

Forest Trust Land Advisory Committee

Oregon Department of Forestry
Salem, Oregon
Minutes
April 9, 2010

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; Chuck Hurliman, Tillamook County Commissioner; Nancy Hirsch, Chief State Forests Division, Oregon Department of Forestry; Mike Propes, Polk County Commissioner; ~~Susan Morgan, Douglas County Commissioner~~ (see July 9, 2010 minutes); Patricia Roberts, Co-Chair, Clatsop County Commissioner (added – see July 9, 2010 minutes)

Absent Committee Members: Earl Fisher, Columbia County Commissioner; Chair; Faye Stewart, Lane County Commissioner; Anthony Hyde, Columbia County Commissioner; Susan Morgan, Douglas County Commissioner

Present Department Staff: Jim Paul, Private Forests Division Chief; Andy White, NWOA; Mike Cafferata, Deputy Chief, State Forests Division; Joan Tenny, State Forests Division; Mike Totey, West Oregon District; Gregg Cline, North Cascade District; Mike Bordelon, NWOA; Tom Savage, Astoria District; Rob Nall, State Forests Division; Keith Baldwin, State Forests Program; Jeff Foreman, Agency Affairs

Present Others: Dave Ivanoff, Hampton Tree Farms; Gil Ridell, Association of Oregon Counties; Chris Jarmer, Oregon Forest Industries Council; Mark Rasmussen, Mason, Bruce & Girard, Inc.; Bob Van Dyk, Wild Salmon Center; Ray Wilkeson, Oregon Forest Industries Counsel

Opening Remarks

Tim Josi

Legislative Concepts, POP's, and the newly formed Budget Work Group were added to the agenda.

Legislative Concepts and other budget topics:

Nancy Hirsch

At the May 2010 FTLAC meeting, Satish Upadhyay will discuss the Department's overall legislative concepts and budget. A concept relating to State Forests is to secure authority for the Board of Forestry to pursue wind energy projects. The FTLAC passed a motion in October 2008 supporting wind energy.

Policy Option Packages: Given the economic forecast, it's unlikely the State Forests Division would be able to add capacity, so there won't be any POP's at this time.

Reductions in Research and Monitoring: The TRASK watershed study has maintained some funding. A proposal requesting \$40,000 to supplement work to be completed from 2010-2011 is being pursued with the Bureau of Land Management (BLM) to secure Title 2 funds in Yamhill, Tillamook and Lincoln counties. Chuck Hurliman mentioned that money may be available through the US Forest Service (USFS) as well.

MOTION: Patricia ~~Morgan~~ Roberts (see July 9, 2010 minutes) motioned that Chair Josi show support by approaching both the BLM and the USFS regarding the proposal. **SECOND:** Mike Propes seconded.

APPROVED: All members in favor.

ODF Agency Budget Group

Marvin Brown

State Forester Marvin Brown opened dialogue with legislators regarding the Department's budget structure and funding sources. Overall, legislators encouraged the Department to look for new funding sources beyond General Funds to create a more stable budget. Jim Paul, who will be leaving the Department to work for the Department of State Lands, initiated this effort; Marvin Brown and Satish Upadhyay will now be project leads. An external and internal group has been formed. Though the focus will be on Fire and Private Forests' funding, there may be some State Forests interests (e.g., recreation). The timeline projects recommendations to be drafted by November 2010. Susan Morgan will be asked to represent the FTLAC as a group member.

Hypothetical Harvest Model

Dave Ivanoff

Dave Ivanoff was involved in the Public Advisory Committee (PAC) regarding the proposed changes to the Greatest Permanent Value rule. Dave created a proposal framing different viewpoints of how to manage state lands. He said he wanted to state for the record that there's nothing inherently wrong with the managing state lands like private lands by trying to maximize net present value or revenue flow. Dave sent a letter to the Board to share his perspective.

Dave distributed a spreadsheet illustrating his harvest potential modeling on the three north coast districts (Attachment 1). If it were managed as Hampton manages land, he estimated a 3.25% growth rate, resulting in an annual increment of 377 million bf. Dedicating 30% to longer rotations and allocating 70% to 60 year rotations would address the concerns of the conservation community. He said the total non-declining even flow that could be harvested could be 262 million feet a year, as opposed the 166 mbf per year in the current AOP's. Using the last 15 year stumpage rates would result in a difference of \$30 million dollars annually. Dave concluded that higher sustainable harvests levels are available without compromising environmental or social values; he said higher harvest would increase funds for the state and counties yet still maintain a complex forest structure over time. Dave will send a follow-up letter to the Board using the age class and volume information that was recently provided to him by Mike Cafferata.

