

2008 ANNUAL REPORT
for Public Reserved, Non-reserved, and Submerged Lands
to the

JOINT STANDING COMMITTEE
on
AGRICULTURE, CONSERVATION,
AND FORESTRY



Scraggly Lake Unit, Staff confer at Owls Head Trail Overlook

March 1st, 2009



MAINE DEPARTMENT OF CONSERVATION
Bureau of Parks and Lands

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I. INTRODUCTION

The Bureau of Parks and Lands is responsible for the management and administration of Maine's Public Reserved and Non-reserved Lands, Submerged Lands, Coastal Islands, and other lands as provided by law.

This report constitutes required annual reporting pursuant to:

- 12 MRSA 1853, 1839 and elsewhere.
- 12 MRSA 1850(1) and 1836(1) and elsewhere related to vehicular access to Bureau lands
- 12 MRSA 1805 and 1853 related to ecological reserves on Bureau lands.

The Bureau is statutorily mandated to manage the Public Reserved and Non-reserved Lands in a manner consistent with the principles of multiple land use to produce a sustained yield of products and services in accordance with both prudent and fair business practices and the principle of sound planning (Title 12 MRSA 1833 and 1847).

The "Lands" division of the Bureau is a dedicated revenue component of the agency funding all of its administrative, planning, management, and operational activities from revenue generated from the land base. Fifteen year, multiple-use plans for the major properties guide the Bureau's management activities. Benefits from the wise management of these lands include:

- *Protection of unique natural and cultural resources*
- *Enhancement of wildlife habitat*
- *Access to recreational opportunities*
- *Production of forest products*

The Bureau also has responsibility for managing public trust rights to Submerged Lands, and, when granting leases for the use of Submerged Lands, includes conditions to maintain customary and traditional public access, navigation, and commercial marine uses.

II. 2008 HIGHLIGHTS

Acquisitions – 2008 was a quiet year for public reserved land acquisitions compared to previous years. Although only one 27-acre parcel was acquired in fee, this parcel provides deeded access from State Route 155 to the Bureau's Bradford-Lagrange Unit. Also acquired was the last piece of a multi-parcel expansion to the Bradbury Mountain State Park – a 1-acre trail easement needed to connect recent extensions from Bradbury State Park to the Pineland Public Reserved Lands (via a CMP transmission line corridor trail license). This was a key piece completing the Bradbury – Pineland Project, one of the original LMF projects. Both of these acquisitions were funded from Bureau revenues.

Two conservation easements were donated to the Bureau in 2008, protecting 303 acres along the Kennebec River in Madison, and 6,730 acres in the Western Mountains (Robinson Peak) adjacent to the Bureau's Mahoosuc Unit.

The Bureau also conveyed 7.5 acres of fee lands pursuant to legislative authorization.

Plum Creek Moosehead Concept Plan and Conservation Easement Review: This year the Bureau was engaged intensively in the dialog and formal review of Plum Creek Moosehead Region Concept Plan, in which the Bureau is contemplated to be 3rd party holder of approximately 400,000 acres of additional conservation easements required as part of pending LURC approval.

Firewood Permit Program: In response to rocketing energy prices in the summer of 2008, the Bureau's firewood program attracted many times the interest of that in previous years. Nearly 800 inquiries were answered by BPL staff, and 377 permits totaling 2,020 cords were issued to individuals wanting to harvest their own firewood from Bureau-managed lands.

Forest Certification – In 2008 the Bureau completed a full re-certification audit under the Forest Stewardship Council program and the first annual audit under the Sustainable Forest Initiative. Dual surveillance audits were conducted in the Bureau's Western Region, looking at high quality timber harvests and best management practices for water quality.

The Bureau was awarded unconditional certification, reflecting its exemplary forest and land management practices.

Recreation – Providing extended trail opportunities was the focus for continued work on several public reserved units in 2008. In southern Maine, after 8 years of acquisition work in partnership with the Pownal Land Trust on the Bradbury-Pineland Project, the Bureau now has the legal right and approved permission to establish a multi-use trail connecting Bradbury Mt. State Park in Pownal with the Pineland Public Reserved Land Unit in Gray and North Yarmouth. In the north central area, on the Nahmakanta Unit, a 1-mile trail and a campsite were constructed with the help of the Maine Conservation Corps (MCC), finalizing a new loop option for extended hiking. In the far north, the hiking trail network was improved at the Deboullie Unit with the help of MCC services. Improvements were made to the Deboullie tower trail and a new 3-mile Black Mountain loop was constructed. In the downeast area, an effort to establish extended hiking options in the Donnell Pond Public Land Unit was launched in 2008. In the western mountains area, improvements were made by the MCC to the Wright Trail on the Mahoosuc Unit to address deteriorating conditions on this rugged and challenging hiking trail to the summit of Goose Eye Mountain. On the Bigelow Preserve, a site plan was developed to reroute the Appalachian Trail along the eastern shore of Flagstaff Lake and provide additional lakeside campsites off that trail; and to provide a hiking trail connecting to the Western Mountains Foundation Hut to Hut trail.

Other recreation improvements on public reserved lands enhanced road and water access, campsites, and motorized trails. A new public use road and bridge were constructed over the Red River at the outlet of Pushineer Pond in the Deboullie Unit, eliminating vehicle fording across the river. Also in the northern region, a multi-use trail spur was constructed on the Salmon River Lake Unit from the Bangor and Aroostook rail trail in Perham to Salmon Brook just below the outlet of the lake for hand carry watercraft, walkers, bikes and ATV's. In the eastern interior area, the Bureau sited two new campsites on Mattawamkeag Lake, and began the permit process to establish those.

Wildlife – Most notable for wildlife management activities in 2008 was that the Bureau was able to conduct deer use surveys on many public land parcels due to abundant snowfall. Timber harvest plans for 14,892 acres of public lands were reviewed for fish and wildlife habitat compatibility and potential habitat enhancement.

Timber Management Program - In 2008 Bureau harvest volume decreased a bit, but still exceeded 100,000 cords for the second time, despite excessive rain throughout the summer. Markets were weaker for many products, but hardwood pulp demand was steady, enabling the Bureau to market over 52,000 cords of low quality wood while improving the residual stands.

Land Management Planning – In 2008 Regional Management plans were initiated for the 36,000 - acre Aroostook Hills Region which includes the Squapan and Scraggly Units and a number of small lots; and the 57,300-acre Eastern Interior Region including the Duck Lake, Bradley, Mattawamkeag and Machias River Units, and a number of small lots. The Plans also address Bureau-held conservation easements, which include easements in the Eastern Interior Region at Nicatous Lake, Mattawamkeag Lake, and along the Machias River. These plans are expected to be completed in 2009.

Submerged Lands – Following a collaborative stakeholder process, in 2008 the Bureau presented recommendations for legislative changes to improve its lease rent structure for submerged lands. The Bureau continues to provide conveyances for new proposals on submerged lands and to owners of coastal structures who were granted 30-year constructive easements when the leasing program was established in 1975. In addition the Bureau continues to develop an inventory of structures on great ponds.

III. PREFACE

This report is submitted by March 1st of each year to the Joint Standing Committee on Agriculture, Forestry, and Conservation. The first section of this Report provides a summary of the Bureau's management activities during the 2008 calendar year in the following program areas:

- Land Management Planning
- Natural Resources
- Wildlife
- Recreation
- Timber Management
- Transportation
- Land Transactions
- Submerged Lands
- Public Access
- Shore and Harbor Management Fund
- Coastal Island Program
- Income and Expenditures Accounting
- Administration

As required, information on gates and barriers that prevent public vehicle access to Public Reserved and Non-reserved Lands, recreation facility fees charged for the use of these lands, and a status report on Ecological Reserves is included. The report also contains information on income and expenditures for calendar year 2008.

Secondly, a Financial Report for FY 2010 is included as part of this document. The ACF Committee, in turn, has the obligation to report by March 15th to the Appropriations Committee on the Bureau's Lands Division FY 2010 budget.

IV. SCOPE OF RESPONSIBILITIES

The Bureau of Parks and Lands is an agency within the Department of Conservation. In addition to its responsibilities for the management of State Parks, Historic Sites, the Allagash Wilderness Waterway, the Penobscot River Corridor, Boating Facilities, and the Snowmobile and ATV Programs, the Bureau is responsible for the management of 577,932 fee acres of Public Reserved and Non-reserved Lands, and 312,236 acres of conservation easements (including 9,815 acres delegated to

the Bureau to enforce by the US Forest Service). In addition, the Bureau holds various public access easements totaling 600,000 acres.

The Bureau also manages 2.3 million acres of the State's marine and freshwater Submerged Lands, and 1086 publicly owned coastal islands. Since the creation of the Bureau of Public Lands in 1973, many of the original public lots have been traded with other landowners to consolidate the State's holdings into larger management units having greater public use values. Other lands, such as coastal islands, surplus institutional lands, and land acquired through the Land for Maine's Future Program have been assigned to the Bureau for management.

The Bureau is statutorily mandated to manage Reserved and Non-reserved Lands "under the principles of multiple use to produce a sustained yield of products and services by the use of prudent business practices and the principles of sound planning" (12 MRSA ' 1833 & 1847). Bureau staff involved in managing Reserved and Non-reserved Lands include specialists in planning, forest transportation, wildlife, recreation, and field forestry. All collaborate to ensure an integrated and balanced approach to the management of the various resources on these lands.

Submerged Lands beneath coastal waters to the 3-mile territorial limit, and natural Great Ponds, are managed by the Bureau under the Public Trust Doctrine to protect the public trust rights to fishing, waterfowl hunting, navigation, and recreation. In addition, the Bureau maintains the Coastal Island Registry, which catalogs the ownership of all coastal islands.

TRENDS AND ISSUES

Since 1995, the fee ownership managed by the Lands Division has increased by roughly 102,000 acres (a 21% increase), with the majority (67%) of the new lands acquired between 2003 and 2007. Conservation easements have increased dramatically compared to fee lands, from only 5,000 acres in 1995 to now over 312,000 acres, with nearly 259,000 acres of these conservation easements acquired between 2003 and 2008. That is an increase of 650% in the past 5 years.

The public access easements were all acquired between 2004 and 2007 (see accompanying chart on back page).

Land Management Issues: Both land and easement acquisitions have increased the Bureau's land management responsibilities, and added a significant workload and cost, particularly in the areas of recreation development, natural resource planning, and easement monitoring. However, the Bureau's land management staffing has not increased since 2002 and options for revenue to cover increasing costs are lagging behind the needs. In addition the markets for selling timber products have significantly diminished in the downturned economy. Potential revenues from new fee lands are not sufficient to cover the increased costs associated with the acquired lands – some lands acquired have included deed restrictions limiting timber harvest (deeded ecological reserves), while others have low volumes of standing timber at the time of purchase thus limiting the revenue generation potential for a decade or more, or are of high value for recreation such that timber management must be secondary to recreation.

Easement Monitoring Funding Issues: Significantly, the Bureau can generate revenue from timber management to manage its fee lands for recreation and wildlife; but conservation easements impose management costs for compliance monitoring, with no timber-based revenue generation to support that cost.

Monitoring endowments established by acquisition partners in the Maine Community Foundation (MCF) as part of acquisition fund raising has helped to cover part of these costs; but recent declines in the value of those endowments due to the global economic crisis (one third of the value lost in the last year) has underscored the fragility of those endowments. Clearly the loss of value recently experienced is a major challenge for the Bureau and is giving pause to continued investment in the MCF endowments. The Bureau is exploring options to charitable foundation endowments that could have less risk from market interruptions.

