



AGRICULTURAL COMMISSION

311 Fair Lane
Placerville, CA 95667
(530) 621-5520
(530) 626-4756 FAX

eldcag@co.el-dorado.ca.us

Greg Boeger, Chair – Agricultural Processing Industry
Lloyd Walker, Vice-chair – Other Agricultural Interests
Chuck Bacchi – Livestock Industry
Bill Draper, Forestry/Related Industries
Ron Mansfield – Fruit and Nut Farming Industry
John Smith – Fruit and Nut Farming Industry
Gary Ward – Livestock Industry

MINUTES

May 13, 2009

6:30 P.M.

Board of Supervisors Meeting Room
330 Fair Lane – Building A, Placerville

Members Present: Boeger, Bacchi, Draper, Mansfield, Smith, Walker, Ward

Members Absent: None

Ex-Officio Members Present: William J. Stephans, Ag Commissioner/Sealer

Staff Members Present: Chris Flores, Agricultural Biologist/Standards Inspector
Nancy Applegarth, Clerk to the Agricultural Commission

Others Present: Dave Bolster, Christa Campbell, Shawn Layher, Mark Luster, Art Marinaccio, John Santurro

I. CALL TO ORDER

II. INTRODUCTION AND WELCOME OF NEWLY APPOINTED AGRICULTURAL COMMISSION MEMBER – JOHN SMITH

III. APPROVAL OF AGENDA

Bill Stephans stated he would provide additional information on Item IX. regarding General Plan Policy 8.1.3.1 which was discussed at the Board of Supervisors meeting May 12, 2009. Also, AB 580 (Huber) onsite sewage treatment systems would be added to Item X.

It was moved by Mr. Walker and seconded by Mr. Ward to approve the agenda with the inclusion of the additional information.

Motion passed.

AYES: Bacchi, Draper, Mansfield, Smith, Walker, Ward, Boeger

NOES: None

ABSENT: None

IV. APPROVAL OF MINUTES

- Minutes of April 8, 2009

Mr. Bacchi requested that a modification be made to the Minutes of April 8, 2009 to change the wording of the motion on Item VII. American Mustang Foundation to: "...draft a letter of support for the concepts in the proposal by the American Mustang Foundation (Legacy Ranch) ~~proposal~~ as presented by the applicants..." It was then moved by Mr. Bacchi to approve the Minutes with the change to Item VII., seconded by Mr. Mansfield.

Motion passed.

AYES: Bacchi, Draper, Mansfield, Walker, Ward, Boeger
NOES: None
ABSTAIN: Smith
ABSENT: None

V. PUBLIC FORUM

- No comments were received

VI. Shawn and Nancy Layher – requesting administrative relief from agricultural setbacks for a proposed single family residence to be located no less than 100 feet from the northwest property line, adjacent to agriculturally zoned (SA-10) land.

Pursuant to the administrative relief criteria and procedures adopted by the Board of Supervisors on April 17, 2007, the applicant does not qualify for Development Services Director approval, and Agricultural Commission review is required.

Staff reported on the site visit of April 27, 2009. The subject parcel is 10 acres, zoned SA-10, is in the Camino/Fruitridge Agricultural District, has choice soils, is wooded and has 200 foot setbacks against all property lines. The parcel to the northwest is zoned SA-10 but has a wetland area opposite and across Hassler Road from the applicant's proposed building site. Hassler Road would act as a man-made barrier between the proposed building site and the property to the northwest and the wetland would act as a natural buffer. There is currently no agricultural operation occurring adjacent to the proposed building site, nor is one likely to occur since the wetlands would impair the planting of crops..

Discussion of the proposed building site took place.

Shawn Layher was present for questions and review of the project.

Jim Santurro, a neighbor to the subject parcel, offered his support of the project.

