

Wallowa Resources Annual Report • 2009

Stewardship
Community
Education



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RESOURCES**

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**IN MEMORY OF
LEO GOEBEL**



Over 14 years ago, citizens of Wallowa County created Wallowa Resources to promote community, forest, and watershed health in Wallowa County, while creating and maintaining family wage job and business opportunities, and broadening understanding of the links between community well-being and ecosystem health. The founding mission was a clear commitment to the sustainability of our lands and the people who live here.

Today, Wallowa Resources' programs reflect that founding motivation and vision. We work in four distinct, but integrated fields: (i) watershed restoration and stewardship, (ii) applied research and education, (iii) economic development, and (iv) policy. Over the last decade, we've invested over \$9 million in work that enhances Wallowa County's communities and ecosystems. Getting people on the ground doing work is a goal of all of our divisions.

Our 2009 program supported the equivalent of about 56 jobs, nearly 2% of Wallowa County's non-farm workforce. This includes direct employment by Wallowa Resources and other entities we helped start as well as the employment benefit of our local contracting and procurement.

These jobs were evident across Wallowa County, and to a lesser extent in adjacent counties, working on noxious weed management, designing and implementing forest stewardship projects, conducting watershed assessments, educating local K-12 youth

and regional university students, and leading cultural and heritage tours for folks from across the US. The newest sector of job growth was in renewable energy – in the design and installation of solar, micro-hydro and biomass energy systems.

We helped create or expand several local businesses, particularly in small wood processing and renewable energy. With direct support to Community Smallwood, Integrated Biomass and Renewable Energy Solutions, our investments and support have created 20 new jobs in Wallowa and Enterprise. As with any new business, risks remain. But there are growth opportunities for all these ventures in 2010.

Wallowa County continues to face significant challenges today – the need for investment in land stewardship, the loss of jobs, the stagnant wages, the decline in school populations, the rise in real estate values and the resulting change in land ownership and use. Solving these problems requires strong partnerships at the local, regional and national level, creative and strategic thinking, and lots of hard work. We remain committed to working with Wallowa County and others on these challenges. We remain committed to promoting land and community stewardship – the idea, the practice and the jobs!



Nils D. Christoffersen,
Executive Director

Watershed Stewardship



The Watershed Stewardship Program continued some long-standing restoration work and piloted new strategies in 2009.

Aspen Restoration has long been a focus of the Watershed Stewardship Program. A ten year review confirmed the effectiveness of specific restoration strategies: buck-and-panel fencing was found to be a successful and cost-effective tool to protect aspen stands from browsing and grazing; prescribed burns helped restore sites where natural fires have been suppressed. Evaluation of these sites is ongoing.

In the **Upper Joseph Creek Watershed**, the USFS contracted two vegetation management projects which evolved from Wallowa County's collaborative planning process involving diverse local and regional stakeholders. Forest restoration shifted from warm dry Ponderosa-Doug fir stands to cool-dry Grand fir stands. Also, seven miles of forest roads that were closed to motorized use were decommissioned by WR, USFS, and the Nez Perce Tribe. A primary goal of the decommissioning project is to minimize sedimentation of tributaries of Chesnimnus Creek. In the Lower Joseph Creek Watershed, riparian and range assessment continued and should be completed in 2010.

Recognizing the potential for further divestment of industrial forestlands, we continued to explore ownership and financial options to create a Community Forest. Well managed private forestlands are critical to sustaining watershed health, supporting jobs and small wood product businesses, and to creating opportunities in renewable energy production.



"If we didn't have Wallowa Resources, we wouldn't have a forest restoration program."

Ken Bronec
former USFS Restoration Biologist

Research and Education



The Wallowa Mountain Institute

The **Youth Stewardship Education Program** served 390 K-12 students in Wallowa County in 2009. Programs include outdoor school, Friday field science and summer backpacking program, watershed monitoring program, and high school apprenticeships. The Program is built on strong partnerships with the Joseph, Enterprise, and Wallowa Public School Districts, Wallowa County Education Service District, the Nez Perce Tribe Fisheries, ODFW, USFS, and Building Healthy Families.

