# WALLOWA RESOURCES Celebrating 20 years

ANNUAL REPORT 2016



Twenty years ago this community came together in the face of dramatic change – the loss of mills, jobs, and families which in turn impacted our schools, hospital, and main street businesses. Fear, frustration, and despair were widespread.

But this County was blessed with great leadership. County commissioners, citizens, local agencies and the Nez Perce Tribe came together to forge a collective vision – one recognizing the need to adapt to the profound changes, while sustaining our custom and culture, our ties to the land, and our natural resource economy. Key building blocks for this vision were the Salmon Habitat Restoration Plan, the Natural Resources Advisory Committee, a new Strategic Plan for Economic Development, and the formation of Wallowa Resources!





Since that time, Wallowa Resources has invested over \$20 million in land stewardship, job creation, and education. We support over 50 jobs and reach over 500 kids annually. We've contributed to innovations in forest management, as well as river restoration, noxious weed management, small-scale renewable energy development, and outdoor education.

The results achieved over the past two decades are part of a larger collective effort. The entrepreneurial capacity of our local landowners and small business owners deserves our greatest appreciation. As I've traveled the western states, I find few other places with this critical community asset.

We need to sustain our common vision, our commitment to our community values, and our partnerships. We must advocate for reinvestment in our federal lands – and sustain our leadership in implementing restoration that improves our lands and provides opportunities to our local communities. We need to enhance the productivity, and profitability of our private working landscapes. And we need to ensure all of these efforts create and sustain well-paying jobs – jobs that will underpin the health of our community, and encourage young people to enter natural resource careers. Success in these endeavors are important to rural communities across the West. I'm confident that we're up to these challenges.

I'm extremely proud of the role Wallowa Resources has played over the past two decades, and sustain my optimism thanks to the support of our Board, the tremendous talent and commitment of our staff, our strong partnerships throughout the County – and by the support of individuals across Oregon. Thank you all!





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## 20 YEARS SERVING

#### 996 The beginning

Wallowa Resources starts up in response to major changes in National Forest management, when drastically reduced timber harvests result in mill closures and the loss of 20 percent of Wallowa County jobs.

#### 1998 Mobile Lumber Mill

A mill is set up to test the economic feasibility of harvesting small diameter trees for lumber. Six- to eight-inch logs are sawn into 1x4s and 2x4s on-site.

#### 1999 River Restoration

Our first project to restore channel complexity in the Wallowa River occurs on the Doug McDaniel Ranch. Steelhead begin spawning there within one year of completion, and Chinook spawning followed soon thereafter.

#### 2000 Noxious Weed Program & RVCC

**Noxious Weed Program:** WR's new program manages weeds on one million acres of private and public canyonlands, or nearly one half of Wallowa County. The effort pays out \$480,000 in payroll and local contracts.

**RVCC:** We are a founding member of the Rural Voices for Conservation Coalition (RVCC) coalition giving a voice to rural leaders in national policy discussions and promoting restoration, stewardship, and rural revitalization.

#### 2001 Forest Products

WR invests in Joseph Timber Company to save mill jobs and build small log processing capacity. The company closes before construction is complete. WR recovers equipment to start post and pole plant.

#### 2004 Stewardship Contract & Youth Education

**Stewardship Contract:** Twenty organizations collaborate on a plan for forest management on USFS land (Arroz Stewardship Contract), resulting in the county's first commercial timber sale in ten years that is not appealed.

**Youth Education:** Wallowa Resources launches "OWL" – Outdoor Wallowa Learning – for 4th and 5th graders.

#### 2005 Community Smallwood Solutions

Fifteen local investors join us to create this new small-diameter log processing business in Wallowa. Over time this grew to become Integrated Biomass Resources (IBR).

#### 2007 Wallowa Mountain Institute

Our education program expands to provide outdoor education (WREN and WET programs), seminars, college courses, and research opportunities for all ages.

# WALLOWA COUNTY

#### 2008 Campsites

WR's subsidiary Community Solutions Inc. (CSI) starts managing more than 100 US Forest Service campsites, avoiding the closure of these sites.

#### 2009 Integrated Biomass Resources

**IBR:** WR recruits this private company to co-locate with Community Smallwood Solutions to produce chips, hog fuel, and pest-free certified firewood.

**Fuel Reduction:** The project thins over 600 acres of overstocked forests, creating 14 jobs while providing biomass fuel for Enterprise School District's biomass-powered heating plant.

#### 2010 New Home & Internships

**New Home:** Wallowa County's former hospital is gifted to Wallowa Resources. Soon, the building is our Stewardship Center and houses 13 organizations and agencies.

**Internships:** We offer internships to Whitman College Environmental Studies college students, who gain a deeper understanding of Western rural issues while building their skills.

#### 2011 Wildlife Management & Renewable Energy

**Wildlife Management:** WR works with landowners to minimize conflicts between livestock and wildlife, including elk and wolves.

**Renewable Energy:** Wallowa Resources takes over Renewable Energy Solutions and expands its programs to deliver small-scale hydro and solar solutions.