It was moved by Mr. Draper and seconded by Mr. Walker to recommend APPROVAL of Shawn Layher and Nancy Layher's request for a reduction in the agricultural setback, allowing a setback of 100 feet from the northwest property line for a proposed single family residence as Hassler Road is between the subject parcel and the ag zoned parcel to the northwest AND there is an existing wetland on the adjacent agriculturally zoned parcel that would act as a natural buffer of approximately 100 feet, reducing the need for

a 200 foot agricultural setback.

The Commission also recommends that the applicant comply with Resolution No. 079-2007 Exhibit A of the Board of Supervisors pertaining to the adoption of the Criteria and Procedures for Administrative Relief from Agricultural Setbacks. Section B.5 requires the following action by the applicant: In all cases, if a reduction in the agricultural setback is granted for a non-compatible use/structure, prior to the issuance of a building permit, a Notice of Restriction must be recorded identifying that the non-compatible use/structure is constructed within an agricultural setback and that the owner of the parcel granted the reduction in the agricultural setback acknowledges and accepts responsibility for the risks associated with building a non-compatible use/structure within the setback.

Motion passed.

AYES: Bacchi, Draper, Mansfield, Smith, Walker, Ward, Boeger

NOES: None

ABSENT: None

VII. Sierra Pacific Industries – Mark Luster, Community Relations Manager, presenting information regarding the Camino mill closure

Mark Luster gave a brief background presentation (attached at end of minutes) of the timber industry and the current challenges being faced at this time. There is a high demand for wood products, with the average Californian using one 100 foot tree, 16” in diameter, per year. Wood is the best renewable, recyclable, and reusable product for building. It takes approximately 58 trees, 100 feet tall, to construct a 1,800 square foot home. Currently, 80% of wood products are imported from other states and countries such as Canada, Germany, South America, New Zealand and Chili where they have fewer environmental restrictions. Thirty years ago, approximately 20% of wood was imported into California, but since 1990, due to the cost of doing business in CA and the regulatory environment of this state, 70% of the sawmills have been closed. The most recent closures have been at Quincy, Sonora and Camino. The biggest crisis that is being faced today is the availability of logs. Sierra Pacific Industries (SPI) is the largest private landowner in CA with 1.8 million acres of forestland. SPI operates on a “sustain yield basis” meaning that in any given decade the number of trees harvested must match the number of trees planted. Mr. Luster stated that although there are myths about deforestation in CA, this is simply not true. The company is estimating that in 100 years there will be 63% more volume of timber on their land than there is today.

As a forest product company, SPI is required by law, to produce a “Timber Harvest Plan,” which is an environmental impact statement that is approximately 450 pages which costs \$40,000 to \$80,000 to produce. The state of CA spends about \$60,000 to review this document. In other states such as Washington and Oregon the same document usually consists of 30 to 50 pages which costs approximately \$8,000 to produce. California must compete in a market with these other states and countries that have less onerous environmental protections and generally significantly less costs of doing business. In order to manage their land, SPI staff consists of research scientists, biologists, botanists, forestry technicians and over 100 Registered Professional Foresters, who guide the management of the land for optimal timber production. There are also a number of rules and regulations the company must abide by. Although the rules and regulations are good; it is often the way the

rules are implemented, the costs and the inefficiency of getting through the process, which makes operating in CA sometimes difficult.

Several agencies have over-site of the Timber Harvesting Plan process: the CA Department of Forestry, the Department of Parks and Recreation, the Department of Fish and Game, Department of Water Quality, Department of Mines and Geology, the Environmental Protection Agency, Department of Pesticide Regulation, the CA Air Resources Board and county Agricultural Departments. There are a number of controls in place from each of these agencies to insure the company is in compliance with the harvesting process.

Between 1950 and 1990 the timber production in CA was about 2 billion board feet. In 1991 the building trend started downward. Today the company is harvesting considerably less than it has historically. At the same time, the forests are growing at such a rate that it is causing a lot of bug infestation and extensive tree mortality. We are allowing the forests to die as we import wood products from other states and countries. We should also consider the carbon footprint as we import wood from other countries...the cost of getting the product from there to here is significant.

