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**MINUTES
BOARD OF FORESTRY AND FIRE PROTECTION
FULL BOARD OF FORESTRY MEETING**

Sacramento, CA

April 1-2, 2008

BOARD OF FORESTRY MEMBERS PRESENT:

Stan Dixon, Chair
Pam Giacomini, Vice Chair
Lloyd Bradshaw
Gary Nakamura
David Nawi
Jim Ostrowski
Doug Piirto
Bruce Saito
Tom Walz

MEMBERS ABSENT:

None

BOARD STAFF:

George Gentry, Executive Officer
Eric Huff, Executive Officer, Forester's Licensing
Teri Ashby, Board Counsel
Chris Zimny, Regulations Coordinator
Carol Horn, Executive Assistant

DEPARTMENTAL STAFF:

Crawford Tuttle, Chief Deputy Director
Bill Snyder, Deputy Director
Russ Henly, Assistant Deputy Director
Helge Eng, State Forest Manager

The Board's Mission:

To lead California in developing policies and programs that serve the public interest in environmentally, economically, and socially sustainable management of forest and rangelands and a fire protection system that protects and serves the people of the state.

1. **Call to Order**

Chairman Dixon called the Board of Forestry and Fire Protection to order at 4:00 on April 1, 2008.

2. **Adjourn to Executive Session**

Chairman Dixon adjourned the Board to Executive Session.

3. **Reconvene Regular Session**

Chairman Dixon reconvened the Board to regular session on April 2, 2008 at 8:00 a.m.

4. **Announcement of Actions Taken in Executive Session**

Board Counsel Ashby said during Executive Session, the Board agreed to extend the tolling agreement in the Campaign to Restore Jackson State Redwood Forest to May 12th.

5. **Approval of Minutes from the Regular Meetings of October 2007, February and March, 2008**

04-02-05: Member Giacomini moved to approve the February minutes with minor corrections. Member Nawi seconded the motion to approve the February minutes with minor corrections. All Board Members were in favor, and the motion passed unanimously.

The approval of the October 2007 and March 2008 minutes were deferred to the May Board Meeting.

6. **Report of the Chairman**

Chairman Dixon said earlier in the month Secretary Chrisman called a meeting with state agencies, representatives from Humboldt County, and federal representatives who had an interest in reorganization plans in the PALCO bankruptcy court. Chairman Dixon and Eric Huff represented the Board. Mr. Huff will give a summary when he gives the report of the PFEC.

7. **Report of the Director/Department**

Mr. Crawford Tuttle, Chief Deputy Director for CAL FIRE, said Mr. Huff did an excellent job summarizing the meeting Secretary Chrisman held on PALCO. The meeting was specifically designed to allow all three of the major plans to come together in one setting with local, state, and federal representation and to give that group an opportunity to present a summary of the attributes of their organization and then respond to questions. Mr. Tuttle said it was a good opportunity for everyone to learn about the plans and it was done in a fair and transparent way.

Mr. Tuttle said there were three viable plans that the Judge was considering for confirmation. There was an opportunity for each of the agencies to present their observations about what they heard that day to the Secretary. Secretary Chrisman took that information and he has been having dialogue with the Governor's Office to determine if any further communication with the Governor was appropriate. It was Mr. Tuttle's understanding that with the support of the other plan holders the Governor and State had until the end of this week to submit any additional information to the Judge. Mr. Tuttle said court proceedings had begun, and they were now in the process of taking expert witness testimony on the valuation of the property.

Mr. Tuttle said the Lake Tahoe Fire Commission had completed their draft report, and it was out for public comment. Hard copies of the report were made for Board Members, and the intent was to take additional comment over the next thirty days from the submission date of the draft report. Mr. Tuttle urged Board Members to forward comments, which would then be incorporated into a final version of the plan that will go to both Governors. The report will be released sometime in May or early-spring.

04-02-07: Member Nawi moved that the Board draft a letter to Chief Dargan expressing the Board's intended desire to comment, and expressing that the Board did not have the ability to agendaize and review the report, and request an extension in order to comment. Member Ostrowski seconded the motion. All Board Members were in favor and the motion passed unanimously.

