

January 17, 2013

Mr. Tom Tidwell
Chief, US Forest Service
1400 Independence Ave. SW.
Mailstop 1103
Washington DC 20250-1103

Dear Mr. Tidwell:

On behalf of the Plumas County Office of Education, Plumas Unified School District Governing Board, Feather River College Board of Trustees, and the Plumas County Board of Supervisors representing Plumas County, we would like to voice a concern as well as make a request for consideration. We are aware that the Forest Service received a settlement for approximately \$147 million for the effects associated with the Moonlight Fire in 2007. This settlement involves cash and property. In addition, the Forest Service received a \$17 million dollar settlement for the Rich Fire of 2008. We are disappointed that these settlements did not recognize the tremendous impacts that have and continue to occur in Plumas County Roads and Schools. The purpose of this letter is to request that our legal portion of the settlement funds be directed to Plumas County to offset the loss of revenue resulting from these devastating fires.

We know that as a result of these fires, many millions of board feet of valuable timber were burnt and destroyed. This destruction has had a twofold impact on Plumas County Roads and Schools. First, projects planned in the Moonlight Fire boundary could not be implemented. For example, the Environmental Impact Statement for the Diamond Project was produced in the fall of 2005. This project was litigated and appealed in 2007, the same year that the Moonlight Fire occurred. If this project had been approved and implemented, 14,200 acres of treatment would have produced 15 million board feet of saw logs and 36,000 bone dry tons of biomass. This was all green timber volume and its value cannot be recovered. As a result, the potential revenue was lost, including the 25 percent of receipts that should have been returned to the Plumas County Treasury. Some eventual revenue was realized from the fire salvage, but at a far reduced value because of the time it took to finally sell and log the associated volume. The difference in the final revenue and the planned revenue from the Diamond Project is a direct financial loss to Plumas County.

Secondly, of the approximately 65,000 acres that were burned, only 12,414 acres, or approximately 20 percent of the acres, have been reforested. Site preparation was not performed prior to this reforestation effort, but salvage logging was performed on some of the acres. As a result, these areas are highly susceptible to future wildfire and loss. We witnessed this scenario last summer as the Chips Fire consumed the unsalvaged acres left by the Storrie Fire. It will be decades before Plumas County may see any revenue from these devastated areas.

We are well aware that the Secure Rural Schools Act of 2000, as well as the two subsequent extensions, has provided some relief from this local and specific situation. However, contributions from Secure Rural Schools funding has declined significantly

each year. At this time, there is no certainty that future relief will be available from the Secure Rural Schools Act.

This table lists the amounts that Plumas County Roads and Schools received under the latest five year extension as well as the current one year extension.

Year	Amount Received	Reduction from 2008 Baseline
2008	\$ 6,750,169	
2009	\$ 6,075,152	\$ 675,917 (10.0%)
2010	\$ 5,475,137	\$ 1,275,032 (18.9%)
2011	\$ 4,346,602	\$ 2,403,567 (35.6%)
2012	\$ 4,076,021	\$ 2,674,148 (39.6%)
	Total Amount Reduced	\$7,028,664

As the above table displays, Plumas County Roads and Schools have seen a \$2,674,148 reduction in payments in 2012 which is 39.6 percent less than the 2008 historic level addressed under Public Law Act of May 23, 1908 (P.L. 60-136, Ch. 192, 35 Stat. 260, as amended; 16 U.S.C. 500, 553 56d), for 2012. Plumas County has seen a financial impact of losing a total of **\$7,028,664 since 2009** due to the decreasing annual Secure Rural School payments.

It is our understanding that the large settlement from the Moonlight Fire was to provide restoration and recovery dollars that could not be covered by normal Forest Service appropriations. Restoration funds were necessary, in part, because the Forest Service failed to offer salvage timber in a timely manner. If there had not been such a long delay in the decision to start the preparation of the necessary NEPA documents, which were then followed by litigation, more salvage timber being offered at a higher price was highly likely. The Moonlight fire started on September 3, 2007 and was declared contained on September 15, 2007. The fire burned 64,997 acres. After seven months and no decision on how to proceed with recovery efforts, Congressman Herger and members of Plumas County requested a meeting on April 20, 2008. The meeting was with Regional Forester Moore, Plumas Supervisor Carlton and Mark Rey. The Plumas NF proceeded with a NEPA document addressing road side hazard treatment, which was appealed. The Forest then started over with an Environmental Impact Statement that addressed road side hazard and other area treatments into a single document. This document was litigated on July 22, 2009 and involved 6,300 acres or less than 10% of the total burned area. The first sales were not awarded until August 2009, almost two years after the event. If the Forest Service had accomplished these necessary tasks through normal Forest Service trust funds generated from the higher value and additional salvage volume, a larger part of the settlement could have been used for reparations to Plumas County.

Because the Forest Service failed to act in a timely manner, Plumas County Roads and Schools were directly impacted and will continue to be impacted because of the loss of revenue associated with this prime timber resource area of the Plumas National Forest. A response that was received as a result of the Storrie Fire indicated that the Forest Service felt that these impacts and losses were not of concern because recreation would provide

the County with an offsetting social and economic benefit. We feel strongly that this offset is not realistic given the fact that over 300,000 acres have burned in Plumas County since 1999. Much of the acres burned are in and around the Pacific Crest Trail as well as some of the Counties most visited areas, such as Butt Lake and Lake Almanor.

It is the request of the Plumas County Office of Education, Plumas Unified School District Governing Board, Feather River College Board of Trustees, and the Plumas County Board of Supervisors, that you direct our legal and fair share of the Moonlight and Rich Fire settlement amounts to Plumas County Roads and Schools.

Plumas County feels that we are entitled to this consideration as outlined in the following SRS language;

- ▲ Secure Rural Schools extension language as stated in H.R. 1424, Title I-Secure Payments For States and Counties Containing Federal Land, Sec. 102. Payments to States and Counties. (3) Source of Payment Amounts. - The payment to an eligible State or eligible county under this section for a fiscal year shall be derived from-
 - ▲ “(B) any revenues, fees, penalties, or miscellaneous receipts, ...

Further review of H.R. 1424 in Title IV – Miscellaneous Provisions, Sec. 403. Treatment of Funds and Revenues. (b) FOREST RECEIPT PAYMENTS TO ELIGIBLE STATES AND COUNTIES. -

- ▲ (1) Act of May 23, 1908. - The sixth paragraph under the heading “FOREST SERVICE” in the Act of May 23, 1908 (16 U.S.C. 500) is amended in the first sentence by striking “twenty-five per centum” and all that follows through “shall be paid” and inserting the following: **“an amount equal to the annual average of 25 percent of all amounts received for the applicable fiscal year and each of the preceding 6 fiscal years from each national forest shall be paid”**.

When Plumas County reviews these sections of H.R. 1424, we feel that all revenue, including those received from the Settlement cases is due and should have been considered in our County payment.

The Plumas County Board of Supervisors, Plumas County Office of Education, Plumas Unified School District Governing Board, and Feather River College Board of Trustees, submit that it is reasonable to request the Forest Service meet their obligations under the Act of May 23, 1908 (P.L. 60-136, Ch. 192, 35 Stat. 260, as amended; 16 U.S.C. 500, 553 56d) as amended by H.R. 1424, and replace the declining historic levels associated with the 25% funds. As a result of the settlements received from the Rich and Moonlight Fires, both Boards feel that it is only right to request a minimum payment in the amount of \$7,028,664. In addition, we are requesting a full 25% of the settlement dollars.

The agreed-upon settlement with the Forest Service also contains an unknown financial impact to Plumas and other counties. It is our understanding that this settlement also involves Sierra Pacific Industries, Inc. turning over ownership of 22,500 acres of their property to the US Forest Service. If this involves properties within Plumas County being part of that exchange, then we stand to lose more in the fact that this will take these acres off the Plumas County's tax base.

The Forest Service has an obligation to address some of the social, economic and educational impacts from the Moonlight and Rich Fires. Considering that the Forest Service has received settlements of \$102 million (Storrie), \$17 million (Rich) and now \$147 million on the Moonlight Fire settlement, it is time that the government and US Forest Service realize the short and long term impacts to Plumas County and our communities and citizens and not just to public land resources. This is not an unreasonable request and is based upon long-standing legal mandates.

We would enjoy the opportunity to discuss this matter with you at a future Board Meeting. Micheline G. Miglis, Superintendent of both Plumas County Office of Education, and Plumas Unified School District, can be reached at (530) 283-6500, extension 221, or by mail at 50 Church Street, Quincy, CA 95971.

Thank you for your consideration in this extremely important matter in the education needs of all the students of Plumas County as well as our County road needs.

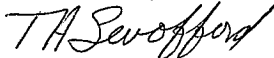
Sincerely,


Plumas County Office of Education


Plumas Unified School District Governing Board


Feather River College Board of Trustees

Plumas County Board of Supervisors Members



Cc.

Congressman Tom McClintock
Senator Diane Feinstein
Senator Barbara Boxer