years. This year 21 million loblolly; hardwood and pines = 25M. The nursery program is alive and well. VDOF could sell more control pollinated and upper quality seedlings if they were available. We wish we had more high quality trees to put in ground.

### Review of Packet of Materials

#### **Silvicultural Water Quality Act report**

In 2012 VDOF field personnel inspected 5,777 timber harvesting sites across Virginia on 239,827 acres. Lots of these inspections take three or more visits to close out most tracts, creating a big workload. VDOF trained almost 7,000 harvesting professionals in 221 programs related to water quality protection. In 2012 we had six programs with 95 people. Most of the training was in cooperation with other programs or on-line training. The 2012 East Coast Logging and Sawmill Expo focused in on BMP water quality with 2,000+ attendance. In FY 12 VDOF was involved with 201 water quality actions, which was a reduction of 19%, on almost 6,000 harvesting sites. Only four of these actions went to Special Order.

#### **Legislative Retreat**

We were approached by Chairwoman of House of Natural Resources Committee who said there were a lot of new members who don't know much about forestry. She asked if we would be willing to host Retreat this year and that the legislators were there to learn. VDOF hosted a day long presentation and 60-65 percent of the day was about forestry. Paul Howe was in attendance and noted VDOF gave a "great presentation. "

The Board was shown video on fire control issue which was produced all in house.

#### **Map of Dry Hydrant Installation**

There are 1,613 dry hydrants in the state. These are installed and repaired through grant program of 100,000 each year. We have worked closely with Department of Fire Programs last three + years trying to get insurance companies to recognize that the dry hydrant program is another avenue for water source for firefighting. The ISO rating in homeowners insurance is based upon a number of different factors; available water being one of those factors. We have been successful in last couple of months to have companies recognize value of dry hydrants and we are proud of the program.

#### **Preparing for VDOF 100<sup>th</sup> Anniversary in 2014.**

We hope to have specific things to showcase the yearlong anniversary party. There are lots of good things planned and there may be times for Board members to become involved.

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### **Hosting NASF Annual Meeting in September 2013**

The VDOF staff is working hard to put everything together for this event. There will be lots of recognition for Virginia. There will be numerous State Foresters and partners (NGOs, trade booths) in attendance. Mr. Garrison encourages Board members to stop by at The Homestead.

### **Action Items**

Mr. Garrison stated the Board needs a new Chairperson. He said if you are interested and could commit someone to chairperson, he would accept nominations. OR Mr. Garrison could appoint a nominating committee to discuss and bring forward recommendations to the next meeting. Mr. Barnes nominated Mr. Scheerer and Ms. Beals seconded nomination. All were in favor of this nomination and Mr. Scheerer. Mr. Morgan nominated Dr. David Smith for Vice Chair; Ms. Beals seconded the motion; all were in favor of this nomination. Mr. Barnes made a motion to approve the two nominations; Ms. Beals seconded. Mr. Scheerer will serve a Chairman and Dr. Smith will serve as Vice Chair.

### **Future Board Direction and Projects**

Mr. Scheerer agreed this is a valid discussion. Mr. Garrison thanked the Board for their support and noted BOF work on any current project is appreciated. Dr. Smith asked what priorities would advance the organization as new monies become available and suggested that VDOF be ready as funds become available.

Mr. Barnes suggested an issue to address is the growth drain situation in Southside. Mr. Myers agreed this is critical; and Mr. Morgan said this should be a priority.

The issue is clearcutting pine pulpwood stands and not having the growth we used to have. We need to get additional info to see how big the problem is; we may be underestimating. The Forest Inventory Analysis (FIA) data is good for large area. We need subset of FIA data to make decision. Mr. Bielmyer said we need trend data such as what was out there before and what was cut – 50 year old trees or 20 year old plantation. We need to know acres as well. How would we use this info to address the growth drain?

Mr. Morgan suggested education on harvesting selected hardwood and the value of selective harvest vs. second generation. Refer to Page 5 State of Forest report – what is the trend? Mr. Garrison will have four to five slides at the next meeting that say what the regeneration has been, and the makeup. Does VDOF have the capability to pull out plots on National Forest and do we have timber types without National Forest land? We will ask John Pemberton or Charlie Becker. We will also send out Forest Health Review to Board.

### **Board Orientation**

Mr. Garrison asked who would like an orientation session. Mr. Scheerer, Mr. Myers, Mr. Worrell, Mr. Bielmyer, Mr. Cathey all stated they would like an orientation.

Mr. Garrison asked for thoughts or ideas on recognition for previous Board members that did not get reappointed. Should we invite them to the next Board meeting? The transition made this difficult. Dr. Smith asked about the integration of the two Boards and how will they function?



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**Committee Liaison Reports (refer to Memorandum of Procedures) - Anyone** that has interest in the areas should reach out to others in meetings and bring back to group to share. Let Chairman Scheerer know if you're interested in any of these positions.

Becky Woodson will be acting secretary for the Board of Forestry.

Mr. Garrison discussed that the Board meets three times a year – one of which is at VDOF office. The Board typically tries to make one of the three meetings in other areas to get out for field trip.

After discussion it was decided that the next meeting will be April 10 at The Homestead in conjunction with the Forestry Summit. The second meeting will be on Friday August 23 in Virginia Beach in conjunction with the Virginia Logger's Association. A tour of the Stihl factory will be made available.

It was noted that some Board members rotate off the Board in June. Travel reimbursement forms were distributed for mileage reimbursement.

Mr. Morgan moved for adjournment of the meeting and Ms. Beals seconded. The meeting adjourned at approximately 3:00.

Respectfully Submitted by: Becky Woodson, Acting Secretary