SMC Policy Advisory Meeting
August 18, 2016 9:00 a.m., Port Blakely Tree Farms Office, Tumwater, WA

Present
Organization Representative(s)
BC Ministry of Forests Louise deMontigny (Teleconference)
Bureau of Land Management George McFadden
Campbell Global, LLC Dave Hamlin
Olympic Resource Management Ryan Schlecht
Port Blakely Tree Farms Gareth Waugh (Policy Vice-chair), Eric Cohen
Quinault Indian Nation Jim Plampin (Teleconference)
Rayonier Forest Resources Candace Cahill (Policy Chair)
Roseburg Resources Tony Powell, Eric Dinger (Teleconference)
University of Washington Tom DeLuca (SEFS Director), Eric Turnblom (Acting SMC Director), Rob Harrison, Megan O’Shea, Jason Cross, Mason Patterson, Bob Gonyea
Weyerhaeuser Company Greg Johnson (Teleconference)

Absent
Organization Representative(s)
American Forest Management, Inc. Jesse Saunders
Cascade Timber Consulting John Jayne
Green Crow Jenny Knoth
Green Diamond Resource Co. Eric Schallon
Hampton Resources, Inc. Dale Claassen
Hancock Forest Management Burt Dial
Lewis & Clark Tree Farms Kathryn Olson
Lone Rock Timber Co. Bryan Nelson
Oregon Department of Forestry Tod Haren
Pacific Denkmann Co. Allen Staringer
Stimson Lumber Co. Margaret Banks
TimberWest Forest Corporation Shawn McLennan
Washington DNR Scott McLeod

Agenda
1. Call to order / Approve agenda
   [1.1 Accept nominations for next SMC Policy Committee Vice-chair] (Amendment received / approved 18 Aug ’16)
2. Transition in SMC
   a. How UW/SEFS supports SMC
   b. Long term research / Strategic plan
      1) Analyses - what kind(s) do we want?
         a) How do you produce product “x” most efficiently?
         b) Climate change?
      2) TAC structure
      3) Collaboration with other co-ops
3. Proposal to modify annual meeting format
4. Budget
   a. 2016 year-end projection
   b. 2017 financial outlook
   c. Dues structure
5. Adjourn
1st Draft Policy Advisory Meeting minutes

Acting SMC Director Eric Turnblom welcomed SMC Policy Committee representatives both via conference call and attending in person, then solicited committee approval for the agenda. Item 1.1 was added. Upon approval the meeting convened.

Ryan Schlecht, Olympic Natural Resources was the sole nomination received for the position of Policy Vice-chair. Ryan accepted the nomination. Further nominations will be solicited from the floor at the next regular SMC Policy Committee Meeting (Thursday, September 22nd) at which time the formal vote will take place.

Turnblom provided a brief overview of the multiple transitions within the SMC over last 20+ years. These have included migration of the SMC database from SIR to MS Access, transitioning from recording measurements on paper to hand-held electronic data capture devices (several types over the years), staffing changes and temporary salary reductions over the lean years of the economic down turn when membership formula dues were cut 20%, as well as there being three different SMC Directors at the helm over the same period.

School of Environmental and Forest Sciences (SEFS) Director Tom DeLuca was in attendance and said a few words in support of his choice for the next SMC Director now that Dr. Greg Ettl has stepped away from this role. Turnblom will be given release time from teaching: instead of the faculty average three courses per year (Turnblom is currently teaching four), he would be teaching just two. There will also be documentation in the faculty promotion process giving proper recognition for the role of SMC Director. DeLuca also mentioned that the Corkery Family Endowed Chair in Forest Resources formerly held by SMC Director David Briggs and currently held by former SMC Director Greg Ettl, will be open for applications from and awarding to a SEFS faculty member in June 2017. SEFS Director DeLuca also mentioned he will be leaving SEFS at the end of this year, so he will provide all this information to the next SEFS Director, for which a nationwide search will begin soon. The Policy Committee might play a role in “guiding” the new SEFS Director at the appropriate time in awarding the Corkery Family Chairship to a SEFS faculty member.