Major accomplishments for the Program in 2009 include: 1) sampling water quality in the Eagle Cap Wilderness for the USFS during the WREN backpacking trip; 2) the addition of the ODFW and fish surveying to the WET program; and 3) participating in the Wallowa River Restoration Project at the 6 Ranch.

2009 was the fifth year for the Annual Watershed Festival, which celebrates our natural and cultural resources and their importance to our community.

University Partnership Program

WMI partners with universities in offering undergraduate and graduate education and research opportunities. In 2009 we co-led the OSU Graduate Seminar "Communities and Natural Resources," and contributed to diverse environmental studies courses at Whitman College. We partnered with OSU on the "Community Indicators Project," a community-based monitoring program on the State of Wallowa County. WMI also supported graduate research on land-ownership and land-use change in Wallowa County and how that is impacting stewardship and collaboration efforts. Planning for a six-week field course with Whitman College was completed, to be offered in 2011.

Nature and Heritage Program

WMI's Nature and Heritage Program provided another year of high-quality natural and cultural history tours for visitors and residents in Wallowa County. The second full year of day trips saw a six-fold increase in participants. Gross annual revenues for the entire program were the strongest to date. In 2010 the program hopes to realize even more growth through increased offerings and a rebound in the national economy. Program efforts concentrated on enhancing sustainable tourism opportunities for other businesses and the region as a whole.

"The participation for my son in both the OWL and WREN programs has raised his awareness of the important role that each of us has in creating a balance with our environment. The natural and cultural history taught by the staff gives students extensive knowledge presented in an inspiring manner that allows hand-on experience and creates a love of learning." Renee Beaudoin

Community Development



Wallowa Resources' for-profit subsidiary, **WR Community Solution Inc** (CSI), promotes community development through the provision of capital, services and knowledge to support businesses that generate benefits to the community and environment. In 2009, we focused our efforts in three primary areas:

- Campground Management
- Biomass Utilization and Renewable Energy
- Forest Certification Services

In 2009 we renewed our contract with the County and USFS to manage campgrounds in the Imnaha corridor and in the Chesnimnus area. CSI seasonal staff clean and maintain over

100 campsites, two overlooks, assorted trailheads, and associated facilities.

CSI applied federal stimulus funding to advance biomass utilization and renewable energy projects in the County in 2009. From 200+ acres of mechanically treated forest, Integrated Biomass Resources in Wallowa produced wood chips and densified fuel logs. This fuel reduction strategy was more cost-effective than conventional thinning and burning of slash piles, and provided heat fuel for the Enterprise School District and residential customers.

We became a North American representative for Soil Association Woodmark, which provides audits leading to Forest Stewardship Council certification for forest management and forest product businesses. By the end of 2009 we managed five clients representing 29 different businesses in Oregon, Washington and Canada, and two Forest Management clients representing 77 properties (47,000 acres) in the Pacific Northwest.



“Wallowa Resources moves good ideas, gifts, and passions into action that is appropriate for Wallowa County. It is the key to holding these communities together while others have become ghost towns.”

Rick Wagner, Oregon Department of Forestry

The Canyonlands Partnership



The **Wallowa Canyonlands Partnership** (WCP) took restoration and weed inventory to new levels in 2009. While we treated high priority weeds on 1067 acres, we concentrated on two other important tasks: 1) inventorying our highest priority weeds in wilderness areas and steelhead streams; 2) working to restore several large degraded sites. Our new inventories help protect some of the region's most pristine country from invasion by finding the weeds before they become large problems. Restoration efforts help build resilience and productivity back into perennially weedy areas.