The Forest Service, in 2008, had approximately 45-50 million board feet scheduled to be sold, but only met about half of that amount. Overall, in California, the Forest Service only meets 54% of their projected sales due to litigation. Mr. Luster explained that if the Forest Service were to meet their scheduled sales, there would be enough timber available for the industry, maybe even enough to build more sawmills and create new jobs.

There are many factors that have added to the decline of the timber industry in California; the economy, the cost of doing business, litigation, and the difficulty of navigating through the regulatory process.

The Camino mill has 164 employees that will lose their jobs. The multiplier that the Forest Service uses to calculate the loss of jobs would be 164×2.25 as area businesses such as service stations, restaurants and grocery stores are affected by the loss of income and jobs.

Mr. Draper stated that Mark Luster spoke of what is happening throughout the state, but asked why the Camino Mill, specifically, was chosen for closure.

Mr. Luster explained that the Forest Service sales are down. Even after the Fred Fire the salvage logging was litigated. He stated that many times, the litigation comes from groups outside of the area. The Forest Service operates as a unit, so overall, and especially in California, the timber sales have dropped to a fraction of what they use to be.

Mr. Draper spoke of Michigan Cal management putting together a "woods philosophy." He asked if this would be continued.

Mr. Luster replied that by law the company has to operate on a sustain yield basis. The sustain yield for Sierra Pacific for thirteen sawmills in the state of California is to only supply

60% from their own land. The company has to subsidize the remainder with federal land or

other private land timber. The industry simply cannot survive just on it's own without help from the public land.

It was asked if the Camino Mill is antiquated.

Mr. Luster explained that the reason the last three mills were closed, including Camino, is due to the timber supply. Every year this mill runs out of logs because the 24 million board feet of timber that is being sold is not enough to run the mill. He explained that the company has invested several million dollars into the infrastructure of the mill in the past four years. They have built a new sawing center, and a small co-generation power plant that produces 1.5 mega watts of electricity which supplies some of the power needed to operate the mill.

The Commission asked if there would be a review period.

Mr. Luster answered that they are looking at two things: a turn-around in the economy and a consistent, sustainable, supply of timber. The Camino plant will be mothballed. They will keep the equipment oiled, permits up-to-date, so if things turn-around, they will be able to easily open the mill again. In the meantime, the Eldorado Forest will still be managed but the timber will be shipped out of the county to be milled.

Art Marinaccio, spoke regarding the communities' environmental discussion regarding the spotted owl in 1992-93. One thing that the Board of Supervisors did at that time was to put a "home rule" statement in the General Plan; a statement outlining the local community's custom, culture and economic stability. The federal government must take these things into account when they make their Public Policy decisions. A strong statement was made in the General Plan that not only forest products but the value added for those products, agriculture and other segments of the community were important to the county. He stressed the importance of keeping these statements in all planning documents. He expressed his gratefulness that SPI is mothballing the Camino mill and not scrapping it.

Bill Stephans stated that the Ag Commission may want to have a representative on the El Dorado County Chamber of Commerce "Red Team" that has been formed regarding the mill closure. He also suggested that staff could be directed to write a letter of support for Assembly Bill 1066; legislation that would increase the effective period of a timber harvest plan from 3 years to 10 years.

It was moved by Mr. Walker and seconded by Mr. Draper to direct staff to draft a letter of support for Assembly Bill 1066, to be signed by the Ag Commission chair, which will then be submitted to the El Dorado County Board of Supervisors for their approval before it is submitted to the Legislature and Governor. In addition, the Commission nominates Commission Member, Bill Draper, Registered Professional Forester, to serve as a representative on the Red Team regarding the Camino Mill closure.

Motion passed.