V. LAND MANAGEMENT PLANNING

The Bureau owns and manages 147 public reserved land units and 21 non-reserved public land units. It also holds conservation

easements on 42 properties; is delegated by the US Forest Service to enforce 3 others; and is 3rd party enforcer on an additional 11 easements.

The Bureau's **Integrated Resource Policy** (IRP) adopted in 1985 and revised in 2000 guides resource management decisions and governs management planning for all Public Reserved and Non-reserved lands. Management Plans are prepared consistent with the IRP and taking into consideration comments received from a defined public process. Historically, resource management plans were prepared every ten years for each of the larger parcels (or Management Units), many of which are consolidations of former public lots. Today, management plans are prepared regionally, for a period of 15 years, and a single plan addresses all of the reserved and non-reserved lands within a planning region.

The planning process allocates areas for specific uses including:

- *Special Protection (Natural/Historic)*
- *Wildlife*
- *Recreation*
- *Timber*

Because of the nature of multiple-use management, these areas often overlap, creating zones where management is designed to accommodate a variety of uses. The relative impact of one use upon another is carefully weighed to establish a hierarchy of resource management that protects the most sensitive resources and uses, while allowing other management to continue. For example, planned timber harvests in deeryards can provide a sustained yield of forest products and deer browse, while maintaining the winter shelter value of these areas.

Regional management plans are developed utilizing technical expertise at the State and Bureau level, while involving the general public in the plan development process. For each plan, Public Advisory Committees are established representing local, regional, and statewide interests. These committees serve as forums for discussion of draft plans. Public meetings are held providing interested parties an opportunity to provide input on management issues and to comment on plan drafts. After consideration of these comments, the Bureau then submits the final Plan to the Department Commissioner, upon recommendation by its Director, and the Plan is effective upon the Commissioner's approval.

MANAGEMENT PLAN STATUS

1	Mount Abraham ¹	Adopted June 2007
2	Bald Mountain/Rangeley	Begins 2009
3	Bigelow Preserve ¹	Adopted June 2007
4	Chain of Ponds ¹	Adopted June 2007
5	Chamberlain	Scheduled 2011-12
6	Cutler Coast ²	Adopted March 2007
7	DeadRiver/Spring Lake ¹	Adopted June 2007
8	Deboullie ³	Adopted June 2007
9	Dodge Point	Adopted Nov. 1991
10	Donnell Pond ²	Adopted March 2007
11	Duck Lake⁵	Revision in progress
12	Eagle Lake ³	Adopted June 2007
13	Four Ponds	Revision begins 2009
14	Gero Island/Chesuncook	Scheduled for 2011-12
15	Great Heath ²	Adopted March 2007
16	Holeb	Adopted Dec. 1989
17	Kennebec Highlands	Plan in Progress
18	Little Moose	Adopted Oct. 1988
19	Machias River⁵	Plan in Progress
20	Mahoosuc	Revision begins 2009
21	Moosehead	Adopted July 1997
22	Nahmakanta	Adopted Nov. 1995
23	Pineland	Adopted Sept. 1988
24	Richardson	Revision begins 2009
25	Rocky Lake ²	Adopted March 2007
26	Round Pond	Adopted Dec. 1992
27	Salmon Brook Lake Bog ³	Adopted June 2007
28	Scraggly Lake⁴	Plan in progress
29	Seboeis	Adopted Feb. 1990
30	Seboomook	Adopted March 2007
31	Squapan⁴	Plan in progress
32	Telos	Adopted Feb. 1990
33	Tumbledown Mt.	To Begin in 2009
33	Wassataquoik	To be scheduled

¹ Flagstaff Region Plan

² Downeast Region Plan

³ Northern Aroostook Region Plan

⁴ Aroostook Hills Region Plan

⁵ Eastern Interior Region Plan

VI. NATURAL/HISTORIC RESOURCES

NATURAL RESOURCE INVENTORIES (NRI's)

The Maine Natural Areas Program, a division of the Bureau of Geology and Natural Areas, conducts inventories of natural resources on lands managed by the Bureau under a Memorandum of Understanding. In general, inventories are done in advance of management planning to provide up-to-date information.

NRI's completed in 2008. Natural Resource Inventories were completed for the Scraggly Lake and Squapan Units in the Aroostook Hills Region. In 2008 NRI work was initiated for the Mahoosuc and Four Ponds Units.

ECOLOGICAL RESERVES

History, Status Related to Statutory Acres Limits. Ecological reserves are designated areas containing representative native ecosystem types managed as special protection areas. These areas serve as benchmarks against which to measure changes in both managed and unmanaged ecosystems, to provide habitat unlikely to occur where active management occurs, and to serve as sites for scientific research, monitoring, and education. The annual report must indicate the status of these reserves, including acres of reserved and nonreserved lands designated as ecological reserves and the results of monitoring, scientific research and other activities related to the reserves (12 MRSA §1839 and §1853). The bureau is also required to notify the committee when a management plan proposes designation of an ecological reserve (12 MRSA §1805). This section of the report addresses both requirements.

The bureau director may designate ecological reserves on bureau lands included in "An Ecological Reserves System Inventory: Potential Ecological Reserves on Maine's Existing Public and Private Conservation Lands," Maine Biodiversity Project, July 1998. The Director may designate additional reserves in conjunction with the adoption of a management plan, when that process includes public review and comment on the plan and notification to the committee of the proposal.

In 2001, the director designated thirteen ecological reserves totaling 68,975 acres on public reserved lands included in the above-referenced inventory. These original reserves were designated using the best available information at the time, with the understanding that adjustments would be needed as research in conjunction with management plans revealed different conditions on the ground and other

Original Ecological Reserves Designated in 2001 and Modifications Adopted in 2007		
Name	Original 2001 Acres	Acre Changes adopted in 2007
1. Bigelow Preserve ER	10,540	
2. Chamberlain Lake ER	2,890	
3. Cutler Coast ER	5,216	+5
4. Deboullie ER	7,253	-350*
5. Donnell/Tunk ER	5,950	+274
6. Duck Lake Unit ER	3,870	
7. Gero Island ER	3,175	
8. Great Heath ER	5,681	-40
9. Mahoosucs ER	9,974	
10. Nahamakanta ER	11,082	
11. Rocky Lake ER	1,516	
12. Salmon Brook Lake ER	1,053	
13. Wassataquoik ER	775	
Total Acres	68,975	-111

* Estimated acres at this time

factors affecting the lands included in the reserves.

The Downeast Region Management Plan (adopted in 2007) recommended and adopted changes to three original reserves because of recent land acquisition for the Donnell Pond Unit, deed conditions affecting use of the Great Heath and fieldwork on the natural communities at Cutler Coast. The Northern Aroostook Region Management Plan (adopted in 2007) recommended and adopted changes to the ecological reserve at Deboullie where the boundary overlaps an area of 300-400 acres with developed facilities and significant public use. The change in ecological reserve acreage resulted in a net reduction of approximately 111 acres.

Between 2002 and 2004, the Bureau acquired three areas with the condition that the lands be designated ecological reserves: Big Spencer Mountain, the Saint John Ponds and Mount Abraham. The March 2006 annual report to the ACF committee reported the acceptance of these reserves. These areas, acquired as public reserved lands, were formally designated as Ecological Reserves as part of the adoption of the Seboomook Unit Management Plan and the Flagstaff Region Management Plan in 2007. Opportunities for public comment on these management plans are noted under Section V, LAND MANAGEMENT PLANNING.

As part of the Phase II acquisition of the Machias River project lands, 2,780 acres were conveyed to the state by the Conservation Fund in 2006 subject to a deed restriction that the lands be designated as an Ecological Reserve. This area expands by 400 acres an existing Ecological Reserve on Fourth Machias Lake on the Duck Lake Unit, and adds a 2,380-acre adjacent area that includes frontage along Fifth Machias Lake and Fifth Lake Stream. These additions to the Ecological Reserve system will likely be adopted as part of the Eastern Interior Region planning effort in 2009.

The total land acreage designated as ecological reserves may not exceed 15% of the total land acreage under bureau jurisdiction or 100,000 acres, whichever is less. No more than 6% of the operable timberland acres on public reserved and nonreserved lands may be designated as ecological reserves. Lands acquired after the effective date of the ecological reserve statute with the deeded condition that the land be designated an ecological reserve are not included when calculating these acreage limits. Hence the 2780 acre additions in the Machias River system previously discussed will not add to the statutory limits.

Ecological Reserves included in this calculation (qualifying reserves) currently comprise nearly 69,000 acres or 10.7% of the total land acreage under bureau jurisdiction as fee lands, which is well below the 15% or 100,000-acre limit set in statute.

Ecological Reserves Designated as a Result of Deed Restrictions	
Name	Acres*
Big Spencer ER (2007)	4,242
Mount Abraham ER (2007)	5,186
St John Ponds ER (2007)	3,917
Total Designated Restricted Deeds ER Acres	13,345
Machias River ER (2009)	2,780
Total ER acres deductible from Land base for purposes of statutory limits	16,125

*Acres reported in deed.

Ecological Reserves as a Proportion of Total Acres Under Bureau Jurisdiction in 2008*	
<i>Land Type</i>	<i>Total Fee Acres</i>
State Park Lands	83,650
Boat Access Lands	515
Public Reserved Lands	574,115
Non-reserved Public Lands	3,817
Unregistered Coastal Islands	1,104
Subtotal	663,201
Land acquired on condition of ecoreserve designation	-16,125
Total	647,076
Lesser of 15% of Lands under Bureau Jurisdiction or 100,000	97,061
Acres in Qualifying Reserves	68,864

Of the current 399,600 acres of operable timberland on public reserved and non-reserved lands, 20,896 acres or 5.2% are located in qualifying reserves. This is 3,080 acres or 0.8% below the 6% limit set in statute.

Ecological Reserves as a Proportion of Operable Timberland Acres on Public Reserved and Nonreserved Lands in 2008*	
<i>Land Type</i>	<i>Operable Timberland Acres</i>
Public Reserved Lands	398,400
Non-reserved Public Lands	1,200
Total	399,600
6% of Operable Lands	23,976
Acres in Qualifying Reserves	20,896
Net available acres for ER designation	3,080
*Operable timberland acres are lands held in fee, not including deeded ecological reserves. Operable acres on Ecological Reserves include modifications adopted in 2007.	

Baseline Data Collection in 2008. An annual Memorandum of Understanding has been developed with the Maine Natural Areas Program to collect baseline data for the Bureau's Reserve inventory. These surveys are being conducted in accordance with established monitoring guidelines. This ongoing effort will provide information necessary for measuring ecological changes on Reserves over time.

In 2008 baseline data was collected on the Mahoosuc and Chamberlain Lake Ecological Reserves. With the exception of open wetlands at the Great Heath, and the pending 5th Machias Lake Ecological Reserve, baseline inventories have now been completed for all Ecological Reserves. A separate report on monitoring results is available from the Maine Natural Areas Program.

Ecological Reserves Scientific Advisory Committee. An Ecological Reserves Scientific Advisory Committee was established in the mid-1990s to provide guidance regarding the inventory and assessment of a potential Ecological Reserve system in Maine. Following the designation of Reserves on DOC lands in 2000, an Ecological Reserves Monitoring Committee (consisting of many of the same representatives as the original Advisory committee) was assembled to work with the Maine Natural Areas Program to create an Ecological Reserve Monitoring Plan (2003).

