

**Oregon Board of Forestry Work Plans
2016: State Forests**

Work Plan: **State Forests**
Work Plan: 2016 - 2017
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State Forests Board Work Plan Topics

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TOPIC: *Forest Management Plan Alternatives for NW State Forests*

Background

The dominant management plan for State Forests is the NW Forest Management Plan (FMP) that includes 650,000 acres, about 75 percent of the total State Forests’ land base and generates over 90 percent of the revenue from Board of Forestry lands. The original FMP was approved in January 2001 by the Board of Forestry as the first integrated resource management plan for the state with the goal of achieving Greatest Permanent Value (GPV). Analysis of the FMP outputs, at the time of approval, suggested a high level of timber harvest and a corresponding contribution to a diverse array of fish and wildlife habitats across the landscape. Once implemented, timber harvest levels and the corresponding revenues have fallen well short of expectations. It is now apparent that the Northwest FMP is not likely to meet revenue expectations, assuming that timber harvest continues to be the dominant revenue source.

The recession that began in 2008 drove housing starts to near-record lows, leading to severely depressed timber values, and substantial erosion of the Forest Development Fund (FDF), which

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serves both as savings account and operating fund for the division. Between 2007 and 2011, the FDF balance dropped by more than half and was projected to continue to decline, reaching critically low levels – less than six months of division operating funds – by 2013. The division took drastic measures in 2009 and 2010 through layoffs and other measures to reduce expenditures by 30 percent. These actions reduced investments in recreation, research and monitoring, forest inventory, and young-stand management and in turn the division's ability to deliver the sustainable benefits Oregonians expect and require today and into the future. As a result, the Board of Forestry revised the plan in 2010 with a performance measure to increase revenues by 5-15% and to remain financially viable.

In November of 2011, Governor Kitzhaber addressed the Board, articulating a range of social, environmental, and economic challenges for forestry in Oregon and posed five specific goals to the Board of Forestry. These were to develop and use performance measures, consider a land allocation approach, clarify conservation areas, use an adaptive management approach, and review State Forests' business model. The Board then directed the agency to evaluate alternative management plans that could meet Board-approved performance measures, ensure financial viability for State Forests and meet the Board's standards for GPV. The exploration of alternative management plans was to be informed by a rigorous external science review and transparent stakeholder processes.

In January of 2013, the Board received a financial viability report and established a Subcommittee to review and gain full understanding of the report. The report had several findings, one of which was to evaluate changes that could be made to the FMP to increase financial viability. In July 2013, the Board directed the division to evaluate alternative management plans that would achieve financial viability and increase conservation outcomes. The Board formed a Subcommittee which conducted their initial meeting in September 2013 and continues to work with the division on this topic.

Purpose

The purpose of this work plan topic include:

1. Explore and develop options for management approaches that will achieve financial viability and improve conservation outcomes for State Forests in NW Oregon.
2. Use a collaborative and transparent process with sound scientific basis to develop and analyze alternatives.

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Board Deliverables

1. Updated project work plan reflecting recent direction from the Board of Forestry to analyze four management options.
2. Assessment of model outputs on the degree to which the management approaches meet goals for achieving financial viability and improving conservation outcomes.
3. Science Review completed by independent contractor and results are shared with the Board of Forestry and Subcommittee in public meetings.
4. As directed by the Board, draft a plan for review by the Board.
5. With Board approval, initiate formal administrative rule process for a new Forest Management Plan.
6. Final approval of a new Forest Management Plan for NW State Forests follows the administrative rule public process.

Stakeholder/Public Involvement

1. Update stakeholders and listen to feedback through periodic meetings
2. Update and solicit input from the Forest Trust Land Advisory Committee (FTLAC)
3. Collaborate with the Technical Expert Review Group
4. Updates for the State Forest Advisory Committee (SFAC)
5. Periodic broad public processes.
6. Board, Subcommittee, and standing committees all hold public meetings.

Timeframe with Milestones

Updates will be provided at each Board of Forestry meeting through the year.