Turnblom summarized how SEFS supports the SMC through faculty salary allocations, pertaining in particular to both Harrison (Nutrition Project Lead) and Turnblom (Silviculture Project Lead). Nine months of every year, SMC faculty salaries are paid from the WA state budget. The conventional Faculty Effort Distribution is 40% Teaching, 40% Research, and 20% Service, meaning that SMC related faculty can spend up to 3.6 months (40% of 9) of their sate-line faculty salary on SMC research. Harrison and Turnblom typically receive support from the SMC in the form of 1.5 to 2.0 months summer salary, depending on directly-funded SMC research projects underway that year. Therefore, SMC faculty typically work on SMC related projects for a little over 5 to 7 months per year at a cost to the SMC of 1.5 to 2.0 months salary. The SMC Director receives a stipend (termed an Administrative Supplement in UW parlance) from the SMC for his/her work in that role ($500 per month for 11 months of the year).

Research in the longer term was discussed. The SMC has a Strategic Plan, approved by the Policy Committee several years ago, however, deviation from it was necessitated by the recent economic down turn. Further, the SMC By-Laws have been updated several times over the period for which the Strategic Plan was operating, which has led to a few inconsistencies in the two documents. Revisiting the Strategic Plan at a future date will be pursued further.

The types of analyses currently desired by SMC members and where we might direct future research questions were discussed. The recommendation was that major effort should be spent analyzing / modeling data already contained in the SMC Database. Several SMC projects of this type are currently underway with results to be reported in the “SMC Working Paper” series. Other areas of analysis / research suggested were western hemlock and mixed stands. Developing a western hemlock Type I sunset protocol was also suggested.
The structure of the Technical Advisory Committees (TACs) in Modeling, Nutrition, Silviculture, and Wood Quality was briefly discussed. No great opposition to the current structure surfaced though it was pointed out that their function has changed over the years. In the past, the TAC membership included a significant number of people with disciplinary expertise within the agencies represented in the co-op, whereas now the expertise occurs mainly in the faculty at UW and other Universities. Thus, the TACs serve mainly to guide what types of analyses are needed. One suggestion arose to add a “Remote Sensing” TAC.

Collaborations with other regional cooperatives were summarily discussed. Several potentially fruitful collaborations were suggested: Vegetation Management Research Co-op, Precision Forestry Co-op, Intermountain Forestry Co-op, and the PNW research group (Connie Harrington, etc.). Turnblom mentioned he recently collaborated with Harrington on a proposal to the Northwest Climate Science Group to investigate how and where a silvicultural thinning might be used to ameliorate the effects of drought. SMC is also collaborating with the Forest Management Research Co-op (Virginia Tech) and the Cooperative Forestry Research Unit (U Maine) on a NSF/CAFS Fundamental Research Project examining the underlying drivers of inter-tree competition, specifically the spatial, micro-site, and climatic effects. Ongoing collaboration exists, of course, between SMC and the Northwest Tree Improvement Co-op (NTIC) through the SMC Type IV / NTIC Genetic Gain trials in Douglas-fir and now the western hemlock 2nd generation gain trials just getting underway and also between SMC and the Center for Intensive Planted-forest Silviculture (CIPS). It was noted that Turnblom and Harrison receive very few request from the other coops for collaborative research, it was suggested SMC members could encourage suggest more joint research when attending their meetings.

Turnblom’s proposal to modify the SMC Annual Meeting format presented at the last Spring Meeting in Portland, OR this year was discussed at length. A motion was forwarded and seconded to modify the format of the meetings as per the attached outline (attachment 1), distributed via email to all Policy Committee Members. Of the nine members present, the vote was unanimously in favor. Votes from members not present will be solicited electronically in order to achieve a quorum of members.

The SMC budget was discussed next. The 2016 year-end projection was reviewed, ending up largely where it was expected (attachment 2). The 2017 financial outlook was reviewed next (attachment 3). One key point emerging from the discussion was that without Plum Creek dues (merged with Weyerhaeuser) and with the reduced acreage in BLM managed forestlands due to the signing of the new Resource Management Plan on 8 August 2016 (effectively reducing BLM dues by about $58,000), one or more of the new SMC projects (w. hemlock gains trial, Type I sunset project, Late-rotation Fertilization project) may be delayed or compromised.