MOTION: Chair Josi send a letter to the Board supporting Dave's conclusions. **SECOND:** Patricia Morgan Roberts (see July 9, 2010 minutes). **APPROVED.**

Overview April 22, 2010 Board of Forestry Agenda

ODF Staff

Consent Agenda – Gilchrist management and Carbon Project

A staff report (Attachment 3 highlighting:

1. Gilchrist lands will be managed consistent with Eastern Region Long Range FMP.
2. ODF will continue to explore carbon pilot project to fund next phase of acquisition; and
3. Name these lands the Gilchrist State Forest.

Public Advisory Committee Report (PAC)

The April 22, 2010 Board staff report (Attachment 4) represented the input process and resulting reports and scenario development of the work done by the PAC, who reviewed the GPV administrative rule. The group arrived at three scenarios and six common denominators (see Attachment 4 and corresponding attachments).

Forest Management Plan decision – April 22 Board Staff Report (Attachment 5)

State Forester Brown will recommend the Board adopt the revised Northwest and Southwest Forest Management plans. Mike Cafferata reviewed the staff report and attachments, and the January 26 and January 28, 2010 public hearings. Patricia Roberts attended a public hearing and voiced support for the changes, highlighting the benefits to Clatsop County. Chair Josi submitted a letter of support but didn't think the changes would get the most value out of the lands. County commissioners from Lane, Washington, Multnomah, Lincoln, and Benton counties recognized the difficulty of balancing multiple demands and suggested an independent scientific review. They also asked for a more consensus based and collaborative approach to public management of these lands. The public comments were robust; they are summarized in a

Hearings Report (Attachment 5 and inclusive attachments). Some broad concerns were eco-sustainability and balance, the loss of an HCP; some broad supporting comments were increased revenue, economic and environmental benefits, and not requiring an HCP.

Public Comments

Bob Van Dyk said that Wild Salmon Center recognizes that State Forest land hasn't met timber revenue expectations; however, the Center is concerned about the lack of certainty on protected areas. There has been more focus on higher timber harvest but not as much on protection of environmental issues. He said he appreciated Dave Ivanoff's presentation, but that the harvest numbers may be too high to be environmentally sustainable. He hoped that basic agreement could be found on exactly how much timber is on the land, its growth rate, and other fundamentals about the forests.

Board of Forestry Revenue Forecast

Joan Tenny

Joan Tenny reviewed the January revenue forecast. Market conditions have stabilized since July 2009. They haven't turned around, but there is improvement.

Joan explained that, historically, the Department's stumpage prices and housing starts have mirrored each other. There is still uncertainty in housing market recovery. Chair Josi said that the difference in the log price index and the Department's stumpage prices seem to indicate that it is more expensive to log on State Forests than private lands. Joan and staff explained that the Department's log prices are pond prices - they don't include logging costs. Joan will send to the FTLAC the counties' current harvest level projections. Tim asked about the drop in county revenues in 2013 (Attachment 7). Joan said it has to do with the timing of factors in the model and their subsequent overlay (i.e., sold revenues, planned sales, and revenue from future sales that are not yet planned).

2011 Annual Operation Plan (AOP) status

Mike Cafferata and staff

Mike Bordelon provided a summary of Fiscal Year 2011 AOP's (Attachment 8). Prompted by Performance Measures, in 2010 changes were made to the three North Coast district's AOP's and Implementation Plans to reflect a 40% range on landscape design, and a 20% complex structure developing over 20 years. West Lane, North Cascade, West Oregon, and SW Oregon districts are still using 2003 Implementation Plans. The public comment period for AOP's was changed to March 29 – May 12 to align better with the Department's budget. It was noted that a lot of recreation projects are being paid for with grant funds and the revenue transfer in Tillamook Forest from Parks and Recreation.

Adjourn

Materials:

- *Attachment 1: Harvest Level Potential on the Astoria, Forest Grove & Tillamook Districts Utilizing a Modified Conventional Forest Management Approach – 60 Year Rotation, Dave Ivanoff*
- *Attachment 2: April 22 and 23, 2010 Board of Forestry Agenda*
- *Attachment 3: April 22, 2010 Board of Forestry Staff Report, Gilchrist Management and Carbon Direction, Nancy Hirsch*
- *Attachment 4: April 22, 2010 Board of Forestry Staff Report, Public Advisory Committee Report, Nancy Hirsch*
- *Attachment 5: April 22, 2010 Board of Forestry Staff Report, Improve the Northwest Oregon Forest Management Plan to Achieve Desired Outcomes, Marvin Brown*
- *Attachment 6, January 2010 County Revenue Projection, Joan Tenny*
- *Attachment 7, January 2010 Revenue Projections, County Share of Timber Sale Revenue, Joan Tenny*
- *Attachment 8, Summary of the Draft 2011 Annual Operations Plans, Mike Bordelon*

Next Meeting: Friday, May 21, 2010, ODF Salem, Santiam Room, Building D – meeting cancelled

Friday, July 9, 2010, ODF Salem, Santiam Room, Building D