

Forest Trust Land Advisory Committee

Oregon Department of Forestry
Salem, Oregon
Draft Minutes
Friday, August 27, 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; Patricia Roberts, Clatsop County Commissioner, Co-Chair; Chuck Hurliman, Tillamook County Commissioner; Mike Propes, Polk County Commissioner; Anthony Hyde, Columbia County Commissioner; Faye Stewart, Lane County Commissioner

Absent Committee Members: Susan Morgan, Douglas County Commissioner

Present Department Staff: Marvin Brown, State Forester; Nancy Hirsch, State Forests Division Chief; Satish Upadhyay, Administration Division Chief; Mike Cafferata, Deputy Chief, State Forests Division; Rosemary Mannix, State Forests Division; Doug Decker, State Forests Division; Mike Totey, West Oregon District; Don Everingham, West Oregon District; Andy White, Northwest Oregon Area; Mary Schmelz, Agency Affairs; Kate Skinner, Tillamook District; Alan Kanaskie, Private Forests Division; Mike Bordelon, NWOA Director; Ed Deblander, State Forests Division; Keith Baldwin, State Forests Division

Present Others: John Blackwell, Board of Forestry Chair; Gil Ridell, Association of Oregon Counties; Mark Rasmussen, Mason, Bruce & Girard, Inc.; Bob Van Dyk, Wild Salmon Center; Duane Cole, Clatsop County (via conference call); Chris Jarmer, Oregon Forest Industries Council; Alex Cuyler, Lane County

Approve Minutes, Introductions

July 9, 2010, minutes - Amendment: Remove Earl Fisher as a FTLAC member; he is not a committee member. **MOTION:** Anthony Hyde motioned to approve the minutes with the correction. Patricia Roberts seconded. **APPROVED:** Minutes approved with amendment.

Swiss Needle Cast update, Alan Kanaskie

Current Conditions: Swiss Needle Cast (SNC) is a disease specific to Douglas-fir, causing poor photosynthesis which eventually results in foliage loss and an average of 25% reduction in growth. Approximately 100 million bf are lost per year in the coast range due to SNC.

Monitoring: Aerial Surveys, which are less costly than ground surveys, are primarily used to monitor SNC. In 2010, 4 million acres were surveyed for less than \$13,000. Surveys dating back to 1996 indicate a continued spread of SNC, which is of concern because diseased areas have been intensively managed. Lane County and southern Oregon have had the most increase in SNC. There has recently been a reduction, however, of SNC on state lands. This trend doesn't suggest the problem is any less severe, but that the most severely damaged stands have been controlled.

SNC Management: SNC zoned areas are managed by planting a species tolerant to the disease. The Tree Improvement Program has produced a more tolerant Douglas-fir for areas of moderate damage. Planting more tolerant Douglas-fir is the best economic decision in many cases, because even at a 30% growth loss Douglas-fir has more value than a fully stocked stand of a lower market value species. The Oregon State University SNC Coop has been conducting research on treatments to address SNC, none of which have currently been found to mitigate damage.

Sudden Oak Death (SOD): SOD is an invasive, non-native pathogen resulting in a foliage disease that primarily affects tanoak. Host plants, including Douglas-fir, can be affected if they grow under an affected tanoak tree. SOD is controlled through eradication and containment, specifically cutting, piling and burning affected areas. Treatments are funded by federal and state government. Landowners, who are required by statute to control SOD, are not compensated for the loss of property or timber resulting from eradication, but don't have to pay for treatments. In the future, landowners may cost share treatments.

The disease has spread over the last 10 years but remained in containment for the last 3 years. Currently there is a 160 mile quarantine zone. The number of new sites has leveled off to about 60 per year, which translates into 600 eradicated acres. SOD usually responds well to treatment. Funding will continue through matched U.S. Forest Service funds, which creates a challenge due to loss in state funds. SOD is a problem in the United Kingdom, where about 5000 acres of Japanese larch trees are infected. Growing among the larch are Douglas-fir and western hemlock, which both got infected.

Public Comments

No public Comments

Revenue Forecast, Satish Upadhyay and Ed Deblander

General Funds in the September 2010 forecast decreased \$377.5 million from the March forecast, primarily due to lower than expected personal income tax. The Department is waiting for direction from DAS with regard to reductions.

2011-13 impact \$2.7 million will be reduced in the next biennium, which translates to about a 15% reduction from of the current service level. The Department has been directed to provide up to a 25% reduction scenario.

State Forest Revenue Forecast Ed Deblander distributed the July 2010 revenue projections, by county, for 2011 through 2016. Based on sold sales, 2011 revenue is a fairly accurate estimate (an increase in revenue). 2012 revenue (decrease) reflects sold and planned sales, so it has some certainty. After 2013 (decrease, then level), revenue projections are based mostly on averages, stumpage values, and housing start projections, and therefore have a great deal of uncertainty. Projected revenues increase steadily after 2013, driven by increased projected housing starts.

