

Custer-Gallatin National Forest Working Group (CGWG)

June 10, 2015 meeting Minutes

**Federal Building/Post Office (between South Tracy and South Black)
10 E. Babcock St., Bozeman, MT 59715; 2nd Floor Conference room**

Time	Topic	Lead	Outcomes
1:00	Opening and introductions	John Prinkki / Earl Atwood	Welcome, introductions, minutes previous meeting;
1:05	Public comment	Prinkki/Atwood	Allow for Public comment
1:15	Membership applications	Prinkki/Atwood	Membership Applications
1:30	North Hebgen Project; Panel discussion; Focus on contracting and project implementation tools from the agency and an operator/contractor's perspective.	Joe Skinner, Jim Hart, Joe Josephson, Scott Brennan, Marty Malone; Forest Service, Lauren Oswald; USFS Vegetation Program Manager DeWayne Thornburg and RY Timber representative Jerry Furtney	Presentation and Q&A will be conducted to address a number of questions/issues generally. Intended to broaden understanding and tie to the North Hebgen project to assist members in their assessment of the project.
3:00	Break		
3:15	North Hebgen Project; Full membership discussion; Consider hiring a facilitator	Prinkki	Development of CGWG position; member and public education/information, events.
3:30	DNRC; Forest in Focus program and H-510; Farm Bill project implementation	Mo Bookwalter and Scott Barndt	Information re; Forest in Focus grant coordination between CGWG, DNRC and Forest Service. Focus on criteria, grant reporting, roles and responsibilities.
4:30	2015/2016 Agenda	Prinkki	Set priorities/workshops/goals
4:40	2015/2016 Budget	Atwood	Financial statement; Service agreement BRC&D; Specific project facilitation.
4:45	July meeting plan	Atwood	Agenda items, July field trip
5:00	Adjourn	Prinkki	

Meeting brought to order by Chairman Prinkki at 1:00 pm.

Self-introduction of those present was conducted.

District Ranger Traute Parrie advised the Group that due to her upcoming retirement, the role of CGWG liaison is being transferred to District Ranger Alex Sienkiewicz.

Minutes from the May 13, 2015 meeting were approved without amendment. Motion: John Bailey
Second: Michael Christianson.

Membership:

Two new member applications have been received from the Society for Range Management (SRM) and Citizens for Balanced Use (CBU). SRM has designated Jackie Musgrove as their representative, and CBU has designated Kerry White, who is a member as well as State Representative in the Legislature. Both representatives were present at the meeting. Chairman Prinkki provided the members an opportunity to ask questions of each applicant, and at the conclusion called for motions regarding the applications.

After discussion regarding proper category assignment of the potential members, Sott Brennan moved to amend the category designations in the CGWG Operations Manual to add one seat to the category for Agriculture/Ranching, resulting in two seats total, and to approve the application from Society for Range Management and assign it to the new Agriculture/Ranching seat. In addition, he moved to add one seat to the category for Motorized Recreation, and to approve the application from Citizens for Balanced Use and assign them to that category. Motion Seconded by Michael Christianson. APPROVED.

After this action was taken, Kerry White clarified that CBU would not wish to occupy a category seat from Motorized Recreation, as he is aware that CGWG will very likely receive member applications from the Montana Trail Vehicle Association or the Montana Snowmobile Association, either of which he regarded as highly appropriate organizations for that category of interest.

Jerry Furtney offered a motion to resolve that concern by creating a new category for Multiple Use interest, assigning Citizens for Balanced Use to that seat and removing the second Motorized Recreation seat created in the previous amendment. Seconded by Joe Skinner. APPROVED

North Hebgen Project – Panel Discussion: Joe Skinner reviewed recent meetings of the sub-committee assigned to North Hebgen project, and gave an overview of their purpose. He reported that they are planning up to six information events, with three or more of these to be held in the North Hebgen area to coincide with Forest Service field tours. He then introduce the a panel assembled to cover one of the priority topics identified by the sub-committee concerning various aspects of contracting for forest work. Presenters included USFS Vegetation Program Manager DeWayne Thornburg and RY Timber Representative Jerry Furtney.

Mr. Thornburg gave a thorough overview of the Forest Service approach to “End Result Contracting”. He spoke on the different types of timber sale methods (tree measurement sales vs. weight scale sales) and clarified the meaning of commercial harvest trees being over 6” in diameter at 4’ above the ground.

Stewardship contracts were then defined, which allow the trading of commercial timber for restoration work on roads, trails, fuel reduction zones, etc. There are three kinds of Stewardship contracts, each with their own benefits and rationale. These include integrated resource timber contracts, which are limited by the value of harvestable timber in the project area, and can last from 3-5 years; integrated service contracts, which are limited by the USFS budget, and can last up to 10 years; and stewardship agreements, which are cooperative efforts between two or more parties to complete a restoration project.

Mr. Thornburg explained that whenever possible Stewardship projects are preferred because they get all the objectives for an area met with one agreement, and because they keep any revenues generated working in the local economy.

In the context of the North Hebgén project, Thornburg stated that non-timber sale resources are very limited, both in terms of USFS budget and their capacity to do work on the ground. No determination is made at this point, however, as to a choice in contracting mechanism(s) that may apply to North Hebgén. Those decisions will be made after the plan is fully decided.