Chairman Dixon asked Board Members to have their comments to the Executive Officer before the next Board meeting so he could put together a package for Committee discussion that would represent the larger issues that Board Members had.

Mr. Tuttle said fire season had started and CAL FIRE has had three significant fires, and over 200 fire starts this year, with acreage burned approaching 1,000 acres already. CAL FIRE is preparing for fire season and getting staffing patterns underway.

Mr. Tuttle said the Department had been following the Northern Spotted Owl issue, and have held multi-stakeholder meetings, and met with the Fish and Wildlife Service and landowners in the affected area to try to reconcile the additional guidance the Department received from the Fish and Wildlife Service with their new and expanded duties. Mr. Tuttle said the Department of Fish and Game was reviewing a petition for Pacific Fisher, and DFG expressed an interest to CAL FIRE that they were coming to a place where they will make a recommendation to the Commission, and it was important if there was information available on problems with that species that it be made available to DFG.

8. The Department has Presented the Names of the Individuals Selected by the Director for the Jackson Demonstration State Forest Advisory Committee

Chairman Dixon said the Board received the Director's recommendations for nominees to the Jackson Demonstration State Forest Advisory Committee at the last meeting. Chairman Dixon said Chief Grijalva had hoped to make the appointments to the Advisory Committee today.

Member Nakamura said there that criteria should be set up that somebody actually monitor the performance of the Advisory Committee. Member Nakamura asked the Department for assurance that monitoring would occur.

Mr. Tuttle said the Department was looking at how they could support the Advisory Committee and provide outside activities. Mr. Tuttle said the Department could provide a study plan, and asked Member Nakamura if he was suggesting a study plan, but it would be a couple of months before that could be accomplished.

Chairman Dixon said after looking over the nominations and qualifications, his initial reaction was that he had some reservations about one or two of the appointees, but after looking at the totality of the Director's recommendations, Chairman Dixon said he had to commend Chief Grijalva. Chairman Dixon felt the Board should support Chief Grijalva's proposals. Chairman Dixon said there was a slot on the JDSF Advisory Committee for a Board Member that had not yet been filled.

04-02-08: Member Piirto moved that the Board approve the group of individuals with the understanding that when it is time to harvest and implement the management plan has been achieved, that periodic progress reviews be provided to the Board. Member Giacomini seconded the motion. All were in favor of the motion, and it passed unanimously.

04-02-08: Member Nawi moved that the Board delegate the authority to the Chair to appoint a Board or staff member to serve as the Board's representative on the JDSF Advisory Committee. Member Saito seconded the motion. All were in favor of the motion, and the motion passed unanimously.

Chairman Dixon said the majority of the meetings would be held on the coast, and that may be a problem for some Board Members to attend. Chairman Dixon asked Board Members who had a desire to be on the JDSF Advisory Committee to let him know.

9. **Report of Board's Advisory Committees**

- **California Oak Mortality Task Force (COMTF)**

Mr. Mark Stanley, Chair of California Oak Mortality Task Force, presented an update on the Task Force. A copy of Mr. Stanley's presentation was contained in the Board Binder.

- **Range Management Advisory Committee (RMAC)**

No report was made at the meeting, however, the RMAC report was contained in the Board Binder.

- **Monitoring Study Group (MSG)**

Mr. Pete Cafferata gave an update on the Monitoring Study Group. Mr. Cafferata's presentation was contained in the Board Binder. Executive Officer Gentry said the Monitoring and Tracking Committee had reviewed the form and would be sending the message via email next week and asked for help in getting good responses in order to build a data base of monitoring efforts that landowners were undergoing. This includes state forests as well.

- **Professional Foresters Examining Committee (PFEC)**

Mr. Eric Huff said they had 41 applicants signed up for the RPF exam on April 11. Nineteen of those applicants are first time takers of the test. There will be exam sites at Arcata, Rocklin, Redding, and Riverside.

Mr. John R. Griffen, RPF No. 1737 requested license reinstatement from withdrawal status. Mr. Mike Johnson, RPF 2196 requested license withdrawal.