TOPIC: *Improved State Forests Business Practices*

Background

In an effort to assure long term financial viability of the State Forest Division, efforts have been underway for several years to identify key measures that would assist in accomplishing this task. Two prior workgroups evaluated ways to increase financial viability or reduce costs working within the framework of how the division currently does business. To date the focus has centered on a revision of the current NW State Forests FMP that improves financial viability and conservation outcomes. This topic focuses on improved business practices that can be implemented within the context of a current or revised FMP as well as a changed business model. A careful look at the underlying business practices of State Forests, including areas of

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overlap between divisions and programs, is likely the next step in addressing the financial viability of State Forests.

Purpose

Several improved practices are underway. The purpose of this topic is to update the board on the range of potential and prioritized business improvement practices as well as those that are underway.

Deliverables

1. Summary of practice improvements and benefits to sustainable management of State Forests.
2. This will primarily be review-only, unless a changed practice triggers a legislative concept or a program option package.

Timeframes and Milestone

1. Winter 2016: Summarize changes and characterize further changes being considered.

Stakeholder and Public Involvement

1. Update and solicit input from the Forest Trust Land Advisory Committee (FTLAC)
2. Updates for the State Forest Advisory Committee (SFAC)
3. Board of Forestry public meetings

TOPIC: *Recreation Rule Making: Review and approve recreation/rave rule revision and rule making.*

Background

Recreation Rules, codified in Division 25 Oregon Administrative Rules (OARs), were last updated in 1999. Since then, demands on recreation facilities have increased dramatically, as have the types of public recreation on State Forest lands. This has resulted in a need to examine Division 25 OARs and make changes to ensure the Department is able to protect resources and public safety.

The Department frequently has to address issues related to abandoned property, reservation of facilities without actual occupancy, littering, unsafe fires, traffic obstruction, unattended minors,

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and demand that greatly exceeds the sustainable use of resources. Revisions to Division 25 will provide staff with the necessary tools to effectively attend to these problems.

Costs associated with maintaining recreation facilities are increasing dramatically and the fees for using those facilities are well below market rates. Also, since fees have not changed since 1995, they have not kept pace with inflation. Changes to fee structure and potentially fee rates will allow the Department continue to provide this important social benefit while maintaining flexibility and equity.

Raves

Large, unpermitted, commercial social events, such as overnight rave parties draw hundreds of people and vehicles to remote forest areas, representing serious public safety, law enforcement, fire danger and resource damage concerns on State Forests. This is particularly true on the Clatsop and Tillamook State Forests. House Bill 2453 become law on January 1, 2016. At that point it became a Class A misdemeanor to host large, commercial events on State Forests without proper permitting.

Purpose

Revisions to Division 25 will provide State Forest's recreation staff with the necessary tools to effectively address issues related to abandoned property, reservation of facilities without actual occupancy, littering, unsafe fires, traffic obstruction, unattended minors, and demand that greatly exceeds the sustainable use of current resources.

House Bill 2453 directs the Department to adopt rules related to health and safety standards requirements for Rave events, and a fee schedule for processing permit applications and for monitoring and enforcement of permit requirements. The rules adopted under House Bill 2453 will supplement rules currently found in Division 25, and will allow the Department to establish clear requirements for these events if permitted on State Forest lands.

Deliverables

1. Draft rule language
2. Summary of recommendations from a "fees advisory committee"
3. Summary of public comment after the public comment
4. Final proposed rule language presented for Board approval

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Milestones

1. January 2016: Complete public hearings
2. March 2016: Board receives summary of public comment and is asked for final approval of rule language

Public Involvement

1. The division convened an advisory panel to provide feedback on the topic of fees
2. The division will host three public hearings
3. Update and solicit input from the Forest Trust Land Advisory Committee (FTLAC)
4. Updates for the State Forest Advisory Committee (SFAC)
5. Board of Forestry public meetings

TOPIC: *Spotted Owl Safe Harbor Agreement*

Background

The U.S. Fish and Wildlife Service (Service) listed the Northern Spotted owl as threatened in 1992. The Service developed and approved a Recovery Plan for the owl in 2008, and revised it in 2011. The plan determined that the three main threats to spotted owls are: competition from barred owls, past habitat loss, and current habitat loss. The plan outlines recovery actions related to these three main threats. Many of the recovery actions are related to activities on federal lands, some mention state and private lands. One of the Service's strategies to address the barred owl threat is *Recovery Action 29: "Design and Implement large scale control experiments to assess the effects of barred owl removal on spotted owl site occupancy, reproduction, and survival."*

To implement this recovery action, the Service is moving ahead with a research project on the effects of barred owl removal on spotted owls. This project has been many years in development, with a public process and an extensive Environmental Impact Statement (EIS) process. The general hypothesis is that once barred owls are removed from an area, spotted owls in the treatment area will do better than those in the control area.

