

MINUTE ITEM

9/30/76
AMB.

43. AUTHORIZATION TO ACCEPT MONETARY SETTLEMENT FROM SIERRA PACIFIC INDUSTRIES, EAGLE LAKE DIVISION FOR JUNE 1974 TIMBER TRESPASS ON SE-1/4 OF SECTION 16, T 23 N, R 8 E, MDM, PLUMAS COUNTY - W 2077.

Calendar Item 43 was pulled off Commission Calendar before Meeting.

Attachment: Calendar Item 43 (2 pages)

AUTHORIZATION TO ACCEPT MONETARY SETTLEMENT FROM
SIERRA PACIFIC INDUSTRIES, EAGLE LAKE DIVISION FOR
JUNE 1974 TIMBER TRESPASS ON SE-1/4 OF SECTION 16,
T23N, R8E, MDM, PLUMAS COUNTY

At its regular meeting of May 27, 1975, the State Lands Commission authorized the State Lands Division and/or the Office of the Attorney General to take whatever steps may be necessary, including litigation, to collect monies due, interest and penalties from the U.S. Department of Agriculture, Forest Service, and Sierra Pacific Industries resulting from trespass on the SE-1/4 of Section 16, T 23 N., R 8 E, MDM, Plumas County (Minute Item 21, May 27, 1975).

Pursuant to Commission authorization, Division staff proceeded with the negotiations for and collection of monies in settlement of the subject timber trespass.

An investigation of the net log scale records of both the Forest Service and Sierra Pacific Industries was undertaken to ascertain the estimated net log scale by tree species removed from the described school land. A recapitulation of the total net log scale by tree species and the total values of such tree species follows:

<u>Species</u>	<u>Net Log Scale</u>	
	<u>in</u>	<u>Value</u>
	<u>M Board Feet</u>	
Ponderosa Pine	193.81	\$32,220.05
Sugar Pine	47.64	6,459.56
White Fir	305.86	20,426.73
Douglas Fir	17.46	1,591.75
Incense Cedar	<u>67.62</u>	<u>,177.19</u>
TOTAL:	<u><u>632.39</u></u>	<u><u>\$67,875.28</u></u>

The logs from trees cut and removed from the State land were scaled at the Sierra Pacific Industries sawmill by Forest Service personnel. The scaling of the logs was conducted during the period of June 3, 1974, through May 12, 1975; this period covered portions or all of five calendar year quarters.

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The total value of the net log scale by species is based upon the prices per thousand board feet (MBF) of the Forest Service's Red Ridge timber sales contract. Base contract prices per MBF adjusted to the calendar year quarter in which the State logs were scaled, less a road use fee, were applied in arriving at the aggregate value by species. The total value of all species amounted to \$67,875.28, as shown above.

Negotiations with the Sierra Pacific Industries led to agreement as to the total net scale and price per MBF by species, with the understanding that, upon payment of the amount of \$67,875.28, Sierra Pacific Industries will be released from any further or future liability in the subject timber trespass, including possible damage, if any, by erosion or slides as the result of logging and landing construction on the SE-1/4 of section 16, T 23 N, R 8 E, MDM.

An on-the-ground inspection of timber trespass area was undertaken on June 17, 1976, by a Division staff member. His findings reported: There was no sign of slippage or instability at the landing, which appears to have been sloped to some extent to control runoff, or along the spur road that has been waterbarred.

On August 27, 1976, a check in the sum of \$67,875.28 was received from Sierra Pacific Industries by the Division.

EXHIBIT:

A. Location Map.

IT IS RECOMMENDED THAT THE COMMISSION:

1. FIND THAT THE AMOUNT OF \$67,875.28 REPRESENTS A FAIR AND JUST MONETARY SETTLEMENT FOR THE JUNE 1974 TIMBER TRESPASS ON STATE SCHOOL LAND DESCRIBED AS THE SE-1/4 OF SECTION 16, T 23 N, R 8 E, MDM, IN PLUMAS COUNTY.
2. AUTHORIZE THE ACCEPTANCE OF THE \$67,875.28 FROM SIERRA PACIFIC INDUSTRIES, EAGLE LAKE DIVISION AS PAYMENT IN FULL FOR SAID TIMBER TRESPASS.
3. DIRECT THE DIVISION TO ADVISE SIERRA PACIFIC INDUSTRIES THAT IT IS RELEASED FROM ANY FURTHER OR FUTURE LIABILITY IN THE JUNE 1974 TIMBER TRESPASS MATTER, INCLUDING POSSIBLE DAMAGE, IF ANY, BY EROSION OR SLIDES AS THE RESULT OF LOGGING AND LANDING CONSTRUCTION ON THE SE-1/4 OF SECTION 16, T 23 N, R 8 E, MDM, IN PLUMAS COUNTY.