

**ENVIRONMENTAL ADVISORY COUNCIL**  
**Lansing, Michigan**  
**Thursday, May 20, 2010, 1:00 – 4:00 p.m.**

Environmental Advisory Council (EAC) members in attendance: Jon Allan, Chuck Hersey, Brad Garmon, Jeff Haynes, Brian Kandler, Larry Merritt, Pat Norris, Del Rector, Richard Rediske, David Rinard, Rhonda Ross, Gildo Tori and Paul Zuger.

Department of Natural Resources and Environment (DNRE) staff in attendance: Rebecca Humphries, Frank Ruswick, Julie Sims, JoAnn Merrick, Bill Creal, Ron Olson, Gary Hagler, Lynne Boyd, Hal Fitch, Bryce Feighner, Liane Shekter-Smith, Jim Sygo, Bob Wagner, Jerry Avery, Emily Finnell, and Stacy Welling.

**OPENING**

EAC Members and DNRE staff introduced themselves.

Director Humphries provided several updates. First, management is developing a summary on process engineering and will finalize and share with members soon. The recent oil and gas lease sale generated \$178 million in revenue with 36 percent going into the game and fish trust fund this year. This will likely cap the Michigan Natural Resources Trust Fund later this year by reaching \$500 million. All future revenue from oil and gas leases and royalties will go into the park endowment fund. The sale produced the largest revenue since the state began mineral leasing in 1929.

Lynne Boyd provided an update on the major fires occurring in the Grayling area. The Meridian Line fire is about 65 percent contained and has burned 8700 acres near M-72 and M-18. Most was on United States (U.S.) Forest Service and DNRE lands. There was a second fire at Camp Grayling that burned 1,100 acres but is now contained.

A member asked for an Asian Carp update. Bill Creal stated that no new court action has been filed since the U.S. Supreme Court rejected Michigan's suit. The U.S. Army Corps of Engineers is continuing to prepare plans to address the situation. The DNRE is evaluating what we should do next. Director Humphries added that we are analyzing whether we should file in another court, since the U.S. Supreme Court will not take it up, but we are also looking at all remedies.

A member shared his constituents' concerns about hydraulic fracturing and the surface storage of wastewater associated with gas development. Hal Fitch explained what we currently have in place and how we monitor tank storage.

A member asked if there was an update on the Part 201. Frank indicated a small workgroup is continuing to negotiate possible amendments, mostly proposed by the regulated community. The DNRE is happy with progress made to date, although several difficult issues remain. The Senate Natural Resources and Environment Committee intends to finish testimony and report the bills on May 26, 2010. The primary focus is to facilitate self-implemented remedies.

## **OUTCOME MANAGEMENT IN THE PRIVATE SECTOR**

Larry Merritt presented how Ford Motor Company applies outcome measures. Larry provided background on what Ford does now on a weekly basis in terms of how they manage. The Chief Executive Officer (CEO) is new to the auto industry and has brought a new management style. Ford has different groups within the company working on different things. Previously, the company never saw everything at once. Now, all key players sit in the same room every week and run through each senior manager's key issues including identifying who needs help. All issues are now known at once. The goal is for everyone to reveal their problems so that they can be addressed.

Every aspect of Ford is presented in a slide show. Each week things are added or removed on each show based on where things currently stand. Larry showed an example of the slides. Each area identifies what will be discussed each week. Not everything is covered weekly. There is an organizational chart with pictures rather than charts with names only. There is a business environmental slide with highlights of what happens that week. It allows leadership to know what is happening all over the world and for everyone to be on the same page.

The environmental strategic direction slide captures things holistically and with high-level direction. The strategy identifies where Ford wants to go. It captures targets and measurables.

The environmental plan slide is the business plan. There are metrics, regions of the world, and identifies project and program status in red, yellow or green. This keeps everyone aligned and discloses issues that need to be addressed. A member asked Larry to explain the various regions. Larry explained that his office works with regional offices and identifies targets. Meetings with manufacturing, public affairs, and other entities are conducted to obtain input, and then the business plan is set. There are occasional midstream adjustments. A member asked how differences in regulatory requirements throughout the world area addressed. Larry explained that regulations can differ around the world and the business plan captures that and can show different outcome measures depending on region of the world.