Meeting adjourned at noon.

The next Policy Advisory teleconference meeting will be September 2nd starting at 1:00; we will further discuss the September 22nd fall meeting agenda, budget and revisit the dues structure. We encourage those of you with prior commitments to share your views and/or concerns with either Policy Chair Candace Cahill, 360-538-4565, Candace.Cahill@rayonier.com or Vice Chair Garret Waugh, 360-790-1349, gwaugh@portblakely.com.

Teleconference meeting info:
Participant Passcode: 117548
Dial-in numbers
USA: (9)-206-315-1785
USA /Canada (toll free): 1-800-379-6841
SMC Policy Advisory Teleconference Meeting
September 2, 2016 1:00 pm

Present
Organization                                      Representative(s)
American Forest Management, Inc.              Jesse Saunders
BC Ministry of Forests                             Louise de Montigny
Bureau of Land Management                        George McFadden
Campbell Global, LLC                               Dave Hamlin
Cascade Timber Consulting                       John Jayne
Hampton Resources, Inc.                           Mark Vroman
Lone Rock Timber Co.                             Chris Sexton, Tim Drake
Olympic Resource Management                      Ryan Schlecht
Oregon Department of Forestry                     Tod Haren
Port Blakely Tree Farms                          Gareth Waugh (Policy Vice-chair)
Rayonier Forest Resources                        Candace Cahill (Policy Chair), Kirk McEachern
Roseburg Resources                                Tony Powell
Stimson Lumber Co.                                Margaret Banks
TimberWest Forest Corporation                     Shawn McLennan
University of Washington                         Eric Turnblom (Acting SMC Director), Megan O’Shea, Jason Cross

Absent
Organization                                      Representative(s)
Green Crow                                        Jenny Knoth
Green Diamond Resource Co.                        Eric Schallon
Hancock Forest Management                        Burt Dial
Lewis & Clark Tree Farms                          Kathryn Olson
Pacific Denkmann Co.                              Allen Staringer
Washington DNR                                     Scott McLeod
Weyerhaeuser Company                              Eric Sucre

Agenda
1. Call to order
2. 2017 financial outlook
3. Dues structure (possible refinements: cap, base, per acre, how "mgt. co.'s" report acres)
4. Fall Meeting Agenda
5. Adjourn

Acting SMC Director Eric Turnblom welcomed SMC Policy Committee representatives via conference call then provided an overview of Table 1. 2017 Financial Support - Formula Dues, pointing out 2016’s carryover will be approximately $152,000. However, in Table 2: 2017 Income and Expenses, 2017’s year-end projection shows a net income loss of ($33,068). The negative year-end projection is in part from Plum Creek’s acquisition, BLM’s decline in managed acres, (80K less in dues) and costs associated with SMC’s new projects (w. hemlock gains trial, Type I sunset project, Late-rotation Fertilization project).

Suggestions for increasing 2016’s carryover included 1) reducing the Type I sunset project’s increment core sampling down from 2 to 1 at breast height, 2) processing samples at a reduced rate at the University of Georgia’s Measurement and Density Lab, 3) with no DF or Hemlock plots scheduled for harvesting in 2017, reserve funds allotted for the Type I Sunsetting Project and 3) dues increase. Turnblom brought up the need
to revisit the dues structure, pointing out when SMC’s By-laws, (in detail, Article VI: Fees & Continuing Membership), were formed we had vertical integrated membership, but now with the transformation to TIMO’s and REIT’s assessing dues based exclusively on acreage becomes more convoluted. Under the current dues structure, small land owners (less than 100,000 acres) costs per acre works out to $0.1899, whereas it works out to $0.0707 per acre for large land owners (more than 100,000 acres). Although members agreed the budget needs to keep pace with inflation they felt it was premature to raise dues indicating instead the necessity to evaluate the susnsetting data first and then review the budget. Candace Cahill made a motion to keep the dues at the present level and to continue the dues dialogue as well as reviewing available plots for sunsetting in 2018 at September 22nd fall meeting. Motioned second and approved, 12/yes, 0/no and 2/abstaining.