There are two study areas in Oregon: Coast Range (near Veneta) and Klamath/Union/Myrtle (located near Glendale). Both study sites include a mix of federal, state, and private lands. The Coast Range site includes ODF Western Lane lands within the treatment area; the Union/Myrtle site includes ODF Southwest Oregon lands in the control area. One of the possible outcomes of barred owl removal is an increase in the number of northern spotted owl sites. Therefore, ODF

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State Forests Division is in discussion with the Service on our level of participation in the project, and on the possibility of a Safe Harbor Agreement - specifically for our Western Lane district. A Safe Harbor Agreement is a tool to protect the interests of the state, while participating in the project.

Purpose

ODF understands the value of further study of barred and spotted owl interactions, and wants to cooperate with the Service by allowing access onto ODF managed lands for barred owl removal. ODF also needs to maintain operational certainty in order to continue managing the Western Lane district to provide benefits to our stakeholders. The solution is a Safe Harbor Agreement, a tool made available through section 10 of the ESA.

Deliverables

Update on status of the Safe Harbor Agreement that protects the agency in exchange for allowing the USFWS access to ODF lands to remove barred owls.

Milestones

1. Agreement on the baseline of Northern Spotted Owl habitat on Western Lane district
2. Establish agreed upon protection measures and allowable activities that will be applied to the baseline and any additional owl sites that occur as a result of barred owl removal (i.e. “non-baseline” sites).
3. Draft agreement ready to enter the federal NEPA process.
4. ODF will not proceed with an agreement if we determine it is not in the best interests of the state.
5. The project timeline for these Oregon study sites is from 2015 to 2019.
6. After the research study is completed State Forests is free to return to the established baseline conditions, and will have an incidental take permit for a period of years to cover any activities associated with returning to the baseline.

Public Involvement

1. Communications with adjacent private landowners
2. Update and solicit input from the Forest Trust Land Advisory Committee (FTLAC)
3. Updates for the State Forest Advisory Committee (SFAC)
4. Board of Forestry public meetings

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TOPIC: Proposal to sell a portion of the Gilchrist State Forest to the Crescent Sanitary District

Background

The Crescent Sanitary District (CSD) is working with the Central Oregon Regional Solutions Team to gain approval for, finance, and construct a community wastewater treatment facility. The community of Crescent, Oregon needs a community sanitary wastewater treatment facility. Currently, all residents and businesses are solely dependent on individual septic systems. The Oregon Department of Environmental Quality (DEQ) confirms that nitrate groundwater contamination levels are out of compliance with Environmental Protection Agency standards. The community has a shallow groundwater table with rapidly draining soils and no barrier to fluid movement into the shallow groundwater. The DEQ also confirms that at certain times of the year, fecal contamination is detected in the groundwater. As a result the Little Deschutes River is being impacted by the failing septic systems. The DEQ concludes that combining and better treating wastewater in the community, at a location further from and at a higher elevation than the Little Deschutes River, will better protect public health and the river water quality. The community was platted long before the creation of land use and wastewater treatment laws that would have otherwise required sanitary wastewater infrastructure. Businesses in Crescent along Highway 97 would like to expand. Several such proposals have been denied permits by both Klamath County and the DEQ because of the nitrate issues and inadequate size of existing platted lots. Economic development and residential development will continue to be stifled without a community sewer system.

Several sites have been analyzed as potential locations for a sanitary wastewater treatment facility for the Crescent community. The available sites are highly limited for a number of reasons. Potential sites are in close proximity to the Little Deschutes River and residential areas. The potential sites also have an up-sloping topography increasing the expense of a treatment facility and are not suitably sized tracts of undeveloped land. Finally, Crescent is surrounded on three sides by the Gilchrist State Forest and bounded by Highway 97 on the fourth side. The CSD is planning to construct a gravity feed system, so the site needs to be close in elevation to the lowest area of Crescent.