04-02-09: Member Walz moved to accept the license reinstatement of Mr. John R. Griffen, and the license withdrawal of Mr. Mike Johnson. Member Ostrowski seconded the motion. All Board members were in favor, and the motion passed unanimously.

Mr. Huff reported that he accompanied Chairman Dixon to the March 19 meeting called by Secretary Chrisman for the evaluation of three specific PALCO bankruptcy proposals. The meeting was opened with an explanation as to the basis for the meeting participants' evaluation of the three proposals. The state's bankruptcy counsel provided a brief overview of how the bankruptcy procedure would work, and what the judge stated he would use as criteria in evaluating the various proposals.

The first presenter was PALCO, accompanied by their bankruptcy attorney. PALCO summarized their proposal noting that Maxxam would retain 36% to 51% of the interest in PALCO under their proposal. A key feature of PALCO's proposal was that its viability was contingent upon a proposed "eco-development" of 500 acres of houses on 22,000 acres of PALCO's timberlands. The PALCO representatives also indicated that their proposal would include sales of some of their old-growth reserves and Marbled Murrelet groves. Mr. Huff said that the PALCO representatives made a good presentation and answered all of the questions put before them.

The second group to present were the indentured trustee noteholders. This group was represented by financial investment group, Houlihan-Lokey and several bankruptcy lawyers. Mr. Huff said they also did a good job presenting the proposal. The proposal more or less reflected the desire of the indentured noteholders to make themselves whole as quickly as possible through outright sale of the fee lands. The indentured trustee plan did not address the future of PALCO, the sawmill, or the town of Scotia.

The last presenter was the Mendocino Redwood Company partnered with Marathon Structure Finance Fund. Their aim was a long-term sustainable future for PALCO. The MRC/Marathon plan proposed to keep the sawmill operating, maintain employment, and retain all of the environmental protections that were in place through the PALCO Habitat Conservation Plan (HCP) now. The MRC/Marathon plan also included an infusion of capital into the Scotia sawmill for necessary revisions, funding the employee

pension plan, and taking care of the unsecured creditors. Mr. Huff said the last presenter gave a compelling presentation.

At the conclusion of the last presentation, the meeting participants went through the process of reviewing Governor Schwarzenegger's correspondence with the bankruptcy judge. In his letter, the Governor laid out five key principles that he was asking the Judge to consider when evaluating the various bankruptcy proposals. The first was to manage the timberlands in accordance with state and federal laws, including but not limited to the existing regulatory permits and authorization such as the Headwaters Forest Land and Habitat Conservation Plans, all other state permits, and AB 1986. Second, manage timberlands in manner that complies with all regulatory permits and authorizations and coordination with state and regulatory agencies. Three, preserve the timberlands on an attainable level of commercial harvest that will ensure sustainable high timber production for the long-term while preserving and enhancing watersheds and wildland protection. Four, minimize efforts to tax the local economy and preserve as many local employment opportunities as possible. Five, maximize greenhouse gas reduction benefits that could be generated for timberland management.

The meeting participants then engaged in a discussion as to which of the proposed bankruptcy plans best fit the Governor's key principles.

10. **Department Presentation of Initial Study/CEQA Checklist for the LaTour Demonstration State Forest Management Plan**

Member Piirto, Chair of the Management Committee, said CAL FIRE State Forest Program Manager Helge Eng presented a final draft of the Initial Study/CEQA Checklist to the Management Committee and they reviewed its contents by section. As Mr. Eng proceeded through his presentation, the Committee Members asked questions and requested certain minor edits to the Initial Study and Checklist. After lengthy discussion, the Committee Members requested the Department provide a written summary of the edits specified for full Board consideration the following day, April 2, 2008, along with a revised version of the Initial Study and Checklist. Most of the edits included improving clarity and catching typos. Member Giacomini said she believed the Initial Study and Checklist supported the Board's preparation of a Mitigated Negative Declaration for the proposed La Tour DSF Management Plan update. Member Walz and Chair Piirto concurred with Member Giacomini's observation. Member Piirto said the Management Committee supported the Initial Study/CEQA Checklist for the LaTour Demonstration State Forest Management Plan, and recommended that the Board support preparation of a Mitigated Negative Declaration for the draft updated LaTour Demonstration State Forest Management Plan, and the Committee further recommended that the Board enter into an agreement with CAL FIRE to complete the mitigated negative declaration.

