Arch Cape Finance Committee

Arch Cape Forest Financial Plan Update

January 27,2022

Arch Cape Water District Finance Committee Financial Plan Update

Approach:

- Baseline is August 2021 "6 Harvest" plan Reviewed with ACWD Board on August 20,2021
- Revised assumptions include:
 - Purchase price: \$ 4.69 million
 - Tax Levy: 5 year levy (starting in 2043) ... \$68K per year revenue
 - Initial timber harvest:
 - moved from 2024/2026 to 2023/2024 ... single contract (2 yr timeframe) to minimize risk of completing activity prior to 12/2026
 - eliminated cable logging Reduces board feet harvest 60% & timber revenue 40%
 - One-time Expenses:
 - reduced \$ 100K implementation expense to \$40K
 - Contingency reserve of \$ 30K added
 - Recurring costs:
 - Forester: reduced recurring cost 50% during hibernation period
 - Property management: reduced recurring cost 50% during hibernation period except years with planned harvest

Summer 2021

	6 Harvests
Harvest Years	2024,2026, 2050, 2055, 2060, 2065
Type of Logging	Ground and Cable Logging
Deferred Road Maintenance Work on 8.9 Miles of the Mainline	Heavy
Decommission Roads	2.92 miles
Ongoing Road Maintenance	12.7 miles
Mgmt Planning	Minor Update every 5 yearsMajor Revision every 10
Inventory	Update every 5 years

Current

	6 Harvests
Harvest Years	2023,2024, 2050, 2055, 2060, 2065
Type of Logging	Ground
Deferred Road Maintenance Work on 8.9 Miles of the Mainline	Heavy
Decommission Roads	2.92 miles
Ongoing Road Maintenance	12.7 miles
Mgmt Planning	Minor Update every 5 yearsMajor Revision every 10
Inventory	Update every 10 years

Ver: 012722a

Arch Cape Water District Finance Committee Financial Plan Update – Updated Assumptions

Purchase price (000's)

Aug 2021 Now
\$5,350 \$ 4,690 Appraisal

Initial harvest timber revenue (000's)

\$ 1,017 \$ 567 Eliminate cable logging

Operating Cost Assumptions

	6 Harvests - 2021	6 H	larvests - 2022
ne Time Expense			
Best Estimate Amount			
Federal Audit (FLP)	\$ 5,000	\$	5,000
Implementation Planning,& Sys Develpment	\$ 100,000	\$	
Certification - Initial	\$ 10,000	\$	10,000
Deferred Road Maintenance	\$ 150,000	\$	150,000
Timber Stand Improvement - Young & Old	\$ 226,478	\$	226,478
Signage - 2 signs	\$ 500	\$	500
Building 2 fire command/control centers	\$ 7,000	\$	7,00
Decommissioning Roads	\$ 73,000	\$	73,00
Forest Management Plan Update and Outreach	\$ -	\$	40,00
Contingency		\$	30,00
TOTAL	\$ 571,978	\$	541,97
nnualized Operating Expenses - Infrastructure (in 2021 doll	lars)		
Audit, Admin, Legal, Insurance, ODF Patrol	\$ 12,649	\$	12,64
Forester	\$ 12,969	\$	6,92
Property/Project Management	\$ 12,969	\$	7,51
Roads Maintenance	\$ 25,400	\$	25,40
Certification	\$ 1,200	\$	1,20
Management Planning	\$ 2,727	\$	2,72
Inventory	\$ 2,727	\$	1,36
Invasive Plant Mitigation	\$ 2,000	\$	2,00
TOTAL	\$ 72,641	\$	59,78
Updated amount			
New Item			

Arch Cape Water District Finance Committee Financial Plan Update (\$ in 000's)

Purchase Funding:

Bus Oregon

Purchase price	\$ 4,690
FLP grants	3,500
Clatsop County	250
Option fee	10

All scenarios assume local match (\$ 1.167 M) obtained via NCLC easement

930

Remaining available funding (post purchase):

Bus Oregon	1,070
Private donations	500
Total remaining funds	1,570

Business Oregon (ARPA) Remaining Fund Use

		ARPA with 5 yr Levy
		Yrs 0-5
		FY 2021-2027
	TOTAL ARPA FUNDING AVAILABLE	\$ 1,070,000
	TOTAL ARPA FUNDING APPLIED	\$ 1,070,000
	Log Sales - Net Revenue	566,828
	Logging Costs	(464,075)
	Roads & Landing Costs	(68,064)
	Foresty Costs	(61,877)
	Replanting Costs	(36,164)
	— Taxes	(12,642)
	- Hauling Costs	(362,468)
	— Timber Stand Improvement Costs	(37,126)
	Total Costs Anticipated to be Qualified for ARPA	(630,180)
	Actual Costs Offset by ARPA Funds	528,022
	e Time Expense	
On	e lille Expelise	
On	Federal Audit (FLP)	(5,000)
On		(5,000)
On	Federal Audit (FLP)	
On	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt	(10,000)
On	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial	(10,000)
On	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline)	(10,000) (150,000) (127,854)
On	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline) Timber Stand Improvement - Young	(10,000) (150,000) (127,854) (98,624)
On	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline) Timber Stand Improvement - Young Timber Stand Improvement - Old	(10,000) (150,000) (127,854) (98,624) (40,000)
On +	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline) Timber Stand Improvement - Young Timber Stand Improvement - Old Forest Management Plan Update and Outreach	(10,000) (150,000) (127,854) (98,624) (40,000) (30,000)
	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline) Timber Stand Improvement - Young Timber Stand Improvement - Old Forest Management Plan Update and Outreach Contingency	(10,000) (150,000) (127,854) (98,624) (40,000) (30,000)
+	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline) Timber Stand Improvement - Young Timber Stand Improvement - Old Forest Management Plan Update and Outreach Contingency Signage - 2 signs	(10,000) (150,000) (127,854) (98,624) (40,000) (30,000) (500)
+	Federal Audit (FLP) Implementation Planning, Systems Setup & Mgmt Certification - Initial Deferred Road Maintenance (8.9 miles mainline) Timber Stand Improvement - Young Timber Stand Improvement - Old Forest Management Plan Update and Outreach Contingency Signage - 2 signs Building 2 fire command/control centers	(5,000) (10,000) (150,000) (127,854) (98,624) (40,000) (30,000) (500) (7,000) (73,000)

Ver: 012722a

Cost elements considered not viable for Bus Oregon Funds use

ARPA + 5 Year Levy starting in 2043 Cumulative Cash Flow



Ver: 012722a