Purpose

When the site search had been exhausted, the CSD and Central Oregon Regional Solutions Team approached ODF and the regional solutions team about the possibility of locating the new facility on a 200-acre site on the Gilchrist State Forest. The Gilchrist State Forest is Board of Forestry lands managed by Oregon Department of Forestry, under the strategies outlined in the Eastern Region Long Range Forest Management Plan. This property is a poor site for growing trees (site class 5), and contains a high percentage of young lodge pole pine with a small cohort of ponderosa pine. Removing these lands from timber production and utilizing the site for

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wastewater treatment infrastructure will support the CSD and have a positive impact on the community of Crescent. While this proposal will reduce some of the revenue generated from this parcel, it will have a negligible impact on the overall management of the Gilchrist State Forest, including revenues distributed to Klamath County. The tradeoffs include significant environmental benefits for the Little Deschutes River and positive economic benefits for the Crescent community.

The 200-acre site is to the south of and further away from the developed parts of Crescent. It is only slightly higher in elevation and would require minimal pumping of effluent. Neighboring landowners are willing to provide easements for piping and access to the ODF site. The vegetation on the site allows for safe irrigation of the treated effluent during the short spring and summer season. The land is located on the edge of the Gilchrist State Forest and the proposed wastewater facility would be a good use of land, would contribute to good irrigation of vegetation in the summer months, and add a greenbelt in the area for fire abatement. For these reasons, the CSD Board has requested purchase of the land in question.

Public Involvement

- The CSD Board mailed notices inviting the public to its regular Board meetings and mailers to the residents that explained the history, progress, and goals of the project and how the project will affect their monthly rates.
- The CSD held approximately six public meetings to specifically address the project.
- The CSD Board maintains a website that contains public information articles, all meeting information, and minutes.
- The CSD consultation with legislators and Governor Brown.

Deliverables

- Summary of project purpose and outcomes from public outreach
- Presentation of land sale plan, including an outline of the contingencies that the CSD must meet prior to the sale.

Milestones

- March: Board determines that the characteristics of the 200-acre parcel make it valuable for the proposed use and that the proposed use better meets the Greatest Permanent Value (GPV) standard than the current use for timber production.
- June: Board finds Crescent Sanitation District is more qualified than ODF to manage the parcel over the long term.

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TOPIC: *Board Updates*

Staff will keep the Board of Forestry updated on several other key topics:

1. *Elliott State Forest Land Transfer*: The State Land Board has embarked on a Land Transfer process for the Elliott State Forest which includes a protocol and associated timeline to submit a proposal. The work at hand is extremely complex and needs to be completed in short order. The Department is examining our potential role in the transfer process, partnerships, and proposal development. We will continue to track and remain active in the process, recognizing that the expedited timeframe combined with our lack of resources challenges our ability to provide leadership in solving this incredibly complex problem
2. *Salmonberry Rails and Trails*: partner with other organizations to plan for and implement portions of the trail from Banks to Tillamook.
- 3) ~~*Research and Monitoring*: New information is shared with the Board. This has been dropped from the BOF work plan to accommodate shifting priorities for the State Forests Division.~~

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State Forests Division Work Plan	2016							2017						
	Jan	Mar	Apr	Jun	July	Sep	Nov	Jan	Mar	Apr	Jun	July	Sep	Nov
Develop Alternative Forest Management Plan for NW State Forests														
<i>Milestones</i>														
❖ Updates from the FMP Subcommittee	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Improved Business Practices														
<i>Milestones</i>														
❖ Information item summarizing practice improvements and outcomes.						X								
Northern Spotted Owl Safe Harbor Agreement														
<i>Milestones</i>														
❖ Project update							X							
Wastewater Treatment Facility for Crescent Community: Land Sale from the Gilchrist State Forest														
<i>Milestones</i>														
❖ Orientation on the proposed land sale and the benefits for the Crescent community.		X												
❖ Board determines the proposed use of the 200-acre parcel from the Gilchrist State Forest better meets Greatest Permanent Value				X										
Recreation Rule Making and Rule Revision														
<i>Milestones</i>														
❖ Board reviews public comment	X													
❖ Board approves final rule language		X												