Inventory:

- Over 15,000 acres along trails and streams in federal wilderness areas:
 - The first formal invasive plant inventory in the Lakes Basin of the Eagle Cap Wilderness, and updates at all trailheads on the Wallowa side of the mountains;

- The first formal weed surveys along 20 miles of rivers and trails in the Wenaha Wilderness;
- Ground surveys throughout the canyons between Temperance and McGraw Creek in the Hells Canyon Wilderness, with an emphasis on Rush Skeletonweed.
- Approximately 4,800 acres along steelhead spawning streams, focusing on invasive plants that could change the structure of riparian vegetation and thereby impact the threatened species.

Restoration:

WCP embarked on five large restoration projects in the Imnaha, Zumwalt and Grande Ronde in 2009, including a total of more than 400 acres of land. Restoration efforts restore rangelands that have become dominated by annual grasses and other weeds by making these sites more resistant to weed invasion. WCP utilizes various revegetation techniques to restore the ecological functions of these sites.



“Wallowa Resources Weed Program has been very responsive and helpful to our ranch operation. They have helped us identify new weeds on our ranch, and how we can best treat them. They've come out and worked side by side with us. We really appreciate the survey work they do – especially in the canyons!”

Rod Childers, Rancher

Financials

Profit & Loss

January through December 2009

Income

Special Events Income	3,017.79
Program Revenue	52,849.73
Endowment Trust	250.00

Restricted Grants

Fiscal Agent	4,500.00
Local Agency Grants	29,000.00
Federal Grants	378,395.74
State Grants	220,533.58
Contract Income	43,655.15
Total Restricted Grants	676,084.47

Unrestricted Funds

CSI 2001 Dodge Truck	5,393.29
WRCSI General Support	11,399.25
Board Contribution	8,500.00
Foundation General Support	263,470.00
Individual Contributions	8,009.00
Major Donors	3,200.00
Corporate Contributions	750.00
Gifts in Kind - Goods	5,795.21
Equipment Rental	22,644.00
Reimbursed Expenses	(1,144.10)
Interest Income	190.36
Unrestricted Income	328,207.01

Total Income \$1,060,409.00

Project Expenses

Project Payroll	248,209.96
Contractors	518,964.40
Fees & Permits	300.00
Project Supplies	92,386.41
Travel	13,406.17
Total Project Costs	873,266.94

Administrative Expenses

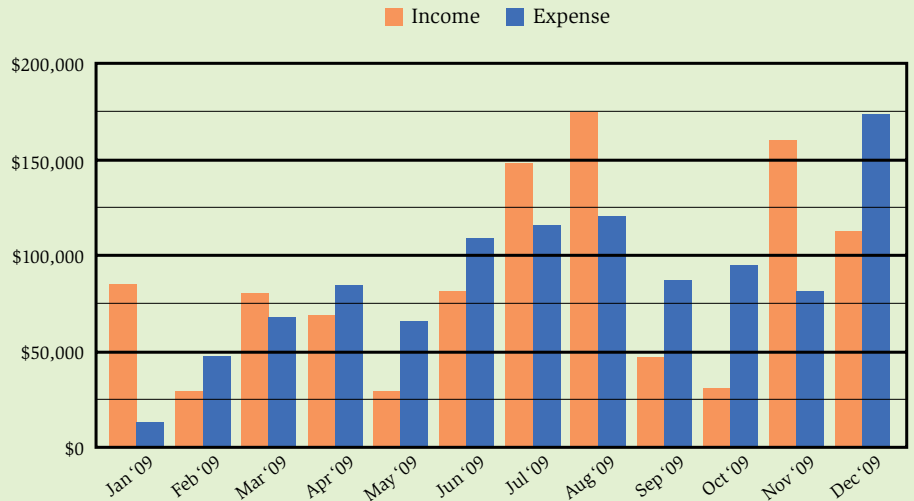
General Admin Office	24,167.93
G&A Payroll	114,069.52
Indirect Expenses	62,084.24
Uncategorized Expenses	1,527.61
Total Administrative Costs	201,849.30

Total Expenses \$1,075,116.20

Net Income (Loss) (\$14,707.24)