Members were tasked with forming a committee to examine the current dues structure; those agreeing to serve on the committee include Tod Haren with ODF, Gareth Waugh (Policy Vice-chair) with Port Blakely Tree Farms, George McFadden with BLM and Margaret Banks with Stimson Lumber Co. A call for additional members will take place during the fall meeting.

Members asked about reworking the MOA yearly submission process, finding the current system too time consuming. Megan O’Shea will contact UW’s Grants and Contract and get back to members.

Fall agenda approved.

Meeting adjourned at 2:30.
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<td>100%</td>
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In-Kind and External Funds (not included in total)

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<td>USFS PNW Research Station</td>
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### TABLE 2. 2017 INCOME and EXPENSES

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<th>EXPENSES</th>
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<td>Salaries</td>
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<td>Indirect 8%</td>
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<td>2017 Ending Balance</td>
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<tr>
<td>Total Funds Available</td>
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Budget Summary
## SMC Budget for 2017: Dues & Other Payments

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<th>Organization</th>
<th>Acreage Updated 2017</th>
<th>2017 Acres</th>
<th>2016 Formula Dues</th>
<th>2017 Formula Net</th>
<th>Contract</th>
<th>Other SMC</th>
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<td>$ 40,974</td>
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<td>$ 40,974</td>
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<tr>
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<td>$ 79,514</td>
<td>$ 79,514</td>
</tr>
<tr>
<td>TOTAL</td>
<td>.</td>
<td>7,729,583</td>
<td>$ 566,595</td>
<td>$ 566,595</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 566,595</td>
<td>$ 566,595</td>
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<tr>
<td>Industry 17</td>
<td>.</td>
<td>53,83,411</td>
<td>$ 420,523</td>
<td>$ 420,523</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 420,523</td>
<td>$ 420,523</td>
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<tr>
<td>Government 4</td>
<td>.</td>
<td>20,98,039</td>
<td>$ 129,585</td>
<td>$ 129,585</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>$ 129,585</td>
<td>$ 129,585</td>
</tr>
</tbody>
</table>

### The 2016 rates are:
- If <100,000 acres $6751
- If >100,000 acres $13,501
- and $0.039242/acre
## CURRENT DUES STRUCTURE

<table>
<thead>
<tr>
<th>Base</th>
<th>Acreage</th>
<th>Total</th>
<th>Cost per acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>$20,253</td>
<td>$5,083</td>
<td>$25,336 $0.1956</td>
</tr>
<tr>
<td>Big</td>
<td>$243,018</td>
<td>$298,241</td>
<td>$541,259 $0.0712</td>
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<tr>
<td>Total</td>
<td>$263,271</td>
<td>$303,324</td>
<td>$566,595 $0.039242</td>
</tr>
</tbody>
</table>

**Base is $6,751 / $13,501 by small/big**

### 1% INCREASE ON BASE RATE

<table>
<thead>
<tr>
<th>Base</th>
<th>Acreage</th>
<th>Total</th>
<th>Cost per acre</th>
</tr>
</thead>
<tbody>
<tr>
<td>Small</td>
<td>$20,456</td>
<td>$5,083</td>
<td>$25,539 $0.1972</td>
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<tr>
<td>Big</td>
<td>$245,448</td>
<td>$298,241</td>
<td>$543,689 $0.0715</td>
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<td>Total</td>
<td>$265,904</td>
<td>$303,324</td>
<td>$569,228 $0.074</td>
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### 1% INCREASE ON ACREAGE:

<table>
<thead>
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<th>Base</th>
<th>Acreage</th>
<th>Total</th>
<th>Cost per acre</th>
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</thead>
<tbody>
<tr>
<td>Small</td>
<td>$20,253</td>
<td>$5,134</td>
<td>$25,387 $0.1960</td>
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<tr>
<td>Big</td>
<td>$243,018</td>
<td>$301,223</td>
<td>$544,241 $0.0716</td>
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<td>Total</td>
<td>$263,271</td>
<td>$306,358</td>
<td>$569,629 $0.074</td>
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### MARGINAL INCREASE