Member Giacomini said this was the initial start of the CEQA process. Based on the Initial Study, the next environmental review would be a Mitigated Negative Declaration, which the Board would contract with the Department to prepare.

Member Nawi said he looked at parts of the document that addressed greenhouse gas emissions, and he thought it looked good, and the analysis showed substantial positive carbon sequestration.

Mr. Helge Eng said the Department felt the Negative Declaration was the appropriate CEQA document to use.

Member Nakamura asked if someone got ambitious and wanted to propose a mutual research project that had potential, could they bring that to the Board and ask the Board for a release from forest practice regulations in that instance. Member Nakamura said he wanted the potential to do things outside of the box.

Mr. Eng said Mr. Henly's exception for the research process would be a solution to that situation, which had been done at Caspar Creek.

Member Nawi said that was a substantive solution, it does not handle how it would be handled under CEQA.

Executive Officer Gentry said anyone asking for experimental forest designation had to still comply with CEQA, they just apply for our substantive documents so an EIR would have to be done for the project.

Member Piirto said the Initial Study and Environmental Checklist were an excellent effort on the part of CAL FIRE. Member Piirto said it was his recommendation and the recommendation of the Management Committee that the Board approve the Initial Study and Checklist.

04-02-10: Member Piirto made a motion that the Board support preparation of a Mitigated Negative Declaration for the draft updated La Tour Demonstration State Forest Management Plan, and that the Board enter into an agreement with CAL FIRE to complete the Mitigated Negative Declaration with minor edits suggested by Board Members to Helge Eng and Russ Henly being inserted into the Initial Study. One reference was the fact that it be very clear that this is a programmatic document and the second paragraph on page 1 there were a couple of other minor edits. Member Nawi seconded the motion. All Board Members were in favor of the motion, and it passed unanimously.

11. **Report of the Board's Committees**

- **Forest Practice Committee**

Member Nawi, Chair of Forest Practice Committee, said the Committee met yesterday and covered all items on their agenda. In regard to the proposed amendments to 1038(i) 1052.4, the Committee recommended edits to portions of the staff proposal presented at the Committee meeting and issuance of two 45-day notices. The Forest Practice Committee Report is contained in the Board binder.

04-02-10: Member Nawi moved that the Board direct staff to incorporate edits discussed at the Forest Practice Committee meeting and issue 45-day notice for changing both sets of regulations. Member Ostrowski seconded the motion. All Board Members were in favor of the motion, and it passed unanimously.

- **Policy Committee**

Member Ostrowski, Chair of the Policy Committee, said the Policy Committee met yesterday and they did not have any action items. Executive Officer Gentry will present the work the Policy Committee completed on the charter for the Research and Science Committee when he gives the Report of the Executive Officer. Board Members received a copy of the report that the Board is charged with providing the Legislature every two years on forest management research.

- **Management Committee**

Member Piirto, Chair of the Management Committee, gave an update on La Tour Demonstration State Forest 2008 Management Plan Initial Study and Environmental Checklist under Agenda Item #10. The Board took action to support preparation of a Mitigated Negative Declaration for the draft updated La Tour Demonstration State Forest Management Plan, and enter into an agreement with CAL FIRE to complete the Mitigated Negative Declaration with minor edits suggested by Board. The Management Committee had no other action items. The Management Committee Meeting Report is contained in the Board Binder.

- **Resource Protection Committee**

Member Giacomini, Chair of the Resource Protection Committee, said they met yesterday and had one action item. Mr. Zimny went over a letter prepared by staff and Board Counsel addressed to the Alpine County Board of Supervisors which dealt with certification of local fire safe ordinances pursuant to PRC 4290 and 14 CCR 1270 et seq. and county assumption of inspection authority. The RPC recommended Board approval for the letter as amended in Committee.

04-02-10: Member Giacomini made a motion that the Board finalize and send the letter to the Alpine Board of Supervisors as amended in Committee. Member Piirto seconded the motion. All Board Members were in favor of the motion and it passed unanimously.