In May 2008, as one outcome of the Task Force Regarding the Management of Public Lands and Publicly Held Easements, Governor Baldacci issued an invitation to re-establish an Ecological Reserves Advisory Committee. Invited members represent state and federal agencies, conservation groups, and academics. Beginning in July 2008, the Committee convened several times to review the status of the Reserve system and discuss recreational access and use of Reserves. The Committee will develop a report for the Governors' office by July 2009.

HISTORIC AND CULTURAL INVENTORIES

The Bureau's Historic Site Specialist routinely conducts research into the history of parcels subject to the management planning process. This research, along with input from the Maine Historic Preservation Commission and the public process that accompanies Plan development, results in a resource inventory called a Cultural Landscape Inventory (CLI) for each Lands property. This information is then included in the management plans. The MHPC is the lead agency in identifying significant historic resources requiring preservation and protection of these resources on the State's ownership, including designating historically sensitive areas for special protection.

VII. WILDLIFE RESOURCES

A key component of the Bureau's integrated resource management program is coordinating land management activities with fisheries and wildlife habitat enhancement. Since 1984 a wildlife biologist from the Maine Department of Inland Fisheries and Wildlife has been assigned to the Bureau through a cooperative agreement between the two agencies. The primary responsibility of the biologist has been to develop and implement a habitat management program for Bureau-managed lands. Wildlife management activities conducted in 2008 on lands managed by the Bureau were as follows:

Wildlife Inventory and Survey Work. Most of this work is performed by a seasonal Wildlife Technician during a 16 week season, typically mid-May to mid-September. In 2008 the seasonal position was activated in January to take advantage of the opportunity to conduct deer aerial and ground surveys of mapped and unmapped Deer Wintering Areas (DWA'S) on BP&L lands during restrictive travel conditions. A total of 8 weeks was dedicated to aerial and ground surveys of DWA's on public lands, during which 3 aerial flights and 18 ground surveys were conducted.

Ground Surveys were conducted using modified IFW protocol and standard Wildlife Division DWA Winter Ground Survey forms. Ground surveys were conducted on 5,035 acres in 12 towns and aerial surveys were conducted on 4,950 acres in 18 towns.

The seasonal position was not filled for the summer season. As a result no peregrine falcon monitoring, waterfowl brood counts, Bicknell's thrush surveys or loon monitoring was performed in 2008.

Prescriptions. Timber harvest plans for 14,892 acres of public lands were reviewed for fish and wildlife habitat compatibility and potential habitat enhancement.

Forest Certification. Planning and administration for fisheries, wildlife, and biodiversity issues related to forest certification conditions in both the Sustainable Forestry Initiative (SFI) and Forest

Stewardship Council (FSC) programs continued. The Wildlife Biologist participated in yearly compliance audits conducted by both programs. Ongoing assistance was provided to IF&W staff preparing for its own third-party forestry audit, to be conducted in the near future.

Habitat Management. One hundred and twenty four waterfowl nesting boxes were maintained by regional staff and one replacement box was installed. Beaver control devices were maintained at Skowhegan and at Newcastle.

Native tree seedlings (~850) were planted on 4 acres at Mackworth Island in Falmouth as part of a habitat restoration project, after the island was damaged from the 2007 spring (Patriot's Day) storm.

Eastern Region staff assisted IFW Regional fisheries staff in surveying Upper Unknown Lake in the Duck Lake Unit -Oquilon Twp. (T4 ND)

Seeding Program. Ninety one acres of herbaceous seeding was established on public lands for wildlife forage and erosion control.

Habitat Agreements. Bureau staff worked with IFW staff to develop a habitat management agreement for Canada lynx critical habitat. That effort is ongoing. The Bureau and IFW are also developing a cooperative agreement for piping plover and least tern management on state park beaches.

The steep pass fishway in the bureau owned dam on Great Works Stream in Bradley was operated by Salmon Commission staff in the spring to pass anadromous fish from the Penobscot River to upstream areas for spawning.

Easement Monitoring. The biologist assisted the bureau in monitoring the Katahdin Forest Management easement.

Acquisition Assistance. The staff biologist provided natural resource information for three potential acquisitions in Augusta, Cutler and Seboeis Plt.

Training and Education. Training for recertification credits for pesticide applicators license was ongoing. The staff biologist participated in invasive species workshops, presented a nest box program at the Governor Baxter School for the Deaf, participated in an MFS DWA management workshop for foresters and presented the history of the Yankee Woodlot in Skowhegan to a chainsaw safety workshop.

VIII. RECREATION RESOURCES

The Bureau's Lands Division is responsible for 326 campsites, over 150 miles of day hiking and backpacking trails (does not include the 71 miles of Appalachian Trail located on state-owned lands), 35 trailered and hand-carry boat launching areas, and 131 miles of public access road.

2008 PROJECTS

In accordance with management plan commitments, and in response to public demand, the Bureau continued to develop or make upgrades to recreation facilities on its lands. In 2008, projects included:

Bradbury-Pineland Trail Corridor Project. After 8 years of acquisition work in partnership with the Pownal Land Trust, BPL now has the legal right and approved permission to establish a multi-use trail connecting Bradbury Mt. State Park in Pownal with the Pineland Public Reserved Land Unit in Gray and North Yarmouth. Acquired public reserved lands will be managed by Bradbury Mt. State Park.

In 2008, a working group comprised of Parks & Lands staff (including Parks, Lands, and Off Road Vehicle Divisions) as well as local recreation and conservation minded individuals met on multiple occasions to examine and discuss the corridor lands and trail possibilities.

The CMP corridor trail will include co-located motorized and non-motorized trails. The connection from the CMP corridor to Bradbury Mt. State Park will be non-motorized only due to deed restrictions. The CMP trail corridor also connects to the Pineland Public Reserved Land Unit.

Pending the development of a coordinated management plan for the Bradbury-Pineland lands, the CMP trail corridor was the focus of trail planning and construction activity in 2008. The Off Road Vehicle division (ORV) upgraded an approved railroad crossing linking the CMP corridor section of trail with the Pineland Unit. Additionally, ORV obtained 80' steel bridge beams from Maine DOT at no cost. These beams will support a major trail bridge across Chandler Brook.

Actions anticipated for 2009 include obtaining required permits amendments, trail signage/education, and planning for trail connectors to the CMP corridor.

Bigelow Preserve. A site plan was developed to reroute the Appalachian Trail along the eastern shore of Flagstaff Lake and provide additional lakeside campsites off that trail; and to provide a hiking trail connecting to the Western Mountains Foundation Hut to Hut trail.

Tumbledown Mt. Trails. Access funds from the Lands for Maine Future program funded 10 weeks of Maine Conservation Corps trail work to restore and upgrade the popular trail system at the Tumbledown Mt. area.

Seboomook Unit. In 2008 recreation management was transferred to the Penobscot River Corridor Parks staff for the campsites and facilities adjacent to the rivers and lakes on this unit, which extends the system of campsites along the upper Penobscot River. Riverside fishing/nature trails were established along the West Branch and South Branch. The Bureau also collaborated with Great Lakes Hydro in improving the portage trails at Canada Falls and Seboomook dams.

Wright Trail, Mahoosuc Unit. The Wright Trail is a hiking trail originating from the Sunday River Rd. in Ketchum and leading to the summit of Goose Eye Mt. In total, there are approximately 5.6 miles of trail on BPL property. This rugged, challenging trail is in need of numerous stone steps, bog bridges, and waterbars (as well as trail brushing and blazing). In an effort to improve the rapidly deteriorating trail conditions and to improve visitor experiences and environmental quality, BPL contracted for 3 weeks of Maine Conservation Corps trail crew work in 2008. 10 Additional MCC weeks are scheduled for 2009.

Donnell Pond Public Reserved Land Unit. An effort to establish extended hiking options in the Donnell Pond Public Land Unit was launched in the fall of 2008. A trail planning group was formed to advise the Bureau, with members from Maine Inland Fisheries and Wildlife, regional planning interests, the Nature Conservancy, the Frenchman Bay Conservancy, and local trail constituents. The trail planning group will also advise the Bureau on recreational developments on the portion of the Blackwoods Scenic Byway that bisects the northern section of the unit. In 2009 the anticipated focus will be to inventory potential trail connectors and backcountry campsites.

Nahmakanta Public Reserved Land Unit. The Bureau continued to develop an expanded backcountry hiking opportunity on this Unit in 2008. With the help of the Maine Conservation Corps, 1 mile trail and a campsite were constructed finalizing a new loop option for extended hiking in the Nahmakanta Land Unit. Prior trail construction linked the Appalachian Trail near Nahmakanta Stream to Tumbledown Dick Falls; and Tumbledown Dick Pond to the Leavitt Pond area. The 2009 trail work will entail completing the trail gap between Tumbledown Dick Falls and Tumbledown Dick Pond. The new trails and campsites will link significant trail systems in the unit, namely the 8 mile plus Turtle Ridge Trail, a short section of the Appalachian Trail, a relatively short section of public use road, and the 12 mile plus Debsconeag Backcountry Trail in the Debsconeag Ecological Reserve.

Deboullie Unit. The Bureau's Northern Region Public Lands staff recently completed a number of recreational access projects that were recommended in the management plan adopted in 2007.

The first project is a new public use road and bridge over the Red River at the outlet of Pushineer Pond using the existing footprint of a dam. This new access to campsites and the boat launch site on the north side of the river has eliminated the need for vehicles to ford the river. As part of this project, the Pushineer trailer accessible boat launch site was reconfigured and improved to reduce conflicts with a campsite.

The hiking trail network was improved at Deboullie as well. A Maine Conservation Corps

trail crew, with assistance from BPL staff, worked on the Deboullie tower trail, which included new switchback, footbridge, stone steps, and water bars. They also created a new 3-mile Black Mtn. loop, which included footbridge, clearing, and scenic vistas.

Salmon Brook Lake Unit. The Bureau's northern region also established a multi-use trail spur on the Salmon Brook Lake Unit connecting the Bangor and Aroostook rail trail in Perham to Salmon Brook just below the outlet of the lake. This provides water access for hand carry watercraft, and serves walkers, bikes and ATV's. Hardening of the trail surface with shale dust and the use of boardwalks over wet areas were important parts of the project to minimize environmental impacts. A picnic table and table shelter was built at the end of the trail spur a short distance from the stream. Project partners included the Town of Perham, community volunteers, the ORV Division, and Washburn Beavers ATV Club.

Allagash Mountain. It is also worth mentioning that volunteers completed improvements to the fire tower at Allagash Mountain.

PUBLIC LANDS MANAGEMENT TASK FORCE

The Governor's Task Force on the Management of Public Lands and Publicly-held Easements completed its work in 2007 with a Report issued in January of 2008. As a recommendation of the task force, a Recreation and Conservation Forum was established and led by non-governmental organizations involved in the task force. Two events were held exploring a) backcountry recreation issues and understandings, and b) the history and status of ecoreserves. The forum continues to exist and additional meetings are expected in 2009.

Other recommendations included the establishment of a scientific review panel to look at recreational and other existing uses of ecological reserves; and the enhancement of the Bureau's information and mapping capability to better communicate to the general public the availability of and opportunities on the lands it manages. See also Section VI; and PUBLIC INFORMATION in this section.

PUBLIC INFORMATION

The Bureau, through its Interpretive Specialist, continued to develop, revise, and distribute informational brochures to visitors to its lands, which describe the location of hiking trails, campsites, and other recreation facilities and opportunities. New brochures and maps were developed for Cutler Coast, Rocky Lake and Machias River Corridor. Previously there was not a map and brochure for the Machias River Corridor.