<table>
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<th>Acreage</th>
<th>Total</th>
<th>Cost per acre</th>
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</thead>
<tbody>
<tr>
<td>Small</td>
<td>$203</td>
<td>$5,134</td>
<td>$25,875 $0.1960</td>
</tr>
<tr>
<td>Big</td>
<td>$2,430</td>
<td>$301,223</td>
<td>$549,651 $0.0716</td>
</tr>
<tr>
<td>Total</td>
<td>$2,633</td>
<td>$306,358</td>
<td>$572,010 $0.074</td>
</tr>
</tbody>
</table>

**Cost per acre**

- Small: $0.0341
- Big: $0.0392
- Total: $0.074

**Marginal Increases**

- Small: $0.0016
- Big: $0.0003
- Total: $0.0004
<table>
<thead>
<tr>
<th>Organization</th>
<th>2017 acres</th>
<th>s/b</th>
<th>base rate</th>
<th>acreage rate</th>
<th>total</th>
<th>1% base</th>
<th>1% acreage</th>
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</thead>
<tbody>
<tr>
<td>American Forest Mgt.</td>
<td>125,420 b</td>
<td>$</td>
<td>13,501 $</td>
<td>4,922 $</td>
<td>18,423</td>
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<td>$4,971</td>
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<tr>
<td>Bureau of Land Management</td>
<td>496,598 b</td>
<td>$</td>
<td>13,501 $</td>
<td>19,566 $</td>
<td>33,067</td>
<td>$13,636 $</td>
<td>$19,762</td>
</tr>
<tr>
<td>Campbell Global</td>
<td>286,539 b</td>
<td>$</td>
<td>13,501 $</td>
<td>11,244 $</td>
<td>24,745</td>
<td>$13,636 $</td>
<td>$11,357</td>
</tr>
<tr>
<td>Cascade Timber Consulting</td>
<td>144,000 b</td>
<td>$</td>
<td>13,501 $</td>
<td>5,651 $</td>
<td>19,152</td>
<td>$13,636 $</td>
<td>$5,707</td>
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<tr>
<td>Green Crow</td>
<td>48,780 s</td>
<td>$</td>
<td>6,751 $</td>
<td>1,914 $</td>
<td>8,665</td>
<td>$6,819 $</td>
<td>$1,933</td>
</tr>
<tr>
<td>Green Diamond Resource</td>
<td>299,000 b</td>
<td>$</td>
<td>13,501 $</td>
<td>11,733 $</td>
<td>25,234</td>
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<td>$11,851</td>
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<tr>
<td>Hampton Affiliates</td>
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<td>4,317 $</td>
<td>17,818</td>
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<td>Hancock Forest Management</td>
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<td>Lewis &amp; Clark Tree Farms</td>
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<td>5,800 $</td>
<td>19,301</td>
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<tr>
<td>Lone Rock Timber</td>
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<td>13,501 $</td>
<td>5,079 $</td>
<td>18,580</td>
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<td>$5,130</td>
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<tr>
<td>ORM Inc</td>
<td>188,322 b</td>
<td>$</td>
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<td>7,390 $</td>
<td>20,891</td>
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<td>Oregon Dept. Forestry</td>
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<td>41,099</td>
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<tr>
<td>Pacific Denkman</td>
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<td>6,751 $</td>
<td>589 $</td>
<td>7,340</td>
<td>$6,819 $</td>
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</tr>
<tr>
<td>Port Blakely Tree Farms</td>
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<tr>
<td>Quinault DNR</td>
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<td>Rayonier Forest Resources</td>
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<td>Roseburg Res.</td>
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<td>Stimson Lumber</td>
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<td>TimberWest-Coast Timberlands</td>
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<td>79,514</td>
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<td>$66,673</td>
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<tr>
<td>TOTAL</td>
<td>7,729,583</td>
<td>$</td>
<td>263,271 $</td>
<td>303,324 $</td>
<td>566,595</td>
<td>$265,904</td>
<td>$306,358</td>
</tr>
</tbody>
</table>