

**WATERSHED FINANCE COMMITTEE
MEETING MINUTES**

Thursday, December 7, 2023

1. Call to Order
2. Public Comments: None
3. Review/Refine Recommended Management Structure

See below for recommendation to the Board

4. Consider Local Option Levy

Information about rules / regulations for Local Option Levy (LO Levy) were presented.

- A LO Levy can be a ballot measure in even numbered years. 175ish individuals, representing 60+ households, are registered voters.
- The governing body (District) that puts the Levy measure on the ballot established an amount of money to be raised, which is then calculated as a dollar rate per \$1,000 of assessed value of property (lots and homes) in the District.

It appears as though the Levy amount raised cannot exceed \$1.99 per \$1,000 of assessed value. The actual amount is whatever the voters will agree to bear.

Owners of lots/properties will pay different amounts depending upon the value of their lot/property.

- Levy period can be up to 5 years.
- Monies collected do not need to be spent within the 5-year period. All monies need to be spent only for the purpose for which they were raised.

It appears that a LO Levy can be a payment option for ongoing forest operations. Whereas rate increases only apply to homes and are the same amount for every owner, LO Levy applies to all assessed properties (homes and lots) and are different amounts for each owner. Any ballot measure must be clear that the money raised is to be used to pay operating expenses of the forest, and that money can only be used for that purpose.

Casey will confirm this information before it is included in the Ops & Financial Plan document

5. Set next meeting date: None –

Work of committee is concluded. Recommendation for Operations & Financial Planning have been submitted to the Board. Recommendation for Management Structure will be submitted to the Board

6. Public Comments: None

7. Adjourn

Arch Cape Forest – Management Structure **Phasing, Roles & Responsibilities**

A. Operational Phases

There are two distinct operational phases for the Arch Cape Forest

1) Infrastructure Improvement Phase

This phase started in June 2022, when the Forest was purchased, and will continue through August 2026.

This phase is currently being managed by the President of the Water Board in conjunction with the Consulting Forester and with the Forest Management Committee acting in an Advisory capacity. District staff is providing 24x7 timely response activities.

Infrastructure Improvement related Activities in this phase are:

- Funding Mgmt. & Compliance (ARPA, ODF, DEQ, Hollis)
- ARPA Project Mgmt.
- Long-Term Plan, Policy & Procedures Development
- Procurement & Contracting
- Forestry, e.g., Pre-Commercial Thinning
- Roads Construction

Ongoing Operations & Management Activities in this phase are:

- Operations Planning and District Financial Management
- Property Management – Timely Response

2) Ongoing Management and Operations Phase

This phase will begin in September 2026

The current vision for this phase is that management duties will be filled primarily by the District Manager (overseeing the Forest Property Management function) in conjunction with the Consulting Forester.

Optionally in this phase, the Water District Board may (or may not) consider it useful to form a Forest Management Committee to review /provide advice on the Consulting Forester's recommendations pertaining to policies, management activities, the long-term forest management plan and other relevant matters. If one is formed, this Committee should be chaired by a member of the Board and comprised of members of the community with experience in forestry and business.

It is anticipated that the District Manager will have management responsibility for the Utilities and for the Forest. Additional District Staff will need to be added or some of the forest property management responsibilities or that function will need to be contracted.

Ongoing Operations & Management Activities are:

- Procurement & Contracting
- Operations Planning & District Financial Management
- Funding Management & Compliance (ODF & potentially others)
- Forestry
- Property Management – Timely Response
- Roads Maintenance
- Logging (potentially)

B. Roles

The table below identifies the roles played by different people / committees in each of the two different phases, to accomplish the set of activities.

ACTIVITIES	Improvement Phase		Ongoing Phase
	Management Role	Advisory Role	Management Role
• Funding Mgmt. & Compliance (ARPA, ODF, DEQ, Hollis)	Board		
• ARPA Project Mgmt.	Board, Consulting Forester		
• Long-Term Plan, Policy & Procedure Development	Board, Consulting Forester	FMC	
• Procurement & Contracting	Consulting Forester, Board	FMC	District Mgr. , Consulting Forester
• Operations Planning & District Financial Mgmt.	Board, Consulting Forester	FMC, Budget Com.	District Mgr., Consulting Forester, Budget Com.
• Forestry	Consulting Forester	FMC	Consulting Forester
• Oversight - Roads Construction / Maintenance	Consulting Forester		Consulting Forester, District Mgr.
• Property Management – Timely Response	District Mgr.		District Mgr.
• Funding Management & Compliance (ODF, Other?)			District Mgt.
• Logging (potentially)			Consulting Forester

Legend:

The person listed first in the above table is the primary responsible person

- Board – President of Water District Board
- Consulting Forester – Consulting Forester / Roads Contract Manager
- FMC – Forest Management Committee
- District Mgr. – District Manager
- Budget Com – Budget Committee

C. **Responsibilities:**

- Phase I - Scope of work for the Consulting Forester is under development and will be completed within the next 10-14 days as part of the RFP process
- Phase II – Forest Property Management functional responsibilities below
- Phase II – Consulting Forestry functional responsibilities below

Forest Property Management – Phase II

(assumes this function is the responsibility of District Manager)

Report to: President, Water District Board

1) Operations – Timely Response

- a. Work with consulting forester, as necessary, to address unexpected issues with the property, e.g., downed trees on forest access roads.
- b. Be the emergency point of contact for fire response and contractors working in the Forest.
- c. Manage the keys to the Watershed gates. Monitor who is on the property, including but not limited to contractors.
- d. Determine, in conjunction with the consulting Forester, when the Watershed property should be closed.
- e. Periodically patrol the property in accordance with District Policy on enforcement.
- f. Respond to questions about the property from the public.

2) Operations & Finance Management

- a. Working with the Budget Committee and Consulting Forester, recommended a one-year budget, one-year operations plan and updates to the long-range forest management plan.
- b. Review / monitor financial compliance with the annual budget (working with book keeper / accountant). Review / monitor annual operations plan (working with Consulting Forester) Report to the Board of Director on status of budget and operations and any Committees as directed by the Board of Directors.
- c. Work with Consulting Forester to ensure compliance with Oregon Department of Forestry contractual obligations and other regulatory and funding agencies.
- d. Oversee updates to the Multi-Resource Management Plan on a 5-year basis.
- e. Work with bordering property owners to coordinate activities and to identify, address and resolve issues.
- f. Research grant opportunities and apply for grants.

3) Contractor Management

- a. Work with Consulting Forester to plan projects in the operations plan and procure / contract contractor(s) in a manner consistent with District policy.
- b. Work with Consulting Forester to undertake contract implementation and supervision.
- c. Maintain all contractor records and work with admin staff to ensure payment consistent with contracts

Legend: Yellow highlight – currently done by District Staff

Consulting Forestry – Phase II

Not logging related

Report to: District Manager

1) Consultation

- a. Recommend / respond to questions District staff (person performing the property management function) about forest closures.
- b. Consider/address question and issue that arise related to the management, access to, or stewardship of the forestland and road system.
- c. Assist with compliance visits from regulatory and / or funding agencies, and coordination with Oregon Department of Forestry and other agencies on necessary permits or notifications.
- d. Assist in the annual budgeting process for a one-year budget, one-year operations plan and updates to the long-range forest management plan. Assist in review / monitoring of the budget and plans.
- e. As directed, undertake specific projects related to the stewardship of the forest and road system.

2) Roads Contract Management

- a. Monitor contractors to ensure compliance with contract and scope of work
- b. Provide guidance to contractors as necessary
- c. Oversee contractor's compliance with ODF standards and currently active NOAP's and / or PDM's.

3) Management and Protection of the Forest Ecosystem

- a. Create and / or update short- and long-term plans for operations / management of forest lands and forest resources including adherence to applicable regulations. Manage adherence to these plans. Make recommendations if/as appropriate.
- b. Plan and supervise forestry projects within the Arch Cape Forest. These tasks may include stand exams, reforestation, stocking surveys , pre-commercial thinning, and recommendations for additional stewardship activities. Analyze effect of stand conditions on tree growth rates, forest health, and overall impact of forest stand dynamics on source water protection.
- c. Support District staff (person performing the property management function), as requested, in hiring, monitoring and firing contractors for all stewardship related work including tree planting, vegetation control, pre-commercial thinning, and road maintenance.

- d. If/as requested, plan and implement projects for conservation of wildlife habitats and soil and water quality.
- e. Monitor roads and culverts and recommend maintenance if/as required.