

Forest Trust Land Advisory Committee

Oregon Department of Forestry Salem, Oregon

Minutes April 3, 2009

Pursuant to notice made by press release to newspapers of general and local circulation throughout the state and distributed to persons on the mailing list of the committee and the members of the committee, a regular meeting of the Forest Trust Land Advisory Committee (FTLAC) was held at the Department of Forestry in Salem, Oregon.

Present Committee Members

Tim Josi, Tillamook County Commissioner, Chair; Patricia Roberts, Clatsop County Commissioner; Anthony Hyde, Columbia County Commissioner; Faye Stewart, Lane County Commissioner; Susan Morgan, Douglas County Commissioner; Mike Propes, Polk County Commissioner; Chuck Hurliman, Tillamook County Commissioner; Nancy Hirsch, Chief State Forests Division, Oregon Department of Forestry

Absent Committee Members

Earl Fisher, Columbia County Commissioner

Present Department Staff

Clark Seely, Associate State Forester; Mike Cafferata, Deputy Chief, State Forests Division; Dan Postrel, Program Director Agency Affairs; Mike Bordelon, NWOA Director; Doug Decker, NWOA; Andy White, NWOA; Jeff Brandt, State Forests Program; Greg Cline, North Cascade District; Rob Nall, State Forests Program; Rosemary Mannix, State Forests Program; Barabara Lee, State Forests Program; Mary Schmelz, Agency Affairs; Dan Goody, Forest Grove; Liz Dent, State Forests Program; Ron Zilli, Astoria District

Present Others

Gil Ridell, Association of Oregon Counties; Chris Jarmer, Oregon Forest Industries Council

Opening Remarks

Anthony Hyde motioned to approve the February 27, 2009 meeting minutes. Patricia Roberts seconded the motion. Minutes approved.

Tim Josi

Legislative Update – Status of bills introduced related to State Forests

Rosemary Mannix

- SB 2363: Changes the composition of the Board of Forestry
- SB 417: Provides opportunity for the public to appeal timber sales.
- HB 3287: Modifies Greatest Permanent Value (GPV) language so that timber would be the primary purpose of lands.
- SB 870: Provides opportunity for counties to acquire state forestland.
- HB 3286: Proposes language that would prevent below cost timber sales.
- HB3249: Provides language that would allow Board to designate natural resource conservation areas.
- HB3220: Encourages expeditious harvesting of downed wood.
- HB 3072: Change GPV language to reflect primarily timber production.

- SB 790: Proposes that State Forest land be managed to Forest Practices Act (FPA) standards.
- SB791: Proposes harvest of areas with moderate to high Swiss Needle Cast (SNC).
- HB 2216: Changes language related to Board authority on land acquisition and bonding.

Tim Josi responded with his perspective on each bill:

- SB 2363: There's no guarantee that this would give the counties higher timber production. Have not been aggressive with this bill.
- SB 417: Appeals timber sales. This is a "green" bill.
- HB 3287: GPV bill. Introduced at Tim Josi's request.
- SB 870: County buyback: the counties' bill.
- HB 3286: Below cost sales: Doesn't think it's going anywhere. It's a tough fence to walk on; making sure mills stay open considering the economy, yet not selling timber at below cost. This bill isn't practical.
- HB3249: Portland liberal bill.
- HB3220: Salvage harvesting is already happening so this bill isn't getting much discussion.
- HB 3072: The other GPV bill.
- SB 790: Doesn't think it will get a hearing.
- SB791: SNC harvest is already happening.
- HB 2216: Tim Josi and Paul Levesque had pointed out some issues with this bill. The general sentiment of the House is that the Trust counties are being underserved; purchasing more land in one county would result in under-serving other counties.

April Board of Forestry Agenda – Review and Discuss

Social Values: April 23 – 24, 2009 Board topic

Nancy Hirsch

A panel of speakers will discuss useful measures for tracking the social values and contributions of forests. This is a result of the adoption of Performance Measures (PM's) that cross over environmental, economic, and social values. The social metric has not been fleshed out; this panel will be a beginning. The Board plans to tour a recreation area, a thinning area, and an education center.

The three social PM's are Education, Recreational and Revenue, and the effect they have on the local economy/community. The FTLAC mentioned that job creation would be a social value. There are metrics for job creation.