Completed Brochures

Bigelow Preserve
Cutler Coast (2008)
Deboullie
Dodge Point
Donnell Pond
Duck Lake
Holeb
Little Moose
Machias River Corridor (2008)
Mahoosuc
Nahmakanta
Pineland
Richardson/Bald Mountain
Rocky Lake (2008)
Scraggly Lake
Seboeis
Squapan
"Your Islands and Parks on the Coast"

Website Updates. The Bureau continues to use its website www.parksandlands.com to provide photos, maps, and facility information for most of its consolidated units. The website was enhanced with new search features, expanded content, print-at-home maps and brochures. The Unit brochures and corresponding web descriptions updated in 2008 showcase a new format with more complete descriptions and information. A PowerPoint presentation about the Bureau was also developed and posted to the website.

Information Signs. The Bureau developed public information signs for Mackworth Island, describing the reforestation techniques used by the Bureau in response to wind damage and

subsequent public safety issues caused by the 2007 Patriots Day storm.

STAFFING

Six seasonal rangers were involved in recreation management activities in 2008. The western region also hired a 13-week seasonal intern to assist with campsite maintenance on Moosehead Lake. The seasonal rangers were responsible for recreation facilities maintenance and construction, and informing visitors about Bureau rules. The full-time Bigelow Preserve Manager spent much of the summer managing recreational use.

The vacant Recreation Specialist position was filled in 2008.

FEES

Fees are generally not charged on Public Reserved and Non-reserved Lands managed by the Bureau; however, in four situations fees are charged because these lands are near or within private recreation management systems having similar management objectives. Fees were charged in 2008 on Public Reserved Lands as described below:

North Maine Woods Recreation Management System . This is a privately operated gated system involving 3 million acres of primarily private lands where public recreation is allowed subject to fees. Approximately 135,500 acres of Public Reserved Lands managed by the Bureau, including the Deboullie, Round Pond, Chamberlain, Telos, Gero Island, and Seboomook Units, are within the North Maine Woods (NMW) system. To access these lands, the public passes through NMW checkpoints, where fees are paid for day use and camping. Visitors then travel over roads on private land within the NMW system. In 2008, camping fees were \$8.00/person/night for Maine residents and \$10/person/night for non-residents; and day use fees were \$6.00/person for residents and \$10.00/person for non-residents. Fees are retained by NMW for facility maintenance and development, except that the camping fees are returned to the Bureau when the Bureau assumes maintenance responsibilities (Deboullie Unit). See additional information for fees for the Seboomook Unit and Gero Island in the following section on the Penobscot River Corridor.

In 2009 40,500 acres of the Seboomook Unit will be removed from the NMW system (see discussion under the Penobscot River Corridor below).

KI-Jo Mary Recreation Management System.

Similar to the NMW system, this is a privately operated gated system involving 175,000 acres of primarily private lands where public recreation is allowed subject to fees. The 960-acre Bowdoin College Grant East Unit lies within this system. Day use fees (\$6/person/day resident and \$9/person/day non-resident) are charged at checkpoints in Katahdin Ironworks and West Bowdoin College Grant for access to this Unit and other lands within the system. See also Section XI. Public Access for fees to access the Nahmakanta Unit from Route 11.

Penobscot River Corridor. The Penobscot River Corridor (PRC), managed by the Bureau's Parks Division, includes campsites on Public Reserved Lands on Gero Island on Chesuncook Lake, and a portion of the Seboomook Unit. PRC staff maintain recreation facilities at these sites. Visitors to the area pass through checkpoints operated by North Maine Woods, Inc., which collects the PRC camping fee – in 2008 this was \$4/person/night for residents and \$5/person/night for nonresidents (increased to \$8 for nonresidents July 1 2008). A portion of the fees is returned to the Bureau for campsite management and maintenance. NMW day use fees (\$6.00 and \$10.00 per person respectively for residents and non-residents in 2008) are also charged for PRC visitors to these Units and retained by North Maine Woods to cover operating costs for the checkpoint system. For Gero Island, day use fees were charged for the day in and day out only, NMW day use fees continued to be charged for all trip days to visitors to the Seboomook Unit, however.

In 2009, 40,500 acres of the Seboomook Unit surrounding Seboomook Lake will be removed from the NMW system and users will then only be charged for camping at PRC rates.

South Arm Campground. The Bureau leases campsites on the Richardson Unit (Upper Richardson Lake) to South Arm Campground, a privately owned campground on adjoining private land. In 2008, the campground owner charged

\$15.00 (including tax) per night per site. The campground retains a portion of this fee for maintenance of the 12 campsites and the Mill Brook public boat launch facility at the north end of lake.

Baxter State Park. Management of campsites at the west end of Webster Lake in the Telos Unit have been assigned by mutual agreement to the Baxter State Park Authority and are administered subject to its rules and policies. Most of the use of Webster Lake is connected with the Webster Stream canoe trip which traverses the northern end of Baxter State Park.

PARTNERSHIPS

For some properties, the Bureau has entered into partnership agreements with other organizations to assist in managing recreational use. Noteworthy examples of partnerships in place in 2008 were:

Appalachian Trail. The Bureau continued its partnership with the Maine Appalachian Trail Club to accomplish stewardship and trail maintenance along 43 miles of the AT corridor in the Bigelow Preserve, Mahoosuc, Four Ponds, Bald Mountain, and Nahmakanta Units. An additional 28 miles of the AT is located on lands within state parks or on lands subject to Bureau-held conservation easements.

Bigelow Preserve. An agreement is in place with the Maine Appalachian Trail Club to ensure a summer staff presence at the more heavily used areas of the Appalachian Trail; in particular, the Horns Pond campsite near the center of the Bigelow Range.

Coastal Islands. The Bureau continued its partnership with the Maine Island Trail Association for the management of certain state-owned islands along the coast of Maine that are part of the Maine Island Trail.

Cutler Coast. The Cobscook Trails Coalition provided trail stewardship and visitor information through a management agreement with the Quoddy Regional Land Trust, The Nature Conservancy, Maine Coast Trust Heritage Trust, Moosehorn National Wildlife Refuge, Maine IF&W, local businesses, and the Bureau.

Dodge Point. An ongoing arrangement is in place with the Damariscotta River Association to assist with the maintenance of trails and facilities.

Frenchman's Hole, Mahoosuc Unit. A partnership is in place with the Mahoosuc Land Trust to assist in the maintenance of this day use area.

Grafton Loop Trail. The Bureau continues to be an active member of a coalition of non-profit organizations and private landowners that developed a 39-mile hiking trail in the Mahoosuc Mountains. The trail branches off from the Appalachian Trail on the Mahoosuc Unit and continues east over private land to Puzzle Mountain, where it then returns to the Appalachian Trail.

Kennebec Highlands. This recently acquired property is managed in part through a partnership with the Belgrade Regional Conservation Alliance.

KI-Jo-Mary / NMW System. The *KI-Jo-Mary System* is similar to the NMW system; in fact the two systems share administrative services. The Nahmakanta Unit and Sebois Unit both lie near or adjacent to the *KI-Jo-Mary System*. Because of the proximity of the Sebois and Nahmakanta Units to this existing managed system, NMW provides maintenance and monitoring services for these Units under contract with the Bureau. The NMW partnership with the Bureau has many other facets, as discussed elsewhere in this report.

Northern Forest Canoe Trail (NFCT). The Bureau has an increasingly strong relationship with the multi-state NFCT, which promotes canoe and kayak trips and stewardship across many public and private properties in Maine. In 2008 the Bureau established two new campsites on Moosehead Lake in support of this regional water trail system.

Machias River Corridor. The Bureau cooperates with the Maine Atlantic Salmon Commission, the U.S. Fish and Wildlife Service, NOAA, Project SHARE and local watershed councils to protect and enhance Atlantic salmon habitat.

Western Mountain Community Foundation (Huts and Trails). In 2007 the Bureau entered

into several new and formal relationships with WMCF in order to facilitate the development of a network of large huts connected by trails.

In 2007 the Bureau acquired a conservation easement over portions of the trail, and entered into agreements authorized by the legislature to allow the trail to cross portions of the Bigelow Preserve. The growth of the Huts & Trails network will come with many new and expanding formal and informal relationships between the Bureau and WMCF (see also Projects: Bigelow Preserve - in this Recreation section).

IX. TIMBER RESOURCES

The Bureau manages the natural resources on the lands under its care through a carefully planned multiple use program that balances timber management with all other resource values. Timber revenues support the Bureau's public reserved and non-reserved management costs, including provision of recreation facilities and opportunities, and wildlife management. Other public benefits include contribution to the local economy, provision of low-cost firewood through the Bureau's firewood harvest permit program, and demonstration of exemplary multi-aged management focused primarily on mature quality timber.

TIMBER INVENTORY

An important facet of the timber management program is examination and inventory of the forest resource. Benchmark field data acquired in 1999 detailed timber, site, and natural resource measurements. This inventory was important for both forest management planning, and third-party forest certification auditors.

Status of Current Inventory. The 2006 modeling update of the 1999 analysis revealed a total inventory of over 8 million cords on about 360,000 regulated acres (the acres used in calculating sustainable harvest levels). With Seboomook included the inventory is over 8.5 million cords on just under 400,000 acres, nearly 22 cords per acre.

This level of stocking is approximately 30 percent more than the average for all of Maine's timberland as reported by the U.S. Forest Service in 2004. The most abundant tree species on Bureau lands is red spruce, and its volume per acre is over 50 percent greater than that shown statewide in the 2004 report.

PRESCRIPTIONS

Planning for the timber management of Public Reserved and Non-reserved Lands is a two-step process:

- A management plan for the unit as a whole is prepared and adopted;
- More detailed plans for discrete areas between 500 - 2,000 acres (known as compartments) are then developed for the unit.

Compartments are examined on a 15-year cycle to identify timber and wildlife resources and recreational opportunities. Based on the field examination and the information collected, work plans called "prescriptions" are developed to ensure adequate protection of special resources and a sustained yield of forest goods and services, which include timber, wildlife, and appropriate recreational uses.

Prescriptions in 2008. Bureau staff examined and prescribed 14 compartments totaling 19,184 acres for a wide range of resource management activities.

TIMBER SALES

If a timber harvest is prescribed in a compartment, a timber sale is developed. The majority of timber sales are put out to competitive bid, following State rules and procedures governing the sale of State property and purchase of services. Most timber is sold as stumpage. Under this system, the contractor agrees to pay the Bureau a bid price per unit for each type of forest product harvested. Occasionally timber is sold using contracts for logging services. Under this system, the Bureau pays the contractor to harvest timber and deliver it to specified mills; these mills then pay the Bureau directly for these products. In 2008 no timber was harvested under contracts for logging services.

Once the timber contracts are awarded, Bureau foresters and forest technicians work closely with contractors to ensure contract compliance, and that timber management objectives are met.

Bureau staff closely supervises each harvest by marking individual trees for removal or by providing loggers with strict harvesting criteria. These criteria specify which trees are to be harvested. All harvest operations are inspected by Bureau staff on a weekly basis; more often when individual situations warrant.

Summary of Timber Sales in 2008. The implementation of prescriptions resulted in:

- A total of 101,015 cords (allowable cut is 115,000 cords) harvested from 9,750 acres.
- A total of 38 operations were ongoing in 2008. These operations are a combination of newly established sales, and sales carried over from previous years, and do not include permits for firewood sales issued to individuals (see below).
- In concert with the Bureau's contractors, wood was marketed to over 50 mills statewide.