12. **Report of the Regulations Coordinator**

Regulations Coordinator Chris Zimny said Board Members had the regulations package in their Board Binders. Mr. Zimny said the Department would be publishing a public hearing for the T/I Extension that was passed on April 11 for a June meeting, and he will amend the other potential dates for this regulation, particularly the fire inspection and road rules based on decisions made at the Forest Practice Committee.

13. **Report of Executive Officer**

Executive Officer Gentry said the Board previously discussed scheduling rule-making and how it was very important when the Board puts together these things together, they carefully

consider what things are going to be prioritized and what things are going to be set to the side. Mr. Gentry said some Board Members had issues that were non-regulatory in action, and when they suggest certain things to the committee for the full-Board to consider, that they carefully consider how that fits into the grand scheme of things. Mr. Gentry said staff will put together a list of all things that the committees are currently working on for Board Members so they may decide which items they want to pursue as a priority.

Mr. Gentry said the Board of Forestry and Fire Protection was required by PRC 4789.6 to report to the Legislature and the Governor biennially the extent of what the state needs for forest management research and recommend the conduct of needed projects. A copy of the report on Forest Management Research was included in the Board Binders. Mr. Gentry said he was not asking for Board approval for the report today, he wanted non-Policy Committee members to be up to speed on the evolution of the document. Member Piirto assisted Mr. Gentry in compiling the report. Mr. Gentry gave an overview of the report to Board Members. The Board established a Research and Science Committee. A charter for the Research and Science Committee was included in the Board Binder. The purpose of the Research and Science Committee was to provide science-based recommendations and technical information to assist the Board in determining if and when it is necessary or advisable to adjust rules and policies for forest and fire management to achieve resource goals and objectives.

Chairman Dixon said the Board should pursue seeking a budget that adequately supported the Board and its critical committees. Chairman Dixon said the Board's mission statement suggests that they should be undertaking some things by statute and some things the Board felt were necessary to fulfill their stated mission, but the Board was not able to do that with three or four staff people. Chairman Dixon said he concurred with the concept, and felt the Board should pursue it, but the budgetary aspect did not look good.

Member Piirto emphasized the fact that the Board needs the Research and Science Committee operating on a continuing basis so that they are informed by science, and the decisions the Board makes are based on that science.

Mr. Gentry said all the Board had to do was approve the 2008 Report on Forest Management Research report and the Charter for the Research and Science Committee as a package. If the Board approved them, then they had an approved charter and a committee technically existed. This will be agendaized for the May Board meeting, so non-Policy members would have a chance to review the documents.

14. **Public Forum**

Mr. Richard Geinger said the new PALCO reorganization was fascinating, scary, and complex. Mr. Geinger said the unsecured creditors were supporting the Marathon Mendocino Redwood Company's reorganization plan.

Mr. Kevin O'Meara, representing CDF Firefighters, said his organization was in the process of developing a DVD that would represent all aspects of CAL FIRE. Mr. O'Meara said Chief Grijalva said in the Director's Report that the inversion problem had been fixed. About one year ago, in Pasadena, CDF Firefighters came to the Board and explained the inversion problem, and they appreciated the support the Board gave them by writing a letter at the time. CDF Firefighters filed a lawsuit on behalf of the supervisors who work for CAL FIRE, that has

essentially been settled, but the unfortunate part was that there were personnel within the Department who were not included as part of the lawsuit. There was a substantial fix on the Assistant Chief part of the organization, but it did not address Resource Management and Forestry Equipment Managers. CDF Firefighters have been in the meet and confer process with DPA to try to fix the Resource Management and Forestry Equipment Managers. Mr. O'Meara said the inversion problem was not over yet.

15. **New and Unfinished Business**

There was no new or unfinished business.

16. **Adjournment**

Chairman Dixon adjourned the April 2, 2008 meeting of the Board of Forestry and Fire Protection.

Respectfully submitted,

ATTEST:

George D. Gentry
Executive Officer

Stan Dixon
Chairman

Copies of the attendance sheets may be obtained from the Board Office.