#### 2012 Forest Collaborative, Biomass Energy & Micro-hydro

**Forest Collaborative:** At the request of Baker, Union, and Wallowa counties, WR organizes this collaborative to advance forest and community resilience across NE Oregon.

**Biomass Energy:** A 4.8 million BTU biomass-fired heat and power system is commissioned at Integrated Biomass Resources. WR also installs a biomass system at its Stewardship Center, dramatically reducing heating costs.

**Micro-hydro:** We complete our first micro-hydro project near Wallowa, producing 11 kW of power and saving the owner thousands of dollars annually.

#### 2012 Expansion in Education & Moraines

**Education:** WR works with Building Healthy Families to offer after-school and summer programs, high school internships, and hands-on work experience, reaching nearly half of Wallowa County students.

**Wallowa Lake Moraines:** WR works with Wallowa County, Wallowa Land Trust, Oregon Parks and Recreation, and the Trust for Public Lands to secure the cultural, aesthetic and recreational values of the Wallowa Lake moraines.

#### 2014 Water & Power Partnerships

**Irrigation Modernization:** With the Farmers Conservation Alliance and the Energy Trust of Oregon, WR establishes a new program to modernize irrigation in Oregon, improving water delivery, fish conservation, and energy efficiency while reducing costs.

**Creek Restoration:**Wallowa County produces a draft watershed plan for the 100,000-acre Lower Joseph Creek restoration project. This plan is selected as a pilot for the Eastside Restoration Strategy.

**Landscape-scale Weed Management:** WR treats weeds on 20,000 acres, and inventories another 40,000 acres. Other projects include revegetation on the Zumwalt Prairie, riparian fencing, and forest fuels reduction thinning.

#### 2015 My Blue Mountains Woodland & Biomass

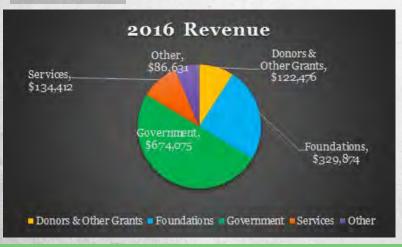
**MBMW:** This initiative connects private forest owners with foresters and experienced mentors to guide restoration and fuels reduction across Baker, Umatilla, Union and Wallowa County.

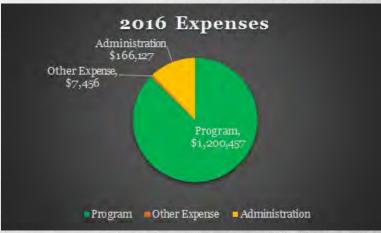
**Biomass:** WR's CSI completes design for a biomass system to provide heat to three city blocks in Enterprise.

#### 2016 Growing Forward

**2016 Goals:** Begin on-the-ground work on 10,000 acres in Joseph Creek; install first two Ruby Peak micro-hydro plants, and plan for 10 to 12 additional units; Conduct biochar soil amendment scoping study to improve farm soil health; test bio-control agent on cheatgrass and medusahead rye; complete design phase of Upper Wallowa River Restoration Project; host a research and education symposium on community resource management.

## FINANCIAL OVERVIEW





### Donors & Grantors | 2016

2016 Govt/Foundation/Corporate Contributors: American Forest Foundation, Building Healthy Families, Burning Foundation, Confederated Tribes of Umatilla, Eastern Oregon University, Herbert A. Templeton Foundation, Kelley Foundation Trust, National Forest Foundation, OR Community Foundation, OR Dept. Fish and Wildlife, OR Dept. Forestry, OR Parks & Rec, Or State Weed Board, OR Watershed Enhancement Board, Pacific Power, Rocky Mountain Elk Foundation, Sills Family Foundation, Sustainable Northwest, The Freshwater Trust, The Watershed Research & Training Center, Tri County Cooperative Weed Management, Trinity Christian Academy, Union County, University Of Colorado, University Of Oregon, USDA Albuquerque, USDA FS Baker City, Wallowa Lake Property Association, Warner Family Charitable Fund, WC Wallowa County General, WR Community Solutions Inc., WR Stewardship Center. 2016 Gifts: Bruce & Terrie Andrews, Chris Borgerding, Eric Borgerding, Bob Christensen, Erik & Alissa Christoffersen, Diane Daggett, Keith & Ellen DeYoung, Rocky & Julie Dixon, Bruce & Jane Dunn, Peter Ferre', Nels Gabbert & Eileen Trudeau, Ben Goodkind & Nancy Payne, Renee Grandi & Craig Anderson, Mike & Bev Hayward, Tyler Hays, James Henson, Bruce Murray & Valerie Ilsley, Dale & Lu Johnson, Clint & Maureen Krebs, Carl & Nancy Lincoln, Doug McDaniel & Gail Hammack, George & Beth Morris, Jeff & Kathryn Nuss, Dan & Suzy Probert, David & Jesse Schmidt, Caitlin Smallwood, Brad & Anne Stephens, Mike & Deanna Williams, Bob Winn. 190 individual contributors.