

MINUTE ITEM

This Calendar Item No. C37
was approved as Minute Item
No. 37 by the State Lands
Commission by a vote of 3
to 0 at its 7-19-93
meeting.

CALENDAR ITEM

C37

A 2
S 4

07/19/93
W 24950
D. Miller
Pelkofer

FOUNTAIN FIRE KILLED TIMBER SALVAGE
AND REHABILITATION MANAGEMENT AGREEMENT

PARTY:

Shasta Land Management

BACKGROUND:

The Fountain Fire consumed the 40 acre timbered Montgomery Creek school land parcel located in Shasta County in August 1992. The forest on the parcel was extensively damaged and requires immediate rehabilitation. If not rehabilitated, further damage will occur in the form of soil loss through sheet and gully erosion and the downed timber must be cleared to prevent further insect infestation both on our land and in the surrounding federal forest.

State Lands Commission staff received notice on April 23, 1993 that Shasta Lands Management Consultants had been awarded the bid to salvage the Bureau of Land Management (BLM) fire killed timber. Shasta manages the lands surrounding the State and an 80 acre BLM parcel adjacent on our northern boundary. They have been requested and have agreed to salvage the state timber and rehabilitate the state school lands on the same terms and at the same time as they perform the federal contract.

P.R.C. Section 6211 provides for the harvest of state owned timber in conjunction with the harvesting of surrounding or adjacent federal timber. Their bid award has been verified by staff with BLM foresters in Redding, CA. Shasta Land Management Consultants were chosen after competitive bid by the federal government to harvest the BLM fire killed timber because of their local expertise and their ability to access the BLM (and state school lands) through adjacent private holdings which they manage.

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This forest management (fire rehabilitation) project, which involves the removal of fire killed timber is authorized by Commission regulation. Title 2 C.C.R. Section 2304 provides that:

"...emergency salvage sales of fire, insect or diseased damaged timber may be sold by direct solicitation of bids....,

Shasta Land Management Consultants were contacted to salvage the school lands parcel when other loggers contacted by staff declined to bid because the state's timber salvage is uneconomical if not harvested in conjunction with the much larger volume of federal timber. Additionally other bidders would have considerable difficulty in gaining access to the state school lands parcel. Access is only available over BLM or private land. Further, their interest was limited to the salvage of timber (logging) and not the rehabilitation of the forest, which is a necessary part of the project.

Shasta Land Management Consultants has agreed to:

1. Salvage the State's fire killed timber at the same time they salvage the BLM fire killed timber, and will pay the State the same rates they are paying the BLM for their fire killed timber (fair market value).
2. Do the fire rehabilitation work which includes site preparation and tree planting the spring of 1994 and release the planted trees in 1995 at the rates agreed to by both parties.

AB 884:
N/A

OTHER PERTINENT INFORMATION:

1. The Fountain fire consumed the Montgomery Creek parcel in August of 1992. This wildfire burned or killed all vegetation on the parcel except one 20 inch diameter ponderosa pine tree which will be preserved. All wildlife habitat present before the fire was destroyed.
2. Shasta Land Management Consultants have verified that insects have been found beneath the bark of the dead trees and are multiplying. The fire killed trees must be removed as soon as possible to prevent an insect outbreak.

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3. Shasta Land Management Consultants plan to start salvage operations on the BLM lands the latter part of April, weather permitting. Upon completion of salvage operations on the BLM lands, Shasta Land Management Consultants plan to begin work on State school lands about the middle of May 1993, which would save the State considerable expense, and curtail an insect epidemic from spreading onto adjacent forest properties.
4. Shasta Land Management Consultants will submit the Emergency Notice of Harvest to the California Department of Forestry, pay the timber taxes, and administer the harvest operations in 1993, be responsible for the site preparation and tree planting in 1994, and do the competing vegetation release work in 1995.
5. Timber sale receipts will be placed in an interest bearing suspense account. Fire rehabilitation costs (approximately \$15,000) will be paid from the account. When all costs including staff reimbursement have been deducted, the account will be closed and the remaining net funds will be deposited to the credit of the State Teacher's Retirement System.
6. This activity involves lands identified as possessing significant environmental values pursuant to P.R.C. 6370, et seq. Based upon the staff's consultation with the persons nominating such lands and through the CEQA review process, it is the staff's opinion that the project, as proposed, is consistent with its use classification.
7. Pursuant to the Commission's delegation of authority and the State CEQA Guidelines (14 Cal. Code Regs. 15061), the staff has determined that this activity is exempt from the requirements of the CEQA because it involves a project undertaken, carried out, or approved by a public agency to maintain, repair, restore, demolish, or replace property or facilities damaged or destroyed as a result of a disaster in a disaster-stricken area in which a state of emergency has been proclaimed by the Governor pursuant to Chapter 7 (commencing with Section 8550) of Division 1, Title 2 of the Government Code.