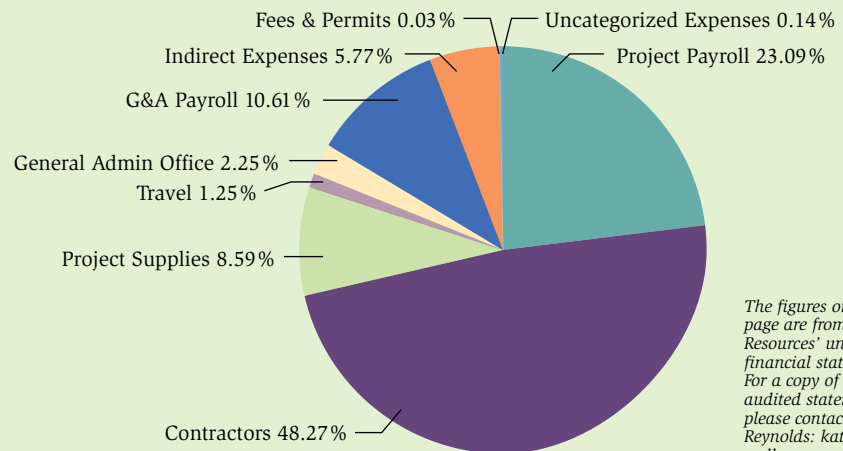
Income and Expense by Month

January through December 2009



Expense Summary

Total Expenses for 2009 \$1,075,116.20



The figures on this page are from Wallowa Resources' unaudited financial statement. For a copy of the final audited statement, please contact Kathy Reynolds: kathy@wallowaresources.org

Donors & Grantors • 2009

2009 Govt/Foundation/Corporate Contributors: Wallowa County, Asotin County, Tri-County, National Forest Foundation, Rocky Mountain Elk Foundation, Murdock Trust, Ford Family Trust, Oregon Community Foundation & Gray Family Fund, Bonneville Power Administration & Grande Ronde Model Watershed, American Honda Foundation, Sustainable Northwest & US Endowment for Forest and Communities, The Nature Conservancy, Oregon Chapter American Fisheries Society, Cycle Oregon, Fishtrap, Kirk Skovlin Construction, Kerr Pacific Corp, Oregon Watershed Enhancement Board, United States Department of Agriculture, U.S. Bureau of Land Management, Oregon Department of Fish & Wildlife, Compton Foundation, Dow Chemical, Oregon State Weed Board, Collins Foundation, Oregon Parks and Recreation Department. **2009 Gifts:** Winding Waters River Expeditions, JZ Lumber, Nancy Knoble/Don Harker, Doug Mc Daniels/Gail Hammack, Dr. Brad & Ann Stephens, FC&C Enterprises, Bill Ables, David Schmidt, Diane Snyder, Bob & Cheryl Zacharias, Larry Nall, Jim Zacharias, Judy Hall, Mike Hamann. **120 individual contributors**

“When the seeds for Wallowa Resources were planted in the mid-nineties, times were tough on our natural resource industries. Times are still tough but now there’s a mature player in the natural resource management game. Wallowa Resources has been true to its name by providing resources to help plan for the use, but not abuse, of the county’s human and natural resources. Besides planning, Wallowa Resources has implemented portions of the plan with its Canyonlands Project (noxious weed control) and Smallwood Project (forest health). With its Wallowa Mountain Institute, Wallowa Resources continues to provide valuable service to the people of Wallowa County and beyond.” Ben Boswell, former County Commissioner



Staff

Nils D. Christoffersen,
Executive Director

Brinda Stanley, Outreach/Office Manager

Mark Porter, Wallowa Canyonlands
Partnership Coordinator

Erin Melville, Watershed Stewardship Coordinator

Kathy Reynolds, Financial Manager

Penny Arentsen, Youth Stewardship
Education Coordinator

Sarah Ketchum, Weed Program Specialist

Troy Nave, Heritage and Field Trips
Coordinator