

## FRASC Meeting

June 05, 2014

### Sustainable Rural Economies

Attending: Fatima Yusuf (CH2MHill); Michael Smith (AECOM), Chris Keithley, Bruce Gwynne (DOC), Mary Klaas-Schultz (CAL FIRE), Staci Heaton (RCRC), Russ Henley (CNRA), Dave Sapsis (CALFIRE), Justin Johnson (CALF IRE), Robin Marose (CAL FIRE), Kelly Larvie (CAL FIRE), Mike Tadlock (Campbell Global), Mark Luster (SPI), Wayne Knoff (K<sup>2</sup> Consulting), Dave Bakke (USFS), Don Yasuda (USFS), Deb Whitall (USFS),

#### Introduction

- Brief intro into history of assessment, FRASC
- Brief overview of indicator project status
- Overview of the subject of rural economies in relation to FRAP assessment
  - Urban vs. Rural defined by USDA Economic Research Service rural-urban continuum Codes (RUCC)

#### Panel Presentations

- **Michael Smith, PhD:**

UC Santa Cruz – seasonal park ranger for NPS, Masters at University of Wyoming, ecosystem management plan for Yellowstone; PhD at University of Utah in sociology of environmental resources; taught at Humboldt state and got involved in formation of North Coast Regional land trust and got involved in the changing economies of the late 1990s; worked for EPA in D.C on fracking in Wyoming. Now working for AECOM on NEPA and CEQA

- **Deb Whitall**

Started as a hydrologist with the USFS; got a PhD in public administration; worked with rural schools for the USFS; now works at a social scientist for the USFS R5; talked about planning process for the new forest plans.

- **Fatima Yusuf**

Grew up in Kenya and did undergrad in Range Science; Ag Econ at Washington State University

#### Panel Questions:

*Q1: Explain the interdependence between rural and urban places? What forces are driving population growth or loss in the region? What are some of the opportunities and challenges for rural community economic development?*

Fatima: rural areas are labor pools for urban areas. City people can recreate in the rural areas. Notion of place-based employment being upended by the internet. Is this actually a trend? Prisons being located in rural areas and rural areas going into debt. Prisons do not create the jobs rural areas expect and there are some negative externalities associated.

Deb: Scale is important when thinking about rural/urban connection. Scale of local ecosystem services is much bigger than the local – think about water supply. Interdependence on increased local, regional, and national support for fuel reduction and creating fire resiliency. Connection between rural and urban is strong and the more we can do at creating understanding the better off we will be.

Sapsis: voters are in cities and they don't understand forests

Bruce Gwynne: USFS demands watershed function for the good of agriculture and urban areas. Tension in the voting process where there is sparse representation for rural areas in the legislature. Vote to support the conservation of natural resources is one of the hardest things about how our legislative process funds process. Can get money to support water supply infrastructure – cannot get money to protect resources.

Russ Henley: demographic questions – are people moving from suburbs back to cities? Are cities becoming amenity destinations? Rural kids moving to urban areas for employment. Are the old people going to move into the city to be near health care, thus again depopulating rural areas?

Michael: he went from rural Cal to Washington D.C. and really liked it. Now he likes living in Oakland. Generationally there is a negative reaction to suburbia which is driving urban revitalization. Two thoughts: 1) demographic of retirement, one important thing for assessment to capture is that what is happening in SF Bay area wealth creation with Tech sector and the ramification to rural California. Where is the money going that is generated by these booms? Foundations? Easements? Hewlett Packard Foundation? 2) demography of second homes . Rural areas are resource colonies for urban areas. California has two large urban areas, LA and SF Bay. The Baby Boomer generation has unknown impacts on rural areas.

Wayne Knopf: please comment on elimination of jobs that were provided by mills and logging. This must have contributed to people leaving rural communities. Alturas (and Modoc) as an example

Deb Whitall: USFS found things related to that topic in their assessment work. Timber harvest has declined since the 1990s on USFS and state and private lands. Biomass creates energy and jobs – but it is hard to make biomass profitable.

Stacy Heaton: RCRC representing 34 rural counties they have a different angle – representation of rural areas in the legislature. Rural counties are not sufficiently represented. Cap and Trade funds money is

mainly going to non-rural areas. Not enough support for broadband deployment into rural counties – not there because broadband companies are not being honest about their capacity. This hinders telecommuting. How do we get the Sacramento, Los Angeles, Monterey lawmakers to understand the importance of rural areas? There is a bubbling up of frustration with urban/suburban lawmakers because they don't care about rural areas.

Walker: is rural becoming synonymous with impoverished?

Sapsis: folks need to become more cognizant of what they want and how their health and well-being depends on rural areas. Water is the best resource to start the conversation about this.

Keithley: importance of valuation studies for ecosystem services. Are they a weak or strong lever for policy development?