AYES: Bacchi, Draper, Mansfield, Smith, Walker, Ward, Boeger

NOES: None

ABSENT: None

VIII. Ranch Marketing – July 29, 2008 Draft discussion/possible recommendations

Bill Stephans stated that during discussions at the Board of Supervisors meeting of May 4, 2009, one of the proposals, adopted by the Board, was to defer the Ranch Marketing Ordinance to a later date. However, discussions regarding the draft could still take place. Bill Stephans suggested that the Ag Commission continue discussions on the Ranch Marketing Ordinance as local groups from the agricultural community have been reviewing the document.

Mr. Walker asked if the various groups have formed a consensus on the manner in which the Ranch Marketing ordinance will be prepared. He feels it is important to have their input before the Ag Commission reviews the draft.

Christa Campbell said they have had meetings with the Farm Trails members and they did not have any problems with the document. The Apple Hill Growers had an extensive workshop on the draft ordinance and have also given their suggestions on the draft and those have been submitted to Bill Stephans. The next meeting will be in early June with the Christmas Tree Growers who have expressed some concerns. Christa Campbell would also like to meet with representatives of the livestock/grazing industry for their suggestions.

Bill Stephans explained that the livestock/grazing industry ranch marketing options could be incorporated into the revised Zoning Ordinance or the Ranch Marketing Ordinance, depending on input from the industry. Either ordinance would provide protections, allowing certain things By Right or with a Conditional Use Permit.

Mr. Walker spoke of how the county zoning will eventually be changed and how it would affect individuals that are currently in Residential Estate (RE) zones where they are raising livestock.

Bill Stephans stated that the Draft Ranch Marketing Ordinance still hinges on appropriate zoning. The recently adopted Winery Ordinance also uses zoning as well. The current Ranch Marketing Ordinance does not include the Residential Estate zoning, only ag zoned parcels. If someone wanted to do Ranch Marketing activities they would have to rezone to an agricultural zoning. If someone was grazing livestock on an RE zoned parcel, they should also be required to rezone to an agricultural or grazing zoning to participate in ranch marketing activities.

John Smith commented that members of the Wine Industry found that meetings that were only a week apart helped move the draft Winery Ordinance along. It came about because the wine industry undertook to regulate itself, which gave them control as they were writing it. They collected input from the interested parties and put it into a draft that was palatable

enough to be adopted by the Board.

Christa Campbell said they have been meeting regularly for two years working on the document that is currently in place and crafting it by using the experience of those who worked on the Winery Ordinance which should help to minimize the pitfalls. She feels they are close to being done with the draft.

Bill Stephans said he would collect all the final comments to include on the draft. He will then schedule a meeting with Roger Trout to create a copy with the various changes for the Ag Commission to review. A Special Meeting may be required to go over the draft in greater detail.

Christa Campbell said there are some significant changes but they have looked at the way the industry is working now and how they can accommodate what is going on. They know where the problem areas are and they are being addressed.

Art Marinaccio spoke of the incompatibilities in the county zoning. He feels that what staff has historically intended to do is leave it "as is." In his opinion, this is counter-productive.

Dave Bolster concurred with Christa Campbell's comments that the Ranch Marketing Draft is basically, "ready to go." He also concurred with comments of Supervisor Sweeney that there may be a need for a focused EIR, to study the traffic impacts associated with Ranch Marketing activities, but the rest of it needs only minor changes. He feels that a comprehensive EIR is not going to be necessary.

IX. General Plan/Economic Development/Agricultural Issues – Board of Supervisors, May 4, 2009 meeting – update/discussion

Bill Stephans updated the Commission regarding the Board of Supervisor's meeting of May 12, 2009 and the discussion of General Plan Policy 8.1.3.1. After the Board's discussion there was a 3-2 vote to adopt the Ag Commission's recommendation for the criteria for a reduction in setback in a Natural Resource (NR), Open Space (OS), and Rural Residential (RR) land use designation.