Authority: P.R.C. 21080(b)(3) and 14 Cal. Code Regs. 15269(a).

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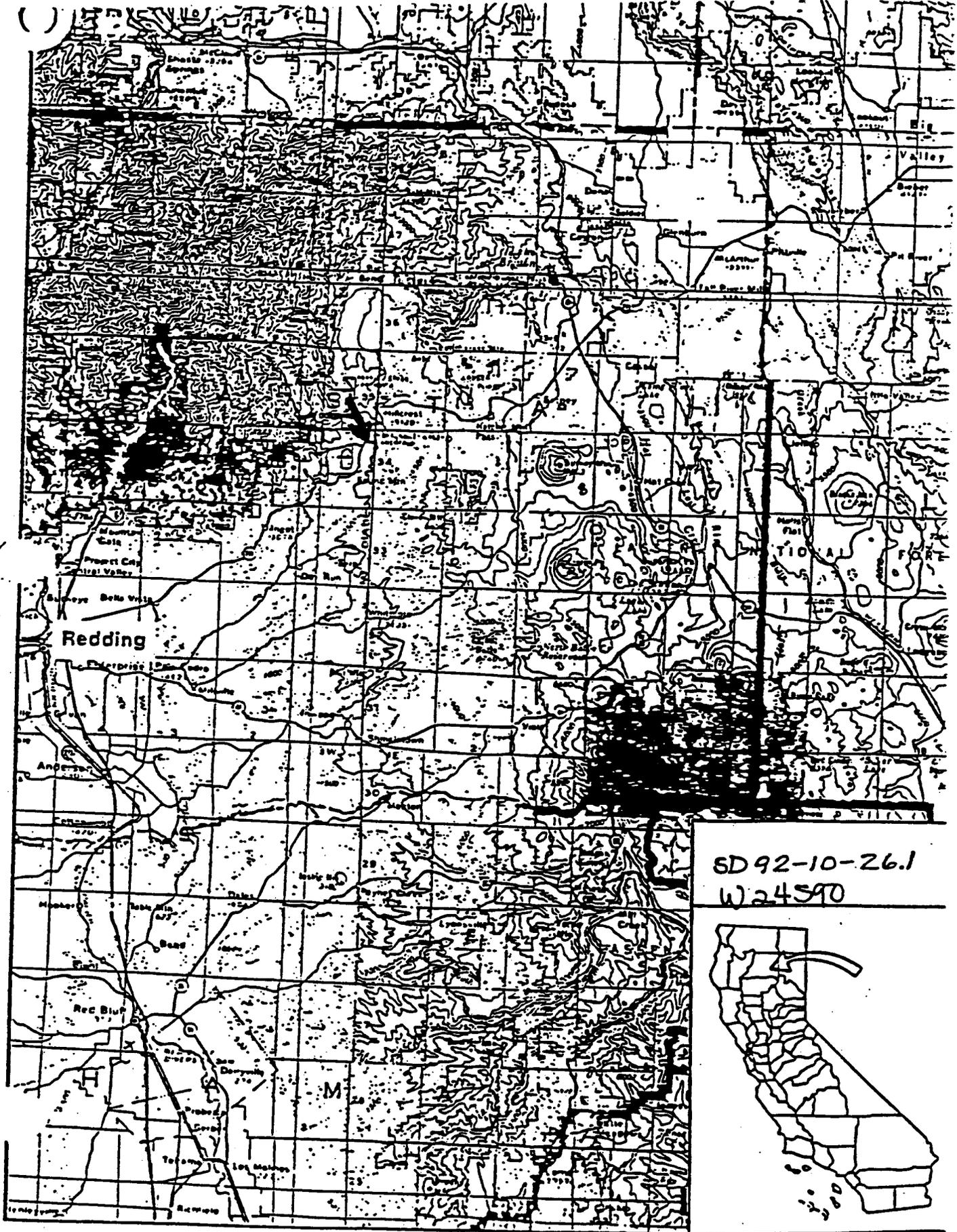
EXHIBITS:

- A. Location Map
- B. Management Agreement

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE ACTIVITY IS EXEMPT FROM THE REQUIREMENTS OF THE CEQA PURSUANT TO 14 CAL. CODE REGS. 15061 P.R.C. 21080(b)(3) AND 14 CAL. CODE REGS. 15269(a), TO MAINTAIN, REPAIR, RESTORE, DEMOLISH, OR REPLACE PROPERTY OR FACILITIES DAMAGED OR DESTROYED AS A RESULT OF A DISASTER IN A DISASTER-STRICKEN AREA IN WHICH A STATE OF EMERGENCY HAS BEEN PROCLAIMED BY THE GOVERNOR.
2. FIND THAT THIS ACTIVITY IS CONSISTENT WITH THE USE CLASSIFICATION DESIGNATED FOR THE LAND PURSUANT TO P.R.C. 6370, ET SEQ.
3. AUTHORIZE STAFF TO ENTER INTO AN MANAGEMENT AGREEMENT WITH SHASTA LAND MANAGEMENT CONSULTANTS TO SALVAGE FIRE KILLED TIMBER AND DO FIRE REHABILITATION WORK INCLUDING SITE PREPARATION, TREE PLANTING AND RELEASE WORK ON THE STATE SCHOOL LAND PARCEL SOUTH OF MONTGOMERY CREEK, SHASTA COUNTY, CA.
4. AUTHORIZE THE STAFF TO DEPOSIT THE FUNDS DERIVED FROM THE TIMBER SALE IN AN INTEREST BEARING SUSPENSE ACCOUNT WITH THE COSTS OF REHABILITATION AND ALL STAFF COSTS TO BE PAID FROM THAT ACCOUNT THE NET PROCEED TO BE DEPOSITED TO THE CREDIT OF THE TEACHERS RETIREMENT SYSTEM. ANTICIPATED NET REVENUES TO THE RETIREMENT SYSTEM WILL RANGE FROM \$24,000 TO \$63,000.

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SD 92-10-26.1
W 24590



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EXHIBIT "A"

FOREST MANAGEMENT AGREEMENT

PARTIES:

The Parties to this Agreement are the STATE LANDS COMMISSION (SLC), and SHASTA LAND MANAGEMENT CONSULTANTS (SLMC), a California Partnership.

STATEMENT OF PURPOSE:

In August of 1992 the Fountain Fire consumed a 40 acre timbered school land parcel located in Shasta County. The forest on the parcel was extensively damaged and requires immediate rehabilitation. If not rehabilitated, further damage will occur in the form of soil loss through sheet and gully erosion and the downed timber must be cleared to prevent further insect infestation both on our land and in the surrounding federal forest.

AGREEMENT:

Shasta Land management agrees to salvage and sell the fire killed timber and rehabilitate and reforest the land. Salvage and sale of the timber shall be carried out immediately in conjunction with similar work being done for the Bureau of Land Management and private timber land owners in the vicinity. Rehabilitation and reforestry shall be done in three phases (a) site preparation, (b) purchase and planting of trees, and (c) chemical release to protect and enhance growth of planting.

SALVAGE AND SALE OF TIMBER:

SLMC shall submit all notices and obtain all approvals necessary to the California Department of Forestry for its activities and pay all timber taxes attributable to the salvage harvest operation. Upon salvage and sale of the timber SLMC agrees to pay to SLC the BLM stumpage rates listed below for all of the estimated 400,000 mbf on the school lands parcel.

<u>Species</u>	<u>Rate/mbf</u>
Ponderosa & sugar pine	\$173/mbf
Douglas-fir	\$195/mbf
Incense cedar	\$151/mbf

All payments will be based on net scale volumes. Copies of log load receipts and net scale volumes will be made available to SLC for inspection at the completion of the salvage operation. Payment to SLC shall be made within ten days of receipt of payment by SLMC.

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EXHIBIT "B"

W24590

REHABILITATION & REFORESTATION OF LAND

SLMC agrees to conduct rehabilitation and reforestation work on 30 acres of the 40 acres parcel (no work will be done in a stream zone of approximately 10 acres) of the SLC parcel as follows:

(1) The site shall be prepared by applying pronone pellets with "belly grinders". This work shall be done in the fall of 1993, with completion no later than February of 1994. The estimated cost for such work is \$5,380.00

(2) The site shall be planted with 1-0 ponderosa pine bare root stock of same seed zone at 12' x 12' spacing. The planting will be done in March & April of 1994, with completion no later than May 1, 1994. The estimated cost for this work is \$5,369.00.

(3) The site shall be chemically treated to release planted trees from competitive vegetation utilizing garlon basal stem spray. The release shall be done in July & August of 1995 and completed no later than September 1, 1995. Estimated cost for this work is \$4,110.00.

Prior to the commencement of any step of the rehabilitation and reforestation work SLMC shall advise SLC if the cost of the work will exceed the estimate. SLC shall have the right to renegotiate the cost if it exceeds the estimate.

Upon completion of each step of the rehabilitation and reforestation work SLMC shall submit a billing to SLC with notation of the work completed. SLC shall pay the amount stated as estimated unless another amount has been agreed by the parties and payment shall be made within 30 days of the billing.

Dated _____

STATE LANDS COMMISSION

BY _____

James F. Trout
Assistant Executive Officer

Dated _____

**SHASTA LAND MANAGEMENT
CONSULTANTS**

BY _____

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