Jerry Furtney in response offered some perspectives regarding contracting from the Industry side. A key concern is the complexity associated with the bidding process, with much detail required including the specific identity of subcontractors to be used. Often this translates to much time and expense spent on bid development, with no guarantee of outcome.

In addition, he explained that so-called 'Best Value' assessments of bid proposals appear very subjective from the outside, and leave bidders at a loss about why some bids are chosen over others. Much preferred method would be based on readily observable metrics or scoring so bidders can see where they were ahead or came up short.

Group Discussion brought out some additional key points. Richard Stem, who works with a number of collaboratives across the country, pointed out to the group that the most successful forests, in terms of funded and completed projects, were those who employ all the above types of contracts, to achieve the benefits of balance. Each contract type has benefits and weaknesses, and so employing all the options overall will deliver greater benefits over time.

Lisa Steffler, USFS, pointed out that selection of contract types happens later in the process, because these are tools used to implement the objectives of the project plan. In other words, the plan is developed with all outcomes and impacts analyzed and approved, then the plan is assessed for the most effective ways to reach those goals, i.e. contract types.

This led to an interesting question, which was left unanswered. Contracting is a tool for implementation, certainly. But can, and when, does contracting become a planning objective designed to extract value from the forest for the benefit of the local or regional economy?

At the end of discussion, Joe Skinner reiterated that upcoming panel events would be focused on additional key topics that the subcommittee determined have potential for controversy.

PILT: John Prinkki gave an update, primarily for Commissioners present, on news that he had received concerning the funding of Payments In Lieu of Taxes to the Counties by the Fed. It appears that Counties will receive 91.5% of full funding the last week in June. The remaining 8.5% is still up in the air because PILT was partially funded in multiple bills. The 8.5% was appropriated but to be paid in FY-16, meaning at some point after October 1, 2016.

DNRC – Updates on Forests in Focus funding, Farm Bill Implementation and HB510: Mo Bookwalter, DNRC presented an update to the Working Group on the status of Forests in Focus funding, both generally in terms of funding allocation to projects across the state, as well as specific news regarding funding that will pass through to CGWG in a grant awarded to the Forest Service for North Hebgen project.

A map was provided which identifies the 2015 Forests in Focus Investments statewide. The Greater Red Lodge Area Vegetation and Habitat Management and North Hebgen Integrated Vegetation Management projects are both identified. Spending authority under the grant should be in place within the month (of June), pending completion of an agreement form executed between DNRC and CGWG. Reporting under the grant was discussed; there are a few remaining details being worked out now, but the requirements will be outlined in the agreement. They will need to know how the money is being spent and what benefits are derived. Ultimately the funds must be expended by September, 2017.

Ms. Bookwalter also distributed a map and spreadsheet with updated information on the projects affecting Designated Landscapes under Section 602 of the Farm Bill. The Greater Red Lodge Area and North Hebgen projects were footnoted to point out that these projects were occurring in priority treatment areas but were under development prior to the 2014 Farm Bill being authorized. Because of the range of alternatives already being developed through a collaborative effort for expanded activities included in the proposed action, these projects are not using the streamlined HFRA EA/EIS process.

House Bill 510 implementation is underway within DNRC. The bill creates additional position(s) specifically to assist Counties with priority requests dealing with forest issues. DNRC expects to have at least one position filled by Fall, 2016, and will evaluate whether more than one FTE is required to provide responsive services.

Budget: At the Chairman's request, Earl Atwood presented to the Group a pre-proposal document outlining a budget for continuation of CGWG support and coordination through Beartooth RC&D for the next fiscal year (July, 2015 through June, 2016). The proposed cost of services, consistent with the support level during the last twelve months, was \$600 per month, or \$7,200 per year. If the Group wants to proceed with this model, Earl Atwood and John Prinkki will work up a draft agreement for Beartooth Board approval, and final approval by the CGWG members.

Quorum was not available for a vote at this late stage of the meeting. Members present all indicated support for keeping the Beartooth support model in place, and recommended that a service agreement for FY2016 and Beartooth's invoice for January-June 2015 services be placed on a consent list agenda for the July meeting.

Future Topics: Chairman Prinkki called for suggested topics to be introduced at future meetings this year. The current list of topics is:

- Forest Economics
- Litigation and Strategies
- Range Management

Forest Plan Revision
CGWG Strategic Plan Development

Chairman Prinkki asked for consensus approval of members present to begin recruitment of a Subject Matter Expert/Facilitator to guide the Group in developing a strategic plan. Consensus approval was granted.

Next Meeting: July 15, 2015 – Location in the West Yellowstone area. Meeting date was moved off the regular 'second Wednesday' to coincide with a planned Forest Service Tour of North Hebgen Project on July 15th. The CGWG meeting and Panel Discussion will be 9:30-11:30 am, followed by the afternoon tour beginning at Noon. The North Hebgen sub-committee will determine an appropriate topic for the Panel Discussion to align with the scope of the field tour.

Agenda for the July Meeting will have member business on a consent list up front, allowing most of the meeting time to be devoted to the Panel Discussion topic.

Meeting Adjourned at 5:00 pm.