The General Plan Implementation Workshop presentation was available for the Commission's review. The workshop on May 4, 2009 covered the Agriculture and Forestry Element of the General Plan. The action plan was consolidated into three slides. The action plan was adopted by the Board of Supervisors with a slight word change. Bill Stephans and Planning staff will go back to the Board on June 22, 2009 to update the Board on the action plan and timeline for items in the plan.

Bill Stephans will be working with the Livestock Industry to identify lands that are deemed appropriate for grazing land protection. He would like input from members of the industry as to what needs to be protected with zoning, or with other types of tools. The Department of Conservation has identified approximately 195,000 acres in El Dorado County as grazing land. If areas of the county are identified as appropriate for grazing land then staff could analyze the lands with the use of GIS software and soil maps. There are certain soils that

have been identified that are important for grazing land. The soil maps could be included on an overlay map to see if the areas, identified for protection, match up.

Art Marinaccio spoke of the May 12, 2009 Board of Supervisor meeting item regarding Policy 8.1.3.1. He said some of “our” failings were pointed out as people that are involved in public policy that supported the need to address how we put together information for the Board.

Bill Stephans said that one part of the motion made by the Board was a directive to use the Ad Hoc Committee to continue to work with agricultural interests concerning issues that are identified in the Consolidated Action Plan.

X. LEGISLATIVE ISSUES

- AB 443 (Gagliani) – Apple Pests: Pest & disease Prevention
- AB 268 (Gaines) – Repeal of AB 885 (Dead)
- AB 905 (Assembly Ag Committee) – 200 lb. exemption for produce at roadside stands is being reduced to 25 lbs.
- SB 170 (Florez) – Agricultural Lands: Cancellation of Williamson Act Contracts
- SB 715 (Wolk) – Agricultural Lands: Williamson Act

Bill Stephans also updated the Commission on AB 580 (Huber) onsite sewage treatment systems

XI. CORRESPONDENCE

- American Mustang Foundation – Ag Commission letter of support

XII. OTHER BUSINESS

- Clayton G. & Ed Stetson update regarding Board of Supervisors appeal action

XIII. ADJOURNMENT

There being no further business the meeting was adjourned at 8:10 p.m.

APPROVED: Lloyd Walker, Chair Pro Tem

Date: June 10, 2009

***See SPI Presentation (next page).**



The slide features a green background. On the left, the Sierra Pacific Industries logo is displayed, consisting of a stylized blue 'SPI' monogram above the text 'SIERRA PACIFIC INDUSTRIES' and the tagline 'Growing Forests For Our Future'. Below the logo, the text 'Sierra Pacific Industries & Forest Management in California' is written in a white serif font. At the bottom left, there are two smaller logos: one for 'Woods' and another for the 'Sustainable Forestry Initiative'. On the right side, there is a vertical stack of three images: a snow-capped mountain peak, a close-up of a pine cone, and an aerial view of a dense green forest.

This is Wood

When you think of wood you probably think of this....



The slide has a green background. It features two photographs. The left photograph shows the interior of a lumber store with long aisles of wooden planks stacked on metal shelving. The right photograph shows a modern kitchen interior with extensive wood paneling, including a wooden ceiling with recessed lighting, a wooden island with stools, and large windows with wooden frames.

Our challenge in the industry is to get people to connect the natural resources they use with where they come from. When people turn on a water faucet they typically do not think about the infrastructure that it takes to get the water to their homes. We have the same challenge in the forests products industry. When you go to a hardware store to buy lumber do you think about the forest and forest management?

Our Demand for Wood

- Americans consume the equivalent of a 100-foot tree per person every year.



Our Demand for Wood

- One 1,800 sq. ft. house uses 58, 16-inch diameter, 100-foot trees OR....