The environmental compliance slide identifies compliance issues for each region by month.

The environmental compliance action plan slide identifies the area of focus, outcome and status of both. It uses red, yellow, and green color coding to identify where things currently stand. Everyone becomes aware of issues from all regions.

Larry provided an example how Ford worked with the Louisville metropolitan sewer district and municipality to address a compliance issue with the permit. This demonstrates what can be accomplished when key players are brought to the table.

A member asked about the logistics. Larry indicated that the high-level business plan review includes senior leaders of all areas. Many participate via the Web. If the senior leader does not participate, the next in line does. You come prepared. You do not leave the meeting needing to ask questions and come back. You bring notes to be able to answer the questions. Slides are reviewed before hand with staff so senior leaders come prepared. A member asked if anyone in company could view these slides. Larry indicated slides are available to higher management. This is a clear way of getting alignment. If someone doesn't agree then debate needs to occur.

A member asked how to get people to pay attention to other areas of business. Larry clarified that people asked questions to keep others on their toes. It is all about the management style.

A member asked how Ford broke through the silos to help each other out. Larry explained how these slides force each other to work together so no one is blind-sided. It opened up communication among the regions, which helps break down the silos. Everyone has a seat at the table and can hear it at the same time.

A member asked how many different management teams report. Larry indicated 12 and gave a few examples of legal, environmental, safety, and manufacturing. Each area has about ten minutes to go through their changes for the week. The meetings last a couple of hours each week.

A member asked about identifying the problem areas (indicated in red) on slides. Larry explained it took awhile to have senior leaders feel comfortable with identifying red for a current status but now they acknowledge it is important to address when they are. Often talking about it to other senior leaders can help them get out of the red.

A member asked about trying new technologies. Larry clarified they are identified as pilots – being out of compliance is a different scenario when those objectives are regulatory-driven. Pilots are externally-driven. It is a big issue complying with the law; the business plan includes non-direct compliance issues.

A member asked about the red slides. Larry indicated there is already a plan in place to address it, but other senior leaders add to possible alternatives. Senior leaders need to come to meeting with a plan for red slide issues.

A member asked about the perspective of having weekly meetings. Does staff think these are too frequent? Larry explained that the prep work involved is identifying what has changed since last week.

Larry stated that the achievement of the plan makes this a success. Everything should be green and on track with the plan. If you are not there at the end of the year, why? Did we try everything to comply? Did some external event prevent us from doing so? It is the unforeseen issues, which are items out of Ford's control, which prevent us from achieving the goals.

In addition to these weekly senior leader meetings, there are sub-unit meetings occurring and the CEO occasionally attends these too.

A member asked how Ford works with its suppliers. Larry gave an example how they asked their top 50 suppliers to provide them with their manufacturing data and Ford would do the same. This gets the suppliers prepared and Ford will have an idea to what prepare for.

## **CITIZEN ADVISORY COUNCILS**

Frank provided information about how the transition plan creates Citizen Advisory Councils (CACs) on a statewide basis. A group of DNRE managers and staff is meeting next week to begin developing recommendations of what these CACs should look like.

Stacy Welling provided an overview of what the Upper Peninsular (UP) has done.

Stacy explained how the Eastern and Western UP CACs were formed. A lot of factors went into creating the CACs. In 2008, a charter was developed by the department, interested individuals submitted applications for membership on the CAC, and members were chosen by a mix of DNR staff and members of the public. The CACs then developed their own by-laws.

There are 18 members for the Eastern UP with 2 vacancies. There are two- and four-year staggered terms. Council members are all volunteers. Information on previous meetings can be found on the department's Web site.

Stacy further explained that council members facilitate the meeting and set the agenda with DNRE staff. There is a pre-meeting beforehand to cover the issues. The CACs are making a significant difference with the public and are still learning and finding ways to improve.

Stacy provided an example of the last meeting and while these typically last about two hours, this one went well over three hours. The CACs typically meet six times each year. There is an interest in people wanting to know and learn more.

The CACs play an advisory role in DNRE operations. They assist staff in identifying public interest and increase responsiveness and effectiveness. Members of the CACs become very familiar with DNRE issues and can often answer questions raised by the public.