USFS valuing ecosystem services with help of UC Merced

Yusuf: look at what services provide in terms of human use – think about recreation-based services, non-market ways of valuing recreation. How do you value beauty? CH2MHill has models to value things that should not be valued. Delta project will improve habitat for delta smelt. How do you value that?

Michael: Intersection between valuation and the urban/suburban areas and rural areas. There are areas of deep and intractable conflict based on ideas of natural resource extraction. There is an example of alignment of interests in rise in farm to table movement.

Bruce Gwynne: related to economic valuation of ecosystem services – saw some comments from key member of our legislature related to drought's effect on agriculture minimizing the low impact on commodity value of ag. But this ignores the drought's effects on the landscape in general. The rest of our economy is dependent on the enormous add-on value of the larger landscape.

Wayne Knopf – word of advice against using USFS data because it is skewed.

Mark Luster – with urban places dictating rural policies – how do we get the urban areas to pay for the resources they rely on from rural areas?

Dave Bakke – been thinking about there is an initiative in Hawaii in place for a few years recognizing the value of forest lands in Hawaii because of connection through water. Because Hawaii is isolated, they understand the importance of water. In CA, drought is a common occurrence. It seems like rural counties and USFS as well as other land managers should have a state-wide initiative to push the whole notion of water and its importance to urban populations. Rural communities could get behind that. In Hawaii, governor announced it. But it could be possible in CA.

Deb Whitall: referenced the avoided cost analysis on the Mokulumne watershed.

Don Yasuda: end user of water from the Mokulumne is EBMUD. So there there is a direct connection – EBMUD gets their water from the Moke. The avoided cost analysis tried to look at cost of recovering

from fire vs. cost of preventing the fire. It is the water that EBMUD directly benefits from – but there are also a lot of people in the community: water users vs. water utility. How do you tie it all together with a more holistic view of water supply and sustainable landscapes?

Wayne Knopf: I am from Lodi where the river running through town is very important. Reminds me of a saying: Whisky is for drinking, water is for fighting (Mark Twain)

Michael: There is a disconnect between urban and rural understanding. Never let a good disaster go to waste. The drought ...? We have been successful in building these delivery systems, and the end user does not understand where the water is coming from. Portland – potential contamination of water supply, do not drink water for 48 hours. This got people's attention about where the water comes from and how this could happen. Big disaster was that the coffee shops had to close. Education of urban people is needed.

Sapsis: expectations are remarkable. Getting people to envision not having something. Portlandians would never have thought their water would become contaminated.

Yasuda: In what ways has environmental protection and improvement contributed to economic well-being? Need to pay attention to words and how we phrase things. There is a significant rural idea of conservation. With urban influx into rural areas – how do you characterize what a rural area is? That makes it hard to manage rural areas with old outdated ideas. Perception is not always correct. Example: working rangelands. No connection between how we manage the lands for ecosystem services and the economies around the lands we manage. We must look at diversification of the economies. Think holistically about diversification of rural economies that keeps them intact. The change cannot be as simple as a switch from natural resource extraction to recreation.

Henley: protection vs. utilization. Management is not necessarily a bad thing. Trend toward conservation easements is a good thing. Working forest conservation easements is like a transfer of wealth from urban to rural. Environmental organizations are stepping up to become land managers. There are some positive shifts. Some PNW states have not gone so far down the conservation path. WA and OR have more interest in working landscapes than CA.

Robin Marose: challenge and opportunities presented by climate change. Fire – releases carbon and can damage the carbon sequestration factory. After a big fire, you may never have the potential for carbon sequestration that you had before (damage to soil). Fuel reduction can provide a lot of jobs. This could lead us to change the way we are doing things.

Wayne Knopf: re panel question: contribution to economic well-being – has there been a net gain in economic well-being? In his experience, there has been a net loss.

Rich Walker: questions effect of illegal drug manufacturing?

Deb Whitall: externalities associated with weed growing are something we need to think about.

Michael: there are some positive externalities of marijuana growing – transfer of wealth from urban (mexico?) to Humboldt. In regard to enviro protection and well-being: CA is large and diverse. Rural areas are so diverse. Within a single community, how to address? That depends on the community itself. Who you are in those communities and how you get your money effects whether certain policies will work for you. Counties that have a lot of protected lands grew four times as much (in terms of population) as those that have less protected lands. Tourism development is a possible way to sustain rural economies: communities that transition from natural resource extraction to tourism.

Mike Tadlock: don't overlook resurrection of the timber industry as a legit way to resurrect rural areas. We need timber harvest to manage forests.

Yusuf: there is a disconnect between urban and rural at the state level. Try to educate the city folk about how they rely on rural areas.

Deb Whitall: as the USFS R5 goes through their assessment process they are interested in doing a better job of drawing in underserved communities. Exercise: ask kids to answer three questions to frame a conversation about where kids are 1)what makes you happy, 2)think about what makes you happy and whether or not a forest (or park) what is the connection. 3) think about connection to a forest and rules we all have to live by so you can be happy.

End of Meeting