



**WASHINGTON
HARDWOODS
COMMISSION**

COMMISSION MEETING MINUTES

March 14, 2012
DNR Pacific Cascade Region Office
Castle Rock, Washington

Next Meetings: *June 13, 2012, Kelso Red Lion, Kelso, WA*

Commissioners Present:

Tom Fox, Chairman
Erik Metcalf, Vice Chairman
Michael Johnson
Joe Monks
Nick Wheeler

Commissioners Absent:

Tim Halme
Steve Witherspoon

Attendees:

Diann Lewallen, James Freed, Dave Rومان, Dick Miller, Randall Greggs, Rachael Jamison, Julie Sackett, Paul Bialkowsky, and Dave Sweitzer.

The meeting was called to order by Chairman Tom Fox at 10:00 a.m. Introductions were made and the Commission was reminded of the legal limitations of the anti-trust laws in Commission meetings.

It was MSP to approve the minutes of the December 14, 2011 meeting as mailed.

FINANCE REPORT

Lewallen presented the financial report dated February 29, 2012 showing cash and CD's of \$33,120.75 with no accounts payable. The cash flow spreadsheet shows a projected estimated reserve and estimated available reserve of \$24,348.75, through June, 2012. (copy attached) However, the actual balance forward will be an additional \$5,000 as the re-measurements invoice is \$5,000 under the amount budgeted. Lewallen reported that 1-year CDs are at .35% and money market is at .4%. After checking another source, \$10,000 will be put into money market. Sweitzer presented the Logs Process Summary, Dollar and Volume reports. It was MSP to approve the financial report.

The budget for 2012-2013 was presented, noting the additional \$5,000 balance forward resulting in an estimated available reserve, June 30, 2013, of approximately \$33,500. It was MSP to approve the 2012-2013 budget. (copy attached)

HSC PLOT MEASUREMENTS

Sweitzer reported that the measurements at Ryderwood and John's River are complete. There is still some maintenance to complete on Ryderwood in the next couple of weeks.

2012 ANNUAL MEETING

Wheeler reported that all speakers have accepted. (Agenda attached) A draft of the registration form was presented with changes noted. It will be mailed out within two weeks.

HARDWOOD CONVERSION

Miller reported on several projects that could provide additional scientific information regarding riparian management. The reforestation study by CMER has been completed and a draft report prepared. An additional report synthesizing the data has been completed. Fox and Steve Pedersen have been recommended to serve on the review committee. A third study by CMER, collecting stream temperatures, was completed a few years ago, but the data was shelved and no report was finalized. WHC will write a letter to Commissioner Goldmark requesting that this Data Collection Report, costing in excess of \$400,000, be finalized for an additional \$30,000 plus.

The Commissioners discussed Miller and McConnell contract work to extract to an electronic spreadsheet specified information from approximately 120 FPA's for Hardwood Conversion between 2003-2011. Written report is due by May 31, 2012, supplemented by verbal presentation made by Miller at the WHC annual meeting June 13th.

DNR FOREST BIOMASS INITIATIVE

Jamison outlined the work and reported on the progress of the biomass inventory and pilot projects. A couple of pilot projects are successfully generating power from the biomass. The biomass inventory from all lands is nearing completion.

SUBCOMMITTEES REPORTS

Committee reports follow these minutes and financial statements.

THREATS TO EASTERN HARDWOODS AND EFFECT ON WESTERN HARDWOOD MARKET

Wheeler presented a PowerPoint on the catastrophic insect infestation and disease of about ten eastern species, a couple of which have been virtually wiped out. Fifty-eight million acres are at risk from insects and disease. Western species are not as severely under attack at this time, but safeguards should not be minimized. This could help the demand for western species.

DNR UPDATE

Sackett and Bialkowsky reported that five percent of the 600 mmbf sold in fiscal year 2011 was hardwood. Fiscal year 2012 to date hardwoods is still holding at five percent. Webster Nursery will grow 375,000 alder seedlings in 2013. This compares to 20,000 in 2001. By far, the majority goes to DNR to plant 400 acres per year average. However, 630 acres will be planted in 2012. They reported on the flexibility to enter the RMZ in order to manage without site by site evaluation. They reported on the marbled murrelet interim plan amendment which would allow harvesting of up to 50 percent in marbled murrelet habitat in SW Washington. This is in anticipation of the long term marbled murrelet EIS strategy draft due December 2013, and a completion date of December 2014. They reported that the OESF planning document would be redistributed May 1st, emphasizing that it will be more user-friendly.

OTHER BUSINESS

The WHC office will check into the feasibility of supporting Washington Friends of Farms and Forests group. The office will also look into outreach opportunities between WHC and the UW Institute of Forest Resources.

Agriculture Secretary Tom Vilsack signaled the intent to issue a new planning rule for America's 193 million acre National Forest Service that seeks to deliver stronger protections for forests, water, and wildlife, while supporting the economic vitality of our rural communities.

The business meeting portion of the annual meeting will be accomplished via a conference call two weeks before.

Next meeting dates – June 13, 2012, Kelso Red Lion Hotel, Kelso, WA

The meeting was adjourned at 3:00 p.m.

Minutes prepared by Dave Sweitzer

2012 Annual Meeting Draft Agenda – rev. 3/12/12

Theme: **Markets, Management, and Science: Hardwood's Increasing Relevance to the Washington Economy**

Target Audiences: Small Land Owners, Industrial Land Managers, Legislature, Agencies, Students, Grant Recipients

Where: Longview area (Kelso Red Lion)

When: Wednesday, June 13, 2012

Draft Agenda: 7:30 a.m. Welcome, sign in [coffee, donuts provided]

Markets and Management

8:00 a.m. Current and Future Markets for Washington's Hardwoods [Ivan Eastin]

8:30 Alder Supply, Growth and Yield, and RAP Organon Demo [Glenn Ahrens]

9:10 Hardwood Conversion Riparian Studies [Dick Miller]

9:40 Alder Thinning [Alex Dobkowski]

10:00 Break [refreshments provided]

Science

Biomass for Biofuels and Energy

10:20 Biomass for Energy: the DNR Perspective [Rachael Jamison]

10:50 System For Advanced Biofuels Production From Woody Biomass In The Pacific Northwest [Rick Gustafson]

11:20 Northwest Advanced Renewables Alliance (NARA) [Norman Lewis]

Tree Improvement

11:50 WSU Alder Clone Production [Barri Herman/