Stacy explained how outreach is occurring. Each CAC has approximately 20 members that represent organizations. Information is brought back to their organizations and distributed to the public. In addition, there are public attendees, media, legislators, etc.

Stacy provided an example where an ORV group came to discuss signage issues. That helped us identify where additional signs were needed. A couple of members from the ORV group are now on the ORV signage committee.

A member asked if council members can raise any issue. Stacy explained that DNRE staff meets with them prior to the meeting to go over the agenda and discuss what is in the purview of the CAC.

A member asked how we think the dynamic will change by incorporating the environmental side of the DNRE. Stacy explained how an air quality open burning issue was raised at the last meeting. She anticipates the number of issues before the CACs will grow now that the responsibilities of the DNRE have expanded.

A member asked if CACs will be established in urban areas. Stacy explained that each region will be different.

Stacy gave an example of how council members were sometimes negative toward the department, but have now come to play a critical role in supporting and explaining DNRE activities.

A member suggested training for the council members. It will be important to offer information on how to facilitate an effective meeting, the role of the CAC in department operations, and other key topics.

## **BIODIVERSITY STEWARDSHIP AREAS**

Frank explained how the Biodiversity Conservation Planning Process (BCPP) presentation and discussion fits into the concept of outcome-based management. The BCPP is a great example of real work outcome-based management the DNRE is doing right now. He introduced Lynne Boyd who will be presenting on this topic.

Lynne explained the various groups involved in this process. A member asked about the definition of key terms, like “biodiversity” and whether they were agreed upon in the implementation stage. Lynn provided some examples of how these concepts are developed and agreed upon in practice.

Lynne described the history of the program. It began with the Biological Diversity Conservation act of 1992. The director at that time made a decision to begin ecosystem management. Then there was an addendum to the statewide forest resource plan in December 1994, which advanced the concept.

In 2002, the department put together a Public Advisory Team (PAT). It turned the process over to this group who would provide us with a series of recommendations on how to move forward.

In 2004, two paper companies indicated they would only purchase products from state forests if the forests were certified as sustainably managed. Ensuring biodiversity is an important part of forest certification, which then put increased importance on this effort.

Lynne provided examples of biodiversity areas and shared how it was not easy to involve the public. A member asked where “old growth” is. Lynn explained that this depends on how one defines “old growth”: if it is limited to only pre-settlement forests, then there are only a few spots.

In 2005, we began the BCPP. Lynn explained how various teams were put together. The first review was done by the Core Design Teams and took 16 weeks to accomplish. Then the next layer was the DNRE Eco Team, followed by DNRE teams such as the statewide biodiversity team, management teams, and statewide council. There will be public meetings held for public review sometime this summer. The director will be the final decision-maker. There are four regions: three are working on it now and the last one is waiting to see how the others unfold. Lynn explained how the department learned through the process when additional guidance to staff and the public was necessary.

The DNRE has developed general principles of management for biodiversity stewardship areas. One of these relates to how to determine if a given use or management practice is allowable. It will often depend on comparing the size of the area affected, the magnitude of impact, and the time and costs associated with reversing its effect.

Lynn explained that the purpose behind designation is to find the best of the best examples of biodiversity. In terms of what this means in practice, Lynne gave an example by showing a map that an biodiversity stewardship area that, identified trails, state land, private land, and oil and gas activity, and how that related to the size and shape of the proposed designated area

A member asked if there was a plan to include aquatic biodiversity. Lynn explained the statute does not exclude aquatic.

## **CLOSING**

Jeff Haynes shared that the Environmental Law Section of the State Bar of Michigan will be placing a monument in the Pigeon River Country State Forest to recognize the legal milestone of the Pigeon River case in the 1970's. This will be the first monument for a legal milestone placed by the Environmental Law Section.

Frank indicated that Julie Sims, who has been working with the EAC behind the scenes and with the EAC Planning Committee for about 18 months, is leaving the DNRE. Julie accepted a position as the Great Lakes Habitat Restoration Coordinator with the National Oceanic and Atmospheric Administration. He thanked Julie for the support she has provided.

Frank reminded members that the June EAC meeting will be for full day at the Ralph A. MacMullan Conference Center on Higgins Lake. He said this will be an important work session for the EAC and highly encouraged members and senior DNRE managers to attend.