Budget Coalition Status, Marvin Brown

The Coalition has considered alternative funding options to help mitigate budget challenges and to secure more stable funding sources for the agency in the future. Because of reductions in Private Forests and Protection and their reliance on General Funds, the group focused mostly on funding for these two Programs. A range of options were considered, including cost containment, taxes, and research based other states' and countries' funding mechanisms. In September 2010 a final report will be presented for the Coalition's review.

Environmental and timber interests both expressed support of the concept to collect fees within wildland interface areas. Though the Department has current authority, legislation would be necessary. If pursued, the Department would present the legislation holistically, since interface areas impact not only the Protection program but are also about land use and timber management. Chair Josi asked FTLAC members if they would support making the statute more flexible to raise revenues from fees and to bolster the Forest Practices Act. **MOTION:** Anthony Hyde made a motion that Chair Josi draft a letter supporting changes to the statute. **SECOND:** Patricia Roberts. Chuck Hurliman expressed concern opening any legislation, but supported the letter.

High Conservation Areas, John Blackwell, Tim Josi, and Doug Decker

About two years ago, Rep. Dembrow introduced the idea of high conservation areas into legislation; it didn't evolve in the last session. Board of Forestry Chair John Blackwell visited with Rep. Dembrow to discuss high conservation areas. Doug Decker and John Blackwell then met with county commissioners, who gave Doug direction to draft a white paper incorporating ideas about high conservation areas. There is the ability within the land classification system to create special stewardship, focused stewardship, and general stewardship areas. Many acres in focus or special stewardship are lands that are not producing timber. The Board of Forestry and the Department were interested in establishing ways to recognize features with conservation values as well as timber values – features some of these areas may possess. To achieve this, the Board would need authority to designate conservation areas within the classification system. This level of authority would allow the Board more involvement and provide more durability than the administrative rule process. A way to mitigate lands going out of permanent production would be to offset them with an acquisition to replace those acres. A focus group may form to consider the below guiding principles and build a legislative concept.

Guiding Principles:

- Lands that are identified for conservation may already be receiving some level of protection
- Mechanisms would be transparent and function at the Board level rather than administrative rule level
- No net loss in terms of offsetting by bringing in additional lands
- Would focus on mechanism and authority rather than landscape
- A legacy component, with an impact over the next century, would be to keep forest land in production

Chair Josi expressed that having a drafted concept for the focus group to revise would be more efficient than asking the group to build a concept. Senator Johnson has written a permission letter to start on the Legislative Concept. Anthony Hyde commented that he especially liked the legacy component. Chuck Hurliman commented that he didn't support legislation that would affect the trust relationship. After further discussion, the FTLAC summarized that there are concerns but there appears to be value in exploring the concept of high conservation areas.

Board of Forestry, Nancy Hirsch, Doug Decker, Mike Cafferata, Keith Baldwin

GPV: Using input from staff and external advisory committees (the Public Advisory Committee (PAC) and the FTLAC), staff is drafting a narrative of key points in the GPV. Later in 2010, the Board will review the narrative and provide further direction, which could result in amendments that would require changes to rule language. Final decisions on changes to the GPV may be temporarily postponed, recognizing the connection between possible changes to the Planning Rule, i.e., changes to language with respect to the intent of the Planning Rule versus the GPV.

John Blackwell commented that the Board's work isn't yet finished. The Board has listened carefully to the broad range of opinions. The process has been invaluable; a housekeeping measure to clarify the intention of the GPV.

Legislative Concepts - Wind energy - At the July 30, 2010 Board meeting, the Department recommended the Board withdraw this proposal; the Board agreed. The Department may reintroduce the proposal in 2013 or 2015. The FTLAC re-iterated their support for exploring wind energy options but noted concern for the loss of productivity of timber acres and Environmental Impact Statement accountability which could result in increased monitoring costs for the Department.

September 8, 2010 Board meeting

Land Exchanges: There are two land exchanges on the consent agenda: 1) A state owned scattered parcel adjacent to the Cannon Beach watershed proposed to be acquired by the City of Cannon Beach in exchange for timber land on the Clatsop forest; 2) 2000 acres in Lincoln, Benton and Polk counties in exchange for a more consolidated block of Starker Forest lands. Mike Propes commented that this was a good exchange.

Planning Rule: The Board will receive background information on and begin discussion of the rule.

Other agencies' planning approaches: The FTLAC received a copy of a diagram of strategies reflecting the planning processes used by other agencies, which will be presented to the Board in September.

Adjourn

Materials referenced:

"Other Agencies Approach to Planning" – Keith Baldwin, Policy and Planning Unit Specialist

"July 2010 County Share Revenue Projection" letter to the Association of Oregon Counties – Ed Deblander, Asset Manager

"Forest Health Highlights in Oregon, 2009" - Oregon Department of Forestry, U.S. Department of agriculture, Forest Service, August 2010

Next Meeting: *To be announced*