Firewood Permit Program: In response to rocketing energy prices, the Bureau's firewood program attracted many times the interest of that in previous years. Nearly 800 inquiries were answered by BPL staff, and 377 permits totaling 2,020 cords were issued to individuals wanting to harvest their own firewood from Bureau-managed lands. All trees on these firewood harvest areas were marked by Bureau staff to ensure that the forest was being managed sustainably.

2008 Harvest and Market Analysis. In 2008 the Bureau harvest declined about 7% from that reported the previous year. This harvest represents 88% of the Bureau-established "allowable cut." The decrease in volume was mostly due to rainfall in June-September being about twice the normal amount, delaying many warm-season operations. Winter operating conditions were very good, though by February snow depth was a problem in many areas.

Average stumpage price per cord increased 6% from that of 2007, almost entirely due to a change in product mix. Sawlog and veneer prices dropped 5-10% for both softwoods and hardwoods, but pulpwood prices were about 10% higher. This jump in pulpwood price, especially for hardwood pulp, lasted only a few months and had decreased to 2007 rates or below by the end of 2008.

Softwood volume was about the same for both years but hardwood pulp harvest was 7,000 cords less in 2008, though still over half the overall volume. The harvest volume was 55% hardwoods, well above the 32% predicted by the growth curves in the Allowable Cut model, as the Bureau continued to remove low quality wood to favor the better trees for the future. In future years the hardwood-to-softwood ratio is likely to be more balanced, which will increase the average revenue per cord.

As part of its multiple use management, the Bureau will continue to emphasize maintaining the harvest volume at a level near the allowable cut, while continuing to practice the highest quality silviculture.

Larger volume, multi-year sales have been initiated during the past two years in an effort to provide stability for contractors, which in turn should increase annual harvest volumes. These contracts have attracted contractors with desired harvesting equipment. In addition, this approach should foster better working relationships and improve efficiency. However, economic conditions that result in poor markets, and weather events that can reduce harvest levels, will remain beyond the Bureau's control.

SILVICULTURAL ADVISORY COMMITTEE

In 1986, the Bureau established a Silvicultural Advisory Committee with representatives from environmental groups, academia, and forest managers from public and private landowners, to review and critique forest management policies and practices on public lands. Each year the Bureau sponsors a field trip on which the Committee examines work the Bureau has completed or is planning, providing valuable input to staff through on-site dialogue.

Committee Tour in 2008: This year's field tour revisited Scraggly Lake and Squapan in the Northern Region, tracts seen by the committee in 1986 and 1998 (Scraggly) and 1992 (Squapan.) One major subject addressed at Scraggly was management of deer wintering areas (DWA), as the unit contains portions of four zoned DWAs and is a "magnet" town for the eight surrounding townships.

A second topic was management of late successional stands, especially those with a strong old growth component. Scraggly has probably the highest proportion of late successional forest of any large BPL parcel, as our extensive harvests since the early 1980s have worked to retain and enhance this character.

At Squapan we discussed BPL management planning, in particular retention of desired visual character along public use roads and elsewhere, and consideration of multiple use trails on this unit with the highest level of motorized use of any on BPL. Also addressed was the creation of habitat for snowshoe hare as a means of providing for the threatened Canada lynx.

BOUNDARY LINES

The Bureau continued to make progress on the maintenance of boundary lines this past year, with 26 miles maintained in 2008, more than half of which were in the eastern region.

FOREST CERTIFICATION

The Bureau was awarded certification of its forestlands under the Sustainable Forestry Initiative (SFI) and the Forest Stewardship Council (FSC) programs in 2002. These third-party audits were conducted to determine if these lands were being managed on a sustainable basis. The Bureau underwent the two audit programs simultaneously, a rigorous and unique process. The audit included a field analysis of forest management practices at selected sites around the state, and an analysis of the Bureau's financial, personnel, policy development, and record-keeping systems.

Successful completion of the FSC/SFI systems qualified the Bureau to enter into the "chain of custody" program to market its "green-certified" wood. Since 2003, green-certified wood has been marketed from Bureau managed lands.

Following its initial certification, a Bureau-wide certification team was implemented to

address “conditions” and “minor nonconformances” stipulated in the audit reports, including: significant enhancements to forest inventory data, development of a computerized forest-modeling program, a timeline for updating management plans for the entire land base; improvements in the use of Best Management Practices to protect water quality; and new commitments to public outreach and education programs. The Bureau is required to meet these conditions within certain timeframes in order to keep its certification status in good standing over the five-year certification period.

Certification Accomplishments in 2008. The Bureau underwent joint FSC/SFI surveillance audits in August of 2008, visiting a number of Western Region sites to view recent and ongoing timber harvests, along with just completed and older water crossings and roadwork. As a result of this audit and the fine work done by BPL field staff, the Bureau for the first time since certification has no Corrective Action Requests pending from either certification program.

X. TRANSPORTATION

The Bureau continued to improve road access within its Units, focusing primarily on recreational needs and implementation of its timber management program.

BRIDGES

Allagash Wilderness Waterway. The Bureau’s Northern Region Manager served on the Commission to Study Henderson Brook Bridge in the Allagash Wilderness Waterway. Temporary repairs were made to the Henderson Brook Bridge, with Army Corp. and LURC permits obtained in 2007 for the eventual replacement of this bridge. In 2008 FEMA funds were secured to repair spring flood damage to this bridge, and deck timbers were sawed for the replacement bridge.

Pushineer Dam Bridge. A new bridge was constructed over the Red River at T15R9 to replace a river ford.

Nahmakanta Stream Bridge. In 2008 new treads were installed on the Nahmakanta Stream Bridge.

ROADS & ACCESS IMPROVEMENTS

Road Construction. To facilitate both summer and winter timber harvesting activities across the state, approximately 38 miles of road were constructed or reconstructed.

Road Maintenance. Each year the Bureau contracts for maintenance services for grading and brushwork on public use roads. In 2008, approximately 187 miles of roads were maintained under contract.

In addition to normal maintenance, spring floods in 2008 damaged a number of roads that were repaired with the help of FEMA funds. These included the causeway at Seboomook Lake, and the Nahmakanta and Sebois Roads.

XI. PUBLIC ACCESS

Three-fourths of the Public Reserved Lands were accessible to the public without fee or special arrangements in 2008. There are a few circumstances where public vehicle access is limited or restricted. As required in 12 MRSA § 1853, the following is a report of barriers that affect primary motor vehicle access.

EXTERNAL GATES TO PUBLIC LANDS

North Maine Woods Checkpoints. There are seven checkpoints, staffed seasonally, controlling primary access from Maine points to 135,500 acres of Public Reserved Land within the nearly three million acre North Maine Woods area, including the Deboullie, Round Pond, Chamberlain, Telos, and Seboomook Units. These checkpoints are all on private land and facilitate management of recreational use on both public and private land.

KI/Jo-Mary Checkpoints. The Katahdin Iron Works checkpoint controls access to the 960-acre public lot in Bowdoin College Grant East. Free public access to the Nahmakanta Unit has been established from the west, with the unit no longer managed as part of the KI/Jo-Mary system.

However, the Bureau funds a checkpoint at Henderson Brook and a fee for access from Route 11 to the unit through the KI/Jo-Mary system continues as in the past.

Cary Plantation, Aroostook County. A locked cable gate on private land restricts access to this 230-acre parcel.

Magalloway Plantation, Oxford County. A locked metal gate on private land restricts access to this 1,000-acre parcel.

Dallas Plantation, Franklin County. A chained, metal gate on private land restricts access to the north lot in Dallas Plantation, and to the lot in Davis Twp. The total area of the two lots is 1,050 acres. The gate is owned and maintained by the camp owners on the south end of Kennebago Lake.

Cupsuptic Gate, Franklin County. A staffed gate leased by the Kennebago Campowners Association on private lands limits access to the 62-acre public lot in Stetsontown Twp. on Kennebago Lake. A public access agreement with the Association allows up to three vehicles at any one time to access the lake via the public lot, and to park at the Grants Camps lease site located on the lot.

INTERNAL GATES

The Bureau maintains 18 internal gates for safety purposes, to protect sensitive areas, to limit vehicle traffic on service roads, or to control certain recreational uses. None of the barricades restrict foot traffic into these areas. Many of these barriers are left open during the winter season to allow safe passage by snowmobiles. The inventory was adjusted in 2007 to reflect the sale of the North Lagrange public lot in 2006, and the addition of an internal gate on the Hebron lot.

XII. LAND TRANSACTIONS

ACQUISITIONS

Appendix B provides a list of all Bureau acquisitions in 2008. Forest Legacy Program funding has been approved for expected 2009 acquisition of an additional 5,000 acres in fee and 40,000 acres in conservation easements. In addition to these acquisitions, the Bureau continued to sponsor land trust acquisitions through the Land for Maine's Future program requirements. In 2008, five Bureau-sponsored land trust acquisitions also closed, bringing the total number of Bureau-sponsored projects to 60.

OTHER DISPOSTIONS

Appendix B also provides a record of one 2008 disposition, which was authorized by legislative action in 2008.

ACQUISITIONS IMPACTING VECHICULAR ACCESS

Pursuant to various sections of law, "if an acquisition is made that does not include guaranteed public vehicular access, the bureau shall describe the acquisition (in this report) and the justification for that acquisition." Below is the required justification for selected acquisitions from Appendix B:

Robinson Peak Forest (CE): This conservation easement abuts the Mahoosuc Unit reserved lands. The easement couldn't provide direct vehicular access due to issues of crossing privately owned land, though pedestrian access is through the Public Lands Mahoosuc Unit. Vehicles can access the easement lands via woods roads from Route 2 which also crosses over private lands owned by others.

2008 LAND TRANSACTIONS BILL

Resolves of 2008, chapter 179 authorized certain dispositions of Bureau lands and interest in lands. Below is a summary and status report for these:

1. **To convey in Wyman Township, Franklin County,** a nonexclusive linear easement for forest management purposes to benefit GMO Renewable Resources, LLC. The easement must be located entirely along the existing forest

management road located on state-owned land running south from State Route 27.

2. **To convey in Moosehead Junction Township, Piscataquis County** a nonexclusive linear easement for forest management purposes to benefit GMO Renewable Resources, LLC, The easement must be located entirely along the existing forest management road on state-owned land running southwest from State Route 15.

3. **To convey in Coplin Plantation, Franklin County**, a nonexclusive linear easement for forest management purposes to benefit GMO Renewable Resources, LLC. The easement must be located entirely along the existing forest management roads on state-owned land.

4. **To convey in Chain of Ponds Township, Franklin County** 4 nonexclusive linear easements with multiple branches for forest management purposes to benefit GMO Renewable Resources, LLC. The easements must be located entirely along the existing forest management roads on state-owned land running in various directions from State Route 27.

5. **To convey in the Town of Newport, Penobscot County. Resolved**, a trail-crossing easement to benefit the properties of Maureen M. Greene, and Paul A. Greene, Jr. and Joel S. Burrill and Christine A. Burrill.

6. **To convey in the City of Augusta, Kennebec County**; for negotiated value not less than \$60,000, and on such other terms and conditions as the director may direct, the land and buildings at 157 Hospital Street leased to Bread of Life Ministries. Said land and buildings consisting of approximately 0.82 acres of land, one building and one garage.

7. **To lease within Quoddy Head State Park in the Town of Lubec, Washington County** certain rights and lands within Quoddy Head State Park in the Town of Lubec, Washington County to the United States Government or the United States Coast Guard. The lease is limited to the rights to maintain, operate, expand, modernize and improve existing public safety communications facilities located within Quoddy Head State Park, including access rights and utility rights necessary to service such facilities.

None these authorized dispositions occurred in 2008. Several are expected to be transacted in 2009.

XIII. SUBMERGED LANDS

These lands are managed under the Public Trust Doctrine to ensure protection of the public trust rights of fishing, waterfowl hunting, navigation, and recreation. The Submerged Lands Program plays an important role in maintaining a balance among competing uses of submerged lands and resolving conflicts between public trust rights and the demand for private and commercial uses of these lands.

Project/Permit Applications. In 2008, the Submerged Lands Program processed 114 applications for proposed and existing waterfront structures and dredging projects requiring a submerged lands lease or easement. This includes 58 constructive easement conversions, and 53 leases and easements for new development projects, bringing the combined program total to 2,065 conveyances. The Bureau also reviewed an additional 103 environmental permit applications and determined that no conveyances were required.

Constructive Easements. The Bureau continues to research information on constructive easements (structures in existence prior to October 1, 1975) and has identified approximately 1,000 structures that require a new conveyance. To date, the Bureau has received over 862 applications and executed 681 new leases and easements for these structures.

Advisory Board. This group, first established in 1997 to provide advice to the Director, met once during the year to review Bureau recommendations for improvements to the lease fee schedule. Individual board members also participated in the stakeholder working group that helped develop those recommendations..

Sunken Logs. One application to recover sunken logs from public submerged lands at Moosehead Lake was received in 2008. Over 260 logs were recovered with a total volume of 52,444 board feet.

XIV. SHORE AND HARBOR MANAGEMENT FUND

In 1991, the Legislature created the Shore and Harbor Management Fund in anticipation that annual revenues from the Submerged Lands Program would exceed operating costs. These funds could then be used to support shore and harbor management activities by providing grants to municipalities.

The \$1,200 cap on submerged lands rents that was passed by the legislature in 1997 significantly reduced anticipated revenues but has improved somewhat following the expiration of constructive easements in 2005 and the steady increase in the number of leases since that time. In 2008, the Bureau contributed \$130,000 for 13 municipal shore and harbor planning grants in cooperation with the State Planning Office Coastal Management Program. In addition, \$50,000 to the Maine Island Trails Association in support of continuing partnership for ongoing recreation management of State owned coastal islands.

The Bureau anticipates that with the pending removal of the lease rental cap in July of 2009 that revenues available to the Shore and Harbor Fund will continue to improve. The Bureau will continue to work with other natural resource agencies, leaseholders, and other interest groups to identify public infrastructure and planning needs along the coast and the appropriate level of contribution to those efforts from this fund.

The Bureau completed a review of its fees under the submerged lands leasing program and reported its findings to the Legislature.

XV. COASTAL ISLAND PROGRAM

OVERVIEW

Maine's Coastal Island Registry was created by the 106th Legislature as a means of clarifying title to 3,000 coastal islands by establishing and registering ownership. By now most island owners have registered their islands. The Bureau continues to receive periodic requests to register an island or make changes in existing registrations (address or ownership changes). There are also many

requests for ownership information from persons with a general interest in Maine islands.

The Bureau's brochure "Your Islands and Parks on the Coast" continues to be updated each year. This brochure shows the location of approximately 40 State-owned islands suitable for recreational use and explains the Bureau's visiting, camping, and resource protection policies. The Maine Island Trail is a water trail extending along the entire coast of Maine and includes both publicly and privately owned islands. The Bureau continues its partnership with the Maine Island Trail Association in the management and oversight of the State-owned islands on the Trail.

XVI. INCOME AND EXPENDITURES ACCOUNTING

OVERVIEW

The Bureau has several different accounts established for specific purposes with statutory restrictions on their use. **The statutes require that financial summaries be prepared on a calendar year basis.** The figures presented below do not match those reported elsewhere **on a fiscal year basis**, and may tend to exaggerate the Bureau's income and expenditures in any one calendar year, depending upon where the income and expenses actually fall within the fiscal year.

Public Reserved Lands Management Account (014.04A.0239.22)

This account is restricted to uses related to the management of lands that have Public Reserved Lands status, which includes the original public lots, land acquired through trading Public Reserved Lands, and other lands designated as Public Reserved Lands. Sources of income to this account include the sale of timber stumpage, camplot leases and other special leases on the Reserved Lands, and interest on the account balance. Income for calendar year 2008 was \$4,284,078 with expenditures of \$3,814,216. Because the Bureau's largest source of revenue is timber, income fluctuates from year to year in response to the amount of wood harvested and economic conditions that affect timber markets.

In 2008 the Lands Division completed a staff-intensive green certification process, dealt

with weather conditions that restricted harvest operations, but was still able to accomplish harvest volumes exceeding 100,000 cords for the second year in a row. At the same time expenses for personnel services, vehicle operations, information technology and management costs for non-revenue generating activities have increased.

Revenue generated in calendar year 2008 was only \$469,862 more than expenditures, due to the factors described above.

Not shown in either the income or expenditure figures above are the portion of moneys received from campplot leases and timber sales that are shared with towns and plantations pursuant to 12 MRSA §1854. Based on the income received in 2008 (payable in 2009), the Bureau revenue sharing amounts total \$53,888.90, paid to 20 towns and plantations.

Income from the Reserved Lands Account supports most of the administrative, planning, timber, transportation, recreation, and wildlife management activities on the land base.

At this time the balance in this primary account is precariously low due to the factors described above. Concerted efforts to reduce costs and increase revenue, including developing new sources of recurring revenues will be necessary to maintain financial viability in this dedicated revenue account.

Public Non Reserved Lands Management Account (014.04A.0239.23)

This account is used for the management of lands not in the Public Reserved Lands System. These Non-reserved Public Lands include institutional lands (those lands considered surplus by other State agencies) assigned to the Bureau for natural resource management, and coastal islands. Income is primarily derived from agricultural leases, though the sale of timber contributes occasionally when timber harvests are completed on Non-Reserved Lands. Income for calendar year 2008 was \$1,948 with expenditures of \$1,158. The cash balance is drawn down when expenses exceed revenues.

Submerged Lands Account (014.04A.0239.27)

The Submerged Lands Account is comprised of

funds generated from leases and easements on the State's submerged lands. Most of the fund's income is derived from leases of coastal waterfront properties to allow commercial uses such as marinas, piers, and boatyards. Additional revenues were generated from application and easement registration fees and the sale of gravel. Total revenues in 2008 were \$336,298 with expenses of \$223,811. Funds for personnel services (salaries) comprise the majority of the program's budget.

Shore and Harbor Management Fund (014.04A0239.29)

A Shore and Harbor Management Fund was established in 1991 to provide grants to municipalities for harbor planning, public access, and similar local management activities on submerged lands. This account receives funds from the Submerged Lands account when income from leases exceeds the operating costs of the program. The rental cap of \$1,200 has significantly limited the amount of money available in this fund. In 2000 and 2001, one-time revenues totaling \$1,537,500 from the sale of submerged lands and dredge materials to BIW were deposited to this account. Since 2005, all of this revenue plus contributions from the Submerged Lands Fund, totaling \$1,585,000 has been transferred to provide funding for municipal grants (\$680,000), the Bureau's Boating Facilities Program (\$600,000), and coastal island management (\$305,000). Total expenses in 2008 were \$130,000 for municipal planning grants and \$50,000 for the management of the Maine Island Trail and Casco Bay State owned islands. Total revenues in 2008 were \$226,107 mostly from interest. This revenue contributed to a calendar year-end balance of \$276,079.

Land Acquisition Fund (014.04A.0239.24)

Funds from this account are restricted by statute to the acquisition of lands of significant public use and value for the Public Reserved Lands system, and acquisition-related costs. These funds cannot be used for operation or maintenance of existing land, and therefore, expenditures do not take place on a regular basis. Income that accrues as a result of sales, trades, or interest is carried forward until needed

for future acquisitions. Income for calendar year 2008 was \$761,141 against expenditures of \$106,091. Income this year was derived from interest earned on the account balance and the sale of the Smilow lease lot in the Upper Richardson Lake Public Reserved Lands Unit. Expenses included the acquisition of 47.33 acres in fee and 8,153 acres in conservation easements, with additional expenditures on legal, appraisal, and survey costs associated with these acquisitions. In all cases, funds were expended in conjunction with other funding sources outside of the Bureau. Funds from this account are restricted by constitutional amendment (Article IX, Section 23) to the acquisition of lands having significant conservation and recreation value in the same county in which the sale of lands generating the funds took place.

Non-Reserved Land Acquisition Fund
(014.04A.0239.37)

This account was established to receive revenue from the sale of Public Non-Reserved Lands. Income and expenses for calendar year 2008 were minimal. Funds from this account are limited by constitutional amendment (Article IX, Section 23) to the acquisition of lands having significant conservation and recreation values in the same county in which the sale of lands generating the funds took place.

Mackworth Island Trust Fund
(014.04A.0239.30)

Section 2 of Chapter 102 Public Law 1998, authorized the proceeds from the sale of a 157 acre Bureau of Parks and Lands property in Colorado to be invested as a separate trust fund and managed by the State Treasurer for the benefit of Mackworth Island. In November 1999, the Colorado property was sold. The proceeds of \$60,000 have been deposited into this trust fund. A non-lapsing account receives interest income from the trust fund. This account is used to manage public recreational activities and related resources on land under the Bureau's care on Mackworth Island in Falmouth. Income for calendar year 2008 was \$1,311, with no expenditures.

XVII. ADMINISTRATION

OVERVIEW

During 2008 staff responsibilities to support the Bureau's various programs and activities and to manage responsibilities over newly acquired land continued to increase.

The Bureau received approval of a Part II budget request in FY 2002 to address current and future responsibilities and management needs by increasing staff. The new positions included in that budget are necessary to continue to assist with an increasing workload.

Budget constraints warranted a conservative approach in filling new positions, although the Chief Forester, Interpretive Specialist, the part-time Planning & Research Associate II have since been filled. Two new Forester I positions were filled in 2005.

The Bureau continues to explore and utilize new technology, and to look for ways to deal effectively with its increasing workload, increased expenses and inadequate revenue to fund all program activities.

CAMPLOT LEASE PROGRAM

The Bureau continues to administer a Camplot Leasing Program for approximately 300 residential camplots and 8 commercial sporting camps and campgrounds across the state. In 2007 the Bureau reissued leases for a new five-year term, and made adjustments to the lease rental schedule to reflect recent increases in tax-assessed values. The Bureau has a statutory requirement to charge lease fees based on these values.

CONSERVATION EASEMENT MONITORING

In response to legislation enacted in 2007 (33 MRSA 477-A-3) requiring all conservation easement holders to monitor easements for compliance with easement terms at least once every three years, Bureau staff spent considerable time developing monitoring protocols for the 42 easement parcels (totaling more than 300,000 acres) within its ownership. A breakdown of the costs associated with this requirement is found in Appendix C of this Report. Although stewardship accounts were established for some of these easements at the time of their acquisition, the Bureau is responsible for all remaining costs associated with these statutory requirements.

XVIII. FINANCIAL REPORT FOR FY 2010

OVERVIEW

Pursuant to Title 12 M.R.S.A., ' 1839 and 1853 the Joint Standing Committee on Agriculture, Conservation, and Forestry must review allocations for the Bureau of Parks and Lands dedicated funds and revenue accounts pertaining to Public Reserved and Non-reserved Lands for the upcoming fiscal year, and submit a written report to the Joint Standing Committee on Appropriations and Financial Affairs by March 15th. To assist in the preparation of that report, the Bureau is submitting information regarding Bureau income, expenditures, and management of the following seven dedicated accounts:

- **Public Reserved Lands Management Fund**
- **Public Lands Management Fund (Non-reserved Public Lands)**
- **Public Reserved Lands Acquisition Fund**
- **Public Non-Reserved Lands Acquisition Fund**
- **Submerged Lands Fund**
- **Shore and Harbor Management Fund**
- **Coastal Island Registry**
- **Mackworth Island Trust**

These accounts derive revenue from the sale of forest products, from lease fees, from interest on cash balances, and from the sale of land. Programs funded by these accounts receive no support from the State's General Fund. The dedicated revenues in these accounts must cover all operating expenses. The Bureau plans its expenditures for each fiscal year based on a level of income it projects to receive from its various revenue sources. If projected income is not sufficient, then the Bureau determines whether the balance in its contingency fund is sufficient to carry it through until additional revenues are received. If both revenue projections and contingency funds are insufficient, then the Bureau postpones planned expenditures until revenue returns to an adequate level. The Bureau has established internal financial management procedures to accomplish this process and reviews budgetary matters on a monthly and quarterly basis.

In the past, this internal management has proven successful. The Bureau has adjusted its expenditures and managed its financial resources so that core program activities have continued to be funded. The Bureau continues to manage the State-owned Public Reserved and Non-reserved Lands to produce timber on a sustained yield basis and within established levels for allowable harvest to generate revenue to support resource protection, wildlife, and recreation programs. However, it is becoming more difficult to maintain the financial viability of this arrangement with existing sources of revenue as personal services and fixed costs continue to increase. The addition of new lands and management responsibilities places increasing strain on the Bureau's capacity to remain financially self-sufficient. Presented below are the FY 2010 budget allocations proposed for each of seven dedicated accounts within the Bureau's "Lands" division. These allocations represent the limits within which the Bureau must operate.

FY 2010 ACCOUNT SUMMARIES

1. Public Reserved Lands Management Fund Account # 014.04A.0239.22

Income		Expenses	
Earnings on Investments *	\$95,000	Personal Services	\$3,253,136
Rent of Lands*	\$825,000	All Other (not including STACAP)	\$978,314
Camplot Leases*	\$235,000		
Registration Fees	\$21,000		
Misc Services & Fees	\$32,000	Capital	
Recreational Use of Lands	\$11,000		
Sale of Stumpage *	\$3,580,000		
Misc Income	\$100,000	Capital Subtotal	
Legis Transfer of Revenue	(\$70,695)		
DICAP**	(\$344,734)	STACAP	\$121,363
Total Income	\$4,483,571.00	Total Expenses	\$4,352,813.00

* Represents the major components of the Bureau's income stream.

** Consistent with state accounting practices, DICAP is shown as a "revenue debit," although it is actually an expenditure.

The Bureau, as of December 31, 2008, had an account balance of \$1,110,279.56 in the Public Reserved Lands Management Fund which serves as its contingency fund. Because most of the Bureau's timber harvesting takes place during the winter (to minimize environmental impacts and potential conflicts with recreational users), there is a significant seasonal fluctuation in income. The contingency fund enables the Bureau to operate during the first half of the fiscal year when income is low and expenses are relatively constant. It also serves as a buffer to cover operating costs when expenses exceed revenues.

The current balance is significantly below the optimum level, which would be half of the annual operating expense. It is below the level necessary to remain self sufficient and support program needs. A concerted effort, with particular emphasis on the timber management program, and modifications to harvest preparation and sale practices, is ongoing and will be necessary to build up this contingency fund. In addition, many desired program expenditures will need to be curtailed and alternative sources of revenue will need to be explored and developed.

New Initiative

Dedicated Revenue	Income	Requested for 2010	Expenses
Sale of Stumpage	\$66,694	Personal Services	(\$124,800.00)
DICAP	(\$2,737)	All Other	
		Utility Services	\$763.00
		Rents - CFM	\$6,491.00
		Fuel	\$1,213.00
		STACAP	\$188.00
		All Other Subtotal	\$8,655.00
		Buildings	\$20,000.00
		Capital Equipment	\$24,000.00
		Roads and Bridges	\$135,000.00
		Capital Subtotal	\$179,000.00
TOTAL	\$63,957.00	TOTAL	\$62,855.00

Increases in all other are requested to address increased rates being charged to the Bureau for fuel oil, utility services, and for rental vehicles by Central Fleet Management. The capital requests are for routine capital equipment purchases, as well as capital improvements on buildings, roads, and bridges. The personnel services amount shows negative from the curtailment of a Forester I and 2 Forest Technicians. These positions have been returned to this account in the 2009 Supplemental Budget.

2. Public Non-Reserved Lands Management Fund Account # 014.04A.0239.23

Income		Expenses	
Earnings on Investments	\$3,000	All Other (not including STACAP)	\$32,947
Rent on Lands and Buildings	\$16,850	Capital	
Sale of Stumpage	\$77,582	STACAP	\$575
DICAP**	(\$1,610)		
Total Income	\$95,822.00	Total Expenses	\$33,522.00

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

Both income and expenses will be less than the budgeted allocations in this account. The account has a balance of \$7,587.71, which is used as a contingency fund to cover expenses that occur between the relatively small and infrequent timber harvests on these lands. It is unlikely the Bureau will harvest the amount of timber needed to meet the proposed revenue projection. Therefore, management expenditures and associated activities will be limited.

3. Public Reserved Lands Acquisition Fund Account # 014.04A.0239.24

Income		Expenses	
Earnings on Investments	\$144,000	All Other (not including STACAP)	\$203,579
Sale of Land	\$90,475	Capital	
DICAP**	(\$16,498)	STACAP	\$5,896
Total Income	\$217,977.00	Total Expenses	\$209,475.00

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

By statute, the money in this account is used only for purposes related to the acquisition of interest in land. Lands purchased with the funds from this account have Public Reserved Land status. These funds are necessary to acquire rights-of-ways, in-holdings, conservation easements, and additions to the existing land base. As in most years, it is difficult to predict the timing, income, and expenditures involved in potential land transactions. This budget allows the Bureau, if the opportunity arises, to acquire land or other interests within the available allocation. The "All Other" expenses are used to cover the cost of legal assistance for title searches, drafting deeds, appraisals, and related items. At the end of calendar year 2008 this account had a balance of \$1,941,909.91. At this time all of the funds in this account are limited for use in specific counties from which the revenue was generated, as required by the Constitution. This situation will limit the Bureau's ability in the future to pursue acquisition projects in counties without funds.

New Initiative

Dedicated Revenue	Income	Requested for 2010	Expenses
Sale of Land	\$700,000	Personal Services	
		All Other	
		Capital Land	\$700,000
TOTAL	\$700,000	TOTAL	\$700,000

This initiative provides funding for land acquisitions and related closing costs. Land acquisitions require appraisals, title searches, and other legal matters in order to protect the State's interests.

4. Public Non-Reserved Lands Acquisition Fund Account # 014.04A.0239.37

Income		Expenses	
Sale of Land	\$269,544	All Other (not including STACAP)	\$61,114
DICAP**	(\$4,952)	Capital	
		STACAP	\$1,770
Total Income	\$264,592.00	Total Expenses	\$62,884.00

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

The money in this account is used only for purposes related to the acquisition of interest in non-reserved land. Lands purchased with the funds from this account have Public Non-Reserved Land status. These funds are necessary to acquire rights-of-ways, in-holdings, conservation easements, and additions to the existing land base. As in most years, it is difficult to predict the timing, income, and expenditures involved in potential land transactions. This budget allows the Bureau, if the opportunity arises, to acquire land or other interests within the available allocation. The "All Other" expenses are used to cover the cost of legal assistance for title searches, drafting deeds, appraisals, and related items. At the end of calendar year 2008 this account had a balance of \$436,570.14.

New Initiative

Dedicated Revenue	Income	Requested for 2010	Expenses
Sale of Land	\$200,000	Personal Services	
		All Other	
		Capital Land	\$200,000
TOTAL	\$200,000	TOTAL	\$200,000

This initiative provides funding for land acquisitions and related closing costs.

5. Submerged Lands Fund Account # 014.04A.0239.27

Income		Expenses	
Earnings on Investments	\$21,000	Personal Services	\$216,667
Rent of Lands	\$400,000	All Other (not including STACAP)	\$17,556
		STACAP	\$6,752
Transfer to S&H	(\$100,000)		
DICAP**	(\$18,979)		
Total Income	\$302,021.00	Total Expenses	\$240,975.00

** Consistent with state accounting practices, DICAP is shown as a "revenue debit," although it is actually an expenditure.

Most of the rental income for the program is not received until late in the fiscal year because rent payments are due in February. Like the Public Reserved Lands account, the Submerged Lands account carries a balance that funds the program through the first portion of the fiscal year. This account had a balance of \$348,586.50 at the end of calendar year 2008. As constructive easements have been brought under lease beginning in the fall of 2005, rental income has begun to meet program expenses, but continues to be constrained by the \$1,200 rental cap. To address this revenue constraint, the Bureau has carefully managed expenses and carried a larger balance to ensure that program costs are covered. As revenue projections stabilize with the substantial completion of the constructive easement conversions, the bureau anticipates transferring more of the balance to the Shore and Harbor Management Fund.

6. Shore and Harbor Management Fund Account # 014.04A.0239.29

Income		Expenses	
Transfers and Earnings on Investments	\$20,527	Grants to Cities & Towns	\$120,527
Transfer from Submerged Lands	\$100,000		
Total Income	\$120,527.00	Total Expenses	\$120,527

This account was set up by the legislature in 1991 in anticipation that the Submerged Lands Program would eventually yield revenues that could provide benefits to the public beyond what was needed to administer the program. These funds are set aside in a special account and made available to municipalities and state agencies for grants to enhance shore and harbor management, planning, and public access efforts. A portion of the fund is also available to support management programs on coastal islands under the Bureau’s jurisdiction. As noted above, with the substantial completion of the constructive easement conversions, the Bureau anticipates improved funding for municipal coastal planning and public access projects. At the end of calendar year 2008 this account had a balance of \$276,078.96.

7. Coastal Island Registry Fund Account # 014.04A.0241.26

Income	\$120	Expenses	\$107
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Funding in this program covers the cost of reviewing new applications for island registrations. Most private coastal island titles have been reviewed and current program activity, for the most part, involves providing information to the public and occasionally reviewing application and deed information. The account currently has a balance of \$609.71.

8. Mackworth Island Trust # 014.04A.0239.30

Income		Expenses	
Earnings on Investments	\$4,374	All Other (not including STACAP)	\$3,941
DICAP**	(\$319)	STACAP	\$114
Total Income	\$4,055.00	Total Expenses	\$4,055.00

** Consistent with state accounting practices, DICAP is shown as a "revenue debit", although it is actually an expenditure.

This account is used to manage public recreational activities and related resources on land under the Bureau's care on Mackworth Island in Falmouth, Maine. Section 2 of Chapter 102 Public Law 1998, authorizes the proceeds from the sale of a 157 acre Bureau of Parks and Lands property in Colorado to be invested as a separate trust fund and managed by the State Treasurer for the benefit of Mackworth Island. In November 1999, the Colorado property was sold. The proceeds of \$60,000 have been deposited into this trust fund. A non-lapsing account receives interest income from the trust fund. At the end of calendar year 2008 the account had a balance of \$12,892.41.

XIX. CONCLUSION

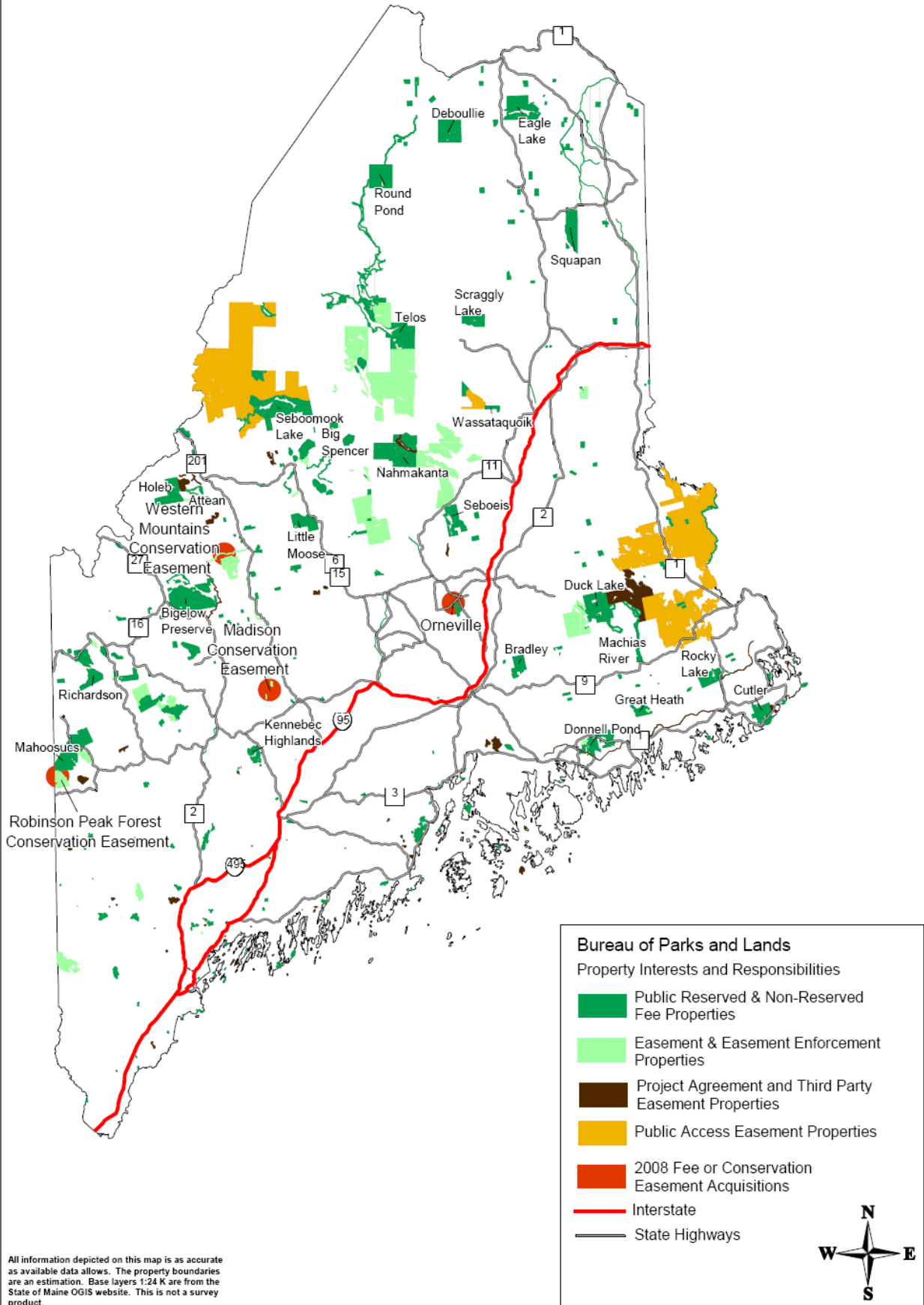
Expenditures will be managed to operate within the Bureau's financial means for all accounts. The Public Reserved Lands Management Fund is under considerable pressure to meet increasing demands to cover rising costs in such areas as personnel services, health care, land acquisition, vehicle rental, information technology (computer), and public information while assuming management responsibility for more and more non-revenue generating acres and activities. The Bureau continues to make a concerted effort to further increase the volume of timber harvested to an amount closer to the sustainable harvest level, in anticipation of a more favorable forest products market. However, with a continuation of these trends it will be necessary to identify new non-timber sources of revenue available on an annual basis. This effort will need to be balanced with continued demands on staff time related to new acquisition initiatives and non-timber related responsibilities, including recreation. The Bureau will continue to explore ways to stabilize revenues in all accounts, while managing Public Reserved and Non-reserved Lands on a sustained yield basis.



Department of Conservation Property Interests & Responsibilities

February, 2009

Appendix A



Appendix B

2008 BP&L Acquisitions and Dispositions

Parks or Lands	Name	Town	County	Fee Acres	CE Acres	Trail Easement Acres	Total Acres
Acquisitions							
Lands	Robinson Peak Forest	Riley Township	OX		6,730		6,730
Lands	Anson-Abenaki Project – Madison Paper	Madison, Madison	SO		303		303
Lands	Bradford/Lagrange	Orneville TWP	PI	27			27
Lands	Bradbury-Pineland: Wentworth	Pownal	CU			1	1
Lands	*Western Mtn. Foundation Dead River CE Escrow closing 2007, final closing 2008	West Forks, Lower Enchanted, more	SO		1,120		1,120
Parks	Katahdin Ironworks	Brownville	PI	20			20
Parks	Colonial Pemaquid addition	Bristol	LI	.33			.33
Parks	Calais Branch – Sunrise Rail Trail	Hancock	HA			.55	.55
Dispositions							
Lands	Mill Brook Road	Richardsontown	OX	-7.53			-7.53

* Also reported in 2007 as escrow closing

Appendix C

2008 Update on: Conservation Easements –the Full Cost

1. In 2007 the State enacted legislation requiring all conservation easement holders to monitor these easements for compliance with easement terms at least once every three years. See 33 MRSA 477-A(3). The Federal Forest Legacy Conservation Easement Program requires annual compliance monitoring. State legislation also required the State Planning Office to maintain a registry of all conservation easements, to ensure greater accountability of easement holders. See 33 MRSA 479-C.
2. The Bureau of Parks and Lands presently holds or directly enforces over **312,000 acres of conservation easements in 45 separate easements**. Most of these were acquired since 1994. **282,000 acres of these easements are working forest conservation easements** funded substantially through the federal Forest Legacy Program. In 2009 the Bureau expects to acquire another 40,000 acres of working forest conservation easements that have secured federal funding and will be ready for closing by year's end.
3. Working forest easement terms are complex as they provide multiple public benefits and are generally large tracts of lands (in the thousands of acres compared to most others in the tens and hundreds of acres). They require an increased the level of oversight to ensure compliance with the easement terms. They also often include rights granted to the Bureau (and expectations the Bureau will exercise those rights) for development of recreation facilities and maintenance of public access roads.
4. **Many of these easements have come with endowments** established at the Maine Community Foundation (MCF) to help offset the Bureau's administrative and monitoring costs. However, when these endowments were established, no one really understood the full costs these easements imposed on the holders, as the easements were largely unprecedented in size and scope. Further, recent losses from endowment investments have further diminished resources available to the Bureau. **In 2008 the total value of endowments supporting Bureau-held easements dropped from \$1,136,000 to \$840,000 (a 26% loss), and the recommended allowable withdrawals dropped from roughly \$43,000 to \$30,860. Further, MCF advises that in 2010 recommended withdrawals could be reduced by another 30% to \$21,600 .**
5. **Even before this loss in value, significantly more resources were needed to meet the Bureau's responsibilities.** Estimated total costs for monitoring all easements may be as high as \$200,000 even while noting a constant strategic drive for efficiencies. The estimated current annual shortfall for administering and monitoring Bureau-held or enforced conservation easements, based on reduced expectation of annual yields including those to be held by the end of this year, will exceed \$170,000. The Bureau must find these resources, either through timber revenues, appropriations or additional grants or endowments. To fully cover this shortfall, an additional endowment of \$4 to 5 million would be needed. (The sustainability or weakness of timber and now endowment funds available to the bureau is the subject of separate needed analysis.) In the alternative, Maine's conservation community must accept some informed risks from underfunded stewardship expectations. In any event, stewardship of all future conservation easements accepted or acquired by the Bureau should be fully funded with endowments or other stewardship solutions.
6. In addition to monitoring costs, easements often come with other unfunded commitments and liabilities; for example the Bureaus has acquired rights but not obligations to maintain hundreds of miles of roads within conservation easements and in various public access easements totaling hundreds of thousands of acres. Other unfunded obligations or expectations include costs and liabilities for development and management of recreation facilities as provided in various conservation easements. Various public access easements create liability or insurance obligations upon any change in the liability exposure of the fee owner.

Easement negotiations include constant pressures for the Bureau to accept share maintenance obligations for roads and other assets.

Determining Costs of Holding Conservation Easements

During 2008 the Bureau continued its efforts to develop a cost-effective approach for easement monitoring, with assistance from consultants with expertise in the emerging field of monitoring working forest easements. The Bureau adopted, for its large scale working forest easements, a three-tiered monitoring approach that reviews changes in land use with remote sensing (satellite imagery), follow-up inspection from low-level air flights or air photos, and on-the-ground inspections. This protocol will be applied in 2009 to all working forest easements. In addition, in 2009, the Bureau will explore how to apply this approach to small-scale traditional conservation easements.

Once the appropriate tools and methods are defined, the Bureau will be able to assess how much of this responsibility it can assume with existing staff, and how much it will have to contract out to consultants or other state agencies. Current best thinking (which is still evolving) on easement monitoring costs is summarized in the table below:

Size of Conservation Easement (acres)	Cost of Annual Monitoring	Endowment Fund ¹
Scenic easements	Min. \$3,000	\$60,000 – 100,000
Standard Conservation/Recreation CE	Min. \$4,000	\$80,000 – 130,000
Working Forest-Up to 3,000	Min. \$6,000 (\$2.00/acre)	\$120,000 – 200,000
10,000	\$7,500 (\$0.75/acre)	\$150,000 – 250,000
50,000	\$10,000 (\$0.50/acre)	\$200,000 – 350,000
100,000	\$15,000 (\$0.15/acre)	\$300,000 – 500,000
150,000	\$20,000 (\$0.133/acre)	\$400,000 – 650,000
200,000	\$25,000 (\$0.125/acre)	\$500,000 – 850,000

¹ Based on average available funds from the endowment of 3 -5%/year. Costs include monitoring, plus related tasks such as reviewing 3rd party certification reports, required forest management plans, responding to information requests, and occasional meetings with the landowners.

Additional costs not included in the above table include development and maintenance of GIS files and database systems for tracking and documenting easement monitoring and reporting requirements; and development and/or maintenance of recreational facilities or roads, were those rights granted to the Bureau.

The pressing challenges are thus summarized:

- to find the resources to cover these unfunded costs, in the context of other expenditure and revenue trends facing the Bureau;
- to continue to refine cost estimates and search for efficiencies and best new practices;
- to more fully fund stewardship on all new easements with mechanisms that have limited risk;
- to educate decision makers on the conservation risks presented by underfunding, while maintaining Maine’s reputation as a national leader of conservation easement practice.