Staff goals and reports for April 23 – 24 Board

Mike Cafferata

Mike Cafferata distributed three staff reports that will be presented at the Board meeting. All three reports focus on "Improving the Northwest Forest Management Plan to achieve desired outcomes".

Species of concern: ODF&W will give an overview of listing and trends for 1) T&E species, 2) Species specific to North Coast, and 3) the status of other species. Data integrity for each species' study will be taken into consideration.

Tim wanted FTLAC members to understand the state's legal requirements regarding endangered species. He read from a document he created, "State Forest Primer". He said the state has no greater duty than other non-federal entities in protecting endangered species. He cited the Attorney General's statement that, as a legal matter, the more the management of county lands deviates from producing maximum harvest returns, the more likely Board statutory requirements to counties are breached. The Board is considering aquatic and terrestrial habitat regarding salmonids, which could further limit

harvests. DEQ and ODF&W looked at the FPA and concluded that it was doing its job. OWEB did a viability study of Coho salmon, which stated that conditions in the forests are fine. ODF counts fry/smolt when they leave tributaries, and the numbers are healthy.

Mike Cafferata said there's been a lot of work done, i.e., the Oregon Conservation Strategy, Coho conservation plans; the Board should get a lot out of this species of concern topic. Tim said this study gives perspective, but the Board has a history of delaying decisions by spending too much time considering studies. The counties aren't trying to maximize harvest with the FPA; but they don't want to see forests shut down.

Clatsop and Tillamook State Forests Management Scenarios

The Board had asked ODF to provide additional scenarios, such as a PM target for timber value rather than environmental value (20% complex in 20 years), and improved modeling scenarios with wood emphasis. In the April 24 staff report to the Board, there's a table of Harvest Volume, by district, which compares model runs. Chris Jarmer was asked how he felt about the volume numbers; he said you can always argue about the projections, but these numbers are believable.

There are still some issues with the Tillamook forest inventory, but many have been addressed.

Species of Concern Strategies

At the Board's request, as part of the PM work, thirty strategies that would replace the Habitat Conservation Plan have been proposed. Mike talked about Aquatic Anchor Watersheds and Terrestrial Anchor Sites in more detail.

Aquatic Anchor Watersheds

Salmon Anchor Habitat areas (SAH's) will sunset in 2011-13. To maintain these important landscapes for salmon, SAH's would evolve into Aquatic Anchor Watersheds (AAW's). As part of the landscape goal to keep forests 40-60% complex, complex habitat within AAW's would be targeted. Chuck Hurliman asked what kind of restrictions to expect in AAW's. Mike said these areas would take up a large percentage of complex structure across the landscape.

Tim commented that it has never been proven that SAH's were necessary. We're replacing SAH's with something that's not as onerous but still could be called SAH's.

Nancy Hirsch mentioned that the proposal to use AAW's is a result of the Board's request and part of their decision space. Mike Bordelon added that from a practical perspective the new approach doesn't use harvest cap restrictions, which promotes achieving the desired structure. It gives more flexibility to accomplishing harvest levels.

Patricia Roberts was concerned that these areas may become "set asides". Mike Cafferata said that ODF is trying to allow for the flexibility to move complex habitat around. AAW's movement would occur over longer periods of time. The name change to "Aquatic" rather than "Salmon" includes other aquatic/riparian species, so will more broadly benefit riparian areas. Also, the wider stream buffers will result in only a small volume change because many of these areas have restricted harvest or are on steep ground.

Terrestrial Anchor Habitats:

This proposal would replace Owl Cluster Strategies. It's shorter term, but would focus on key areas. Clusters were placed around owls, whereas anchor habitats would be disbursed across the forest in

3000-5000 acre blocks overlapping current complex forest habitat. If the Board wants ODF to continue with this proposal, ODF will build Terrestrial Anchor Habitats into the models, which will project costs and benefits. At the April Board meeting, ODF will recommend that the Board approve the PM scenario of 20% complex in 20 years as the management approach for further analysis. ODF will also ask that the Board recommend the draft species of concern strategies as part of that analysis, and then direct ODF to provide a background paper that explains the effect on species of concern with these management scenarios.

Public Comments

No Public Comments

Update on Implementation Plan revision Process

Andy White

There are two primary reasons for revising the Implementation Plans (IP's): 1) Need to align IP's with new PM's from the Board; 2) Integrating new information into IP's.

The model solution review is complete for all districts. A draft landscape design is finished. Updates to the Land Management Classification System reflect land exchanges and new information on T&E species. Draft IP's are available on the Web. The IP's approval process is in a 45 day Public Comment period, which will end May 13, 2009. The goal is to have IP'S finalized by June 30, 2009.

Andy shared Model Solution Review outputs volumes:

- Astoria: 61 million
- Forest Grove: 58 million
- Tillamook: 47 million.
- Districts combined: 166 million.

The numbers are lower than current operating volume due to the better inventory, updated yield tables, and constraints built into the model that better reflect the reality of what can be accomplished.

Review 2010 Annual Operation Plans

Rob Nall

Rob Nall distributed a summary of the 2010 Annual Operations Plan (AOP's), summarizing key points of 2010 AOP's compared to 2009 AOP's. Public comments were coordinated with the public comment period for IP's. The key points were:

- The statewide planned harvest is 256 mmbf, statewide net value approximately 43 million
- North coast planned harvest is 1679 mmbf, net value approximately \$24 million.
- Differences in 2010 compared to 2009 are that estimated volume, revenue and value are down

Budget (Governor's Recommended Budget/Forest Development Fund)

FY10 and beyond

Nancy Hirsch, Clark Seely

State Forests revenue is declining, due to the decline in revenue drivers such as housing starts. ODF's current fiscal situation is projected to last at least 3-4 years. Board of Forestry lands revenue was projected to be \$57 million, but that has fallen to \$35-40 million.

Two 2009-2011 State Forests Policy Option Packages (POP's) were taken out of the Governor's Recommended Budget (GRB) because there wasn't revenue to support them. The Department's fiscal budget is moving back to the base level, focusing on minimal objectives such as harvest objectives and maintaining infrastructure. ODF is preparing a Policy Option Reduction Package. The GRB requests \$8.4 million be taken out the Forest Development Fund (FDF) in 2010, which would free up more money

for General Fund (GF). Loss of revenue and uncertainty around the FDF prompted planned budget reductions that are 60-65% less than past operating budgets (\$28 million in the past; \$19.5 million planned for 2010).

Reductions result in fewer educational programs, less research and monitoring and watershed restoration. Fire Protection will be impacted. About 1/3 of people fighting fire within Incident Management Teams and as overhead work in the State Forests Division.

Tim suggested working within local jurisdictions, such as training volunteers locally, to help mitigate the loss of staffing. Nancy said that historically, volunteers worked in recreation. ODF is exploring other revenue streams, for instance recreation passes. ODF is working on stimulus opportunities. Industry has historically helped fight fire. Employees who have been laid off may be used to work as Administratively Determined employees on fires.

Mike Propes said if Oregon had a catastrophic fire there wouldn't be enough people in the forest or the management structure to fight it. The public and legislators don't appear to be aware that infrastructure will be compromised.

Patricia Roberts expressed concern in the loss of fire emergency services, for public safety and the rural communities who depend on fire protection and cannot afford it. She noted that ODF has responded to other disasters, such as windstorms and flooding.

Clark Seely gave an overall budget update. GF revenues are still a major concern. Further decline is possible in the May forecast. That could mean a 30% decline in revenues for the next biennium. ODF has prepared a 30% reduction in response to that decline. The September and December forecasts will probably better project about how long this will last.

ODF is preparing reduction plans that are strategic in nature rather than across the board. Private Forests and Protection receive GF and therefore will incur cuts. The first 23% of the overall 30% reduction is coming out of the administration of the FPA. This will result in a corresponding reduction of harvest tax. The Oregon Plan for Salmon & Watershed couldn't be maintained under this plan. The regulatory side of the FPA would go away; laws would become best management rather than regulatory. Remaining staff would focus on compliance monitoring of significant violations and reforestation requirements. This would result in a loss of services to private landowners, who are similarly experiencing economic impacts at this time.

Closing Comments and Adjourn

None

Materials Presented: *List of potential State Forests bills, Species of Concern Status (April 24, 2009 Board staff report), Clatsop and Tillamook State Forests Management Scenarios (April 24, 2009 Board staff report), Species of Concerns Strategies (April 24, 2009 Board staff report), State Forest Primer dated 3/17/09, 2010 Annual Operations Plan Summary, ODF 2009-11 30% General Fund Reduction Plan Summary, Budget Impacts to State Forests Division March 2009*

Next Meeting: May 15, 2009, Oregon Department of Transportation, 455 Airport Road, Jefferson Room, Building B