X 5

Wood is the Best Alternative

- It takes more electricity to produce steel, concrete, or aluminum building materials compared to wood products.
- Wood is Renewable,



Our Demand for Wood

- By 2020, demand for wood and wood byproducts will increase by 50%

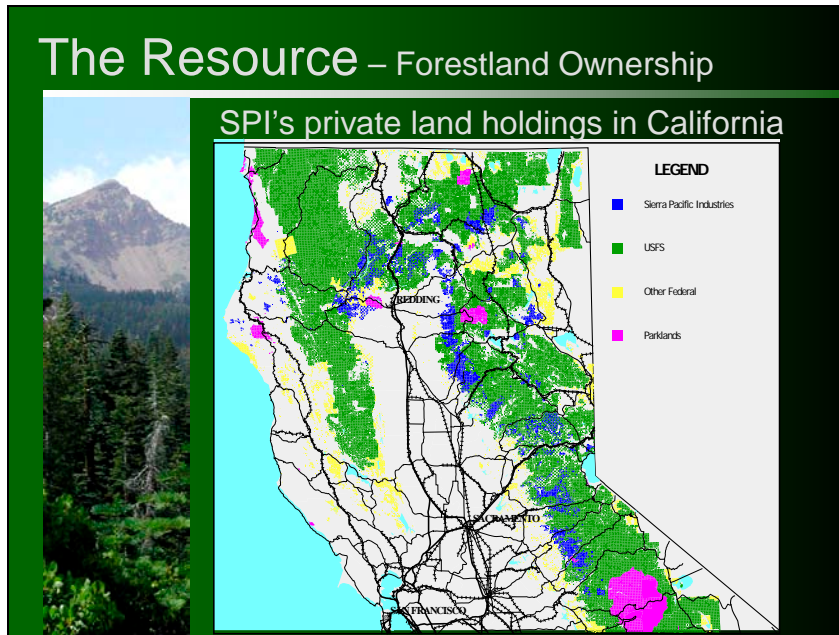
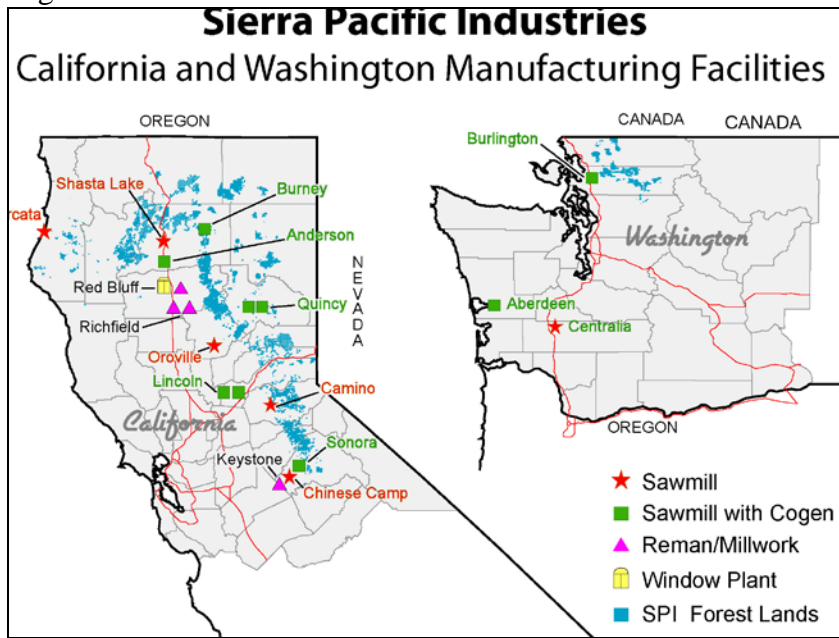


California currently has 38 million people and we grow at a rate of 500,000 people per year, so the demand for wood will continue to grow.

California Wood is the Environmental Choice



37% of the imported wood comes from Canada, A large percentage comes from European countries such as Germany and we get a fair amount from South America and New Zealand. California has arguably the strictest harvesting rules in the world. We get 80% of our wood from countries that have far less protections than our own state. 30 years ago this number was the opposite, we produced 80% of our own wood needs in California, but due to bureaucracy and the lack of timber supplied off of federal land much of the industry has left the state or gone out of business. Since 1989 over 90 mills have closed in California. Today, there are only 34 mills left in the state.



California has 100 million acres. Much of the forest land is publicly owned.

SPI – Forest Management Principles



SUSTAINABLE FORESTRY INITIATIVE

SPI manages its forests under the rigorous standards of the Sustainable Forestry Initiative.

SFI is an independent forest certification program that assures the wood and paper products you buy come from sustainable, well-managed forests. (www.sfiprogram.org)

We are audited each year by an independent firm to make sure we meet the SFI standards.

In the United States SFI program participants represent 85% of wood panel production, 50% of dimensional lumber, 92% of pulp production, 84% of all paper production, 87% of newsprint production, 93% of containerboard production, 90% of paperboard production, 85% of printing-writing paper production.

California Regulatory Oversight

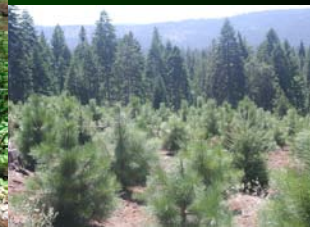
A THP is an Environmental Impact Report, and addresses:



Wildlife



Water and Watersheds



Reforestation

A THP in California can typically cost approximately \$65,000. When you go across the border to Oregon or Washington the same plan can cost \$8,000 with the same environmental protections.

SPI – Forest Management Team



- Ph.D. Research Scientist
- Wildlife Biologists
- Botanists
- Forestry Technicians
- 80 Registered Professional



California Regulatory Oversight



Harvesting timber in California requires interaction with numerous State and local regulatory agencies



California Regulatory Oversight

A Timber Harvesting Plan (THP) is required to harvest any commercial timber in California. The following state and local agencies oversee this process, many of which have separate permitting requirements:

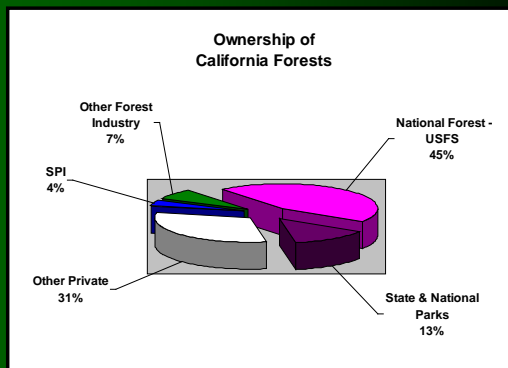
- Calif. Dept. of Forestry & Fire Protection
- Calif. Dept of Fish & Game
- Calif. Dept. of Parks & Recreation
- State Water Quality Control Board
- Calif. Division of Mines & Geology
- CAL EPA (Dept. of Pesticide Regulations)
- Calif. Air Resources Board
- County Ag. Depts. , Air Pollution Districts

Some of our detractors would lead you to believe that the timber industry is not regulated, when in fact it is one of the most regulated industries in the nation.

The Resource – Forestland Ownership

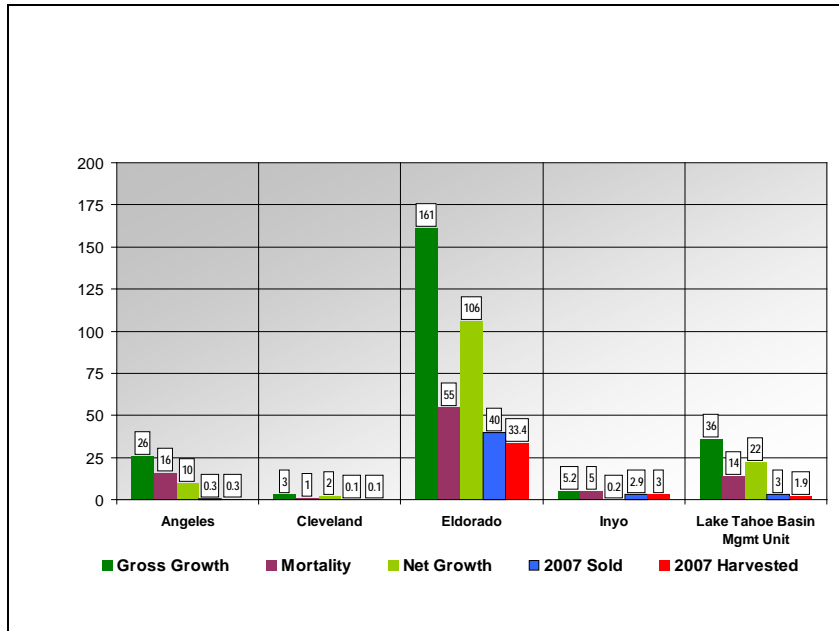


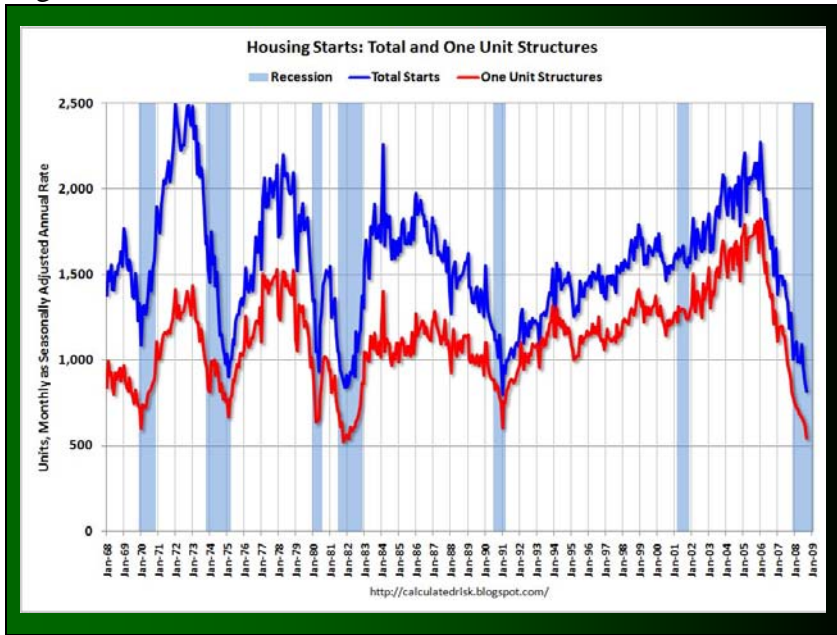
California Forests cover 39.6-million acres, almost 40% of the state's total land area



California has 100 million acres of which 39.6 million acres are forest lands. Much of the 39.6 million acres are protected and never to be harvested such as 14 million acres of wilderness areas. Additionally there are areas of State Parks that have virtually no harvesting.

Only 12% of the 39.6 million acres are industrial timberland while at the same time, California imports 80% of our wood from states and countries with far less protections.





SPI – Mill Closures

- Camino / 164 EE, Quincy / 150 EE, Sonora / 146 EE



SPI is a family owned business that began in 1949 with Red Emmerson and his father's small sawmill in the North Coast.

National Forest Timber Deferred due to Litigation
2008 and 2009 programs

- 14 mmbf Fisher assessment NEPA documents
- 196 mmbf 10 Sierra Nevada Forests pending 2004 Framework District Court decision
- 57 mmbf Plumas Natl Forest 9th Circuit Court
- 32 mmbf Shasta Trinity
- 246 mmbf deferred awaiting 2004 Framework decision

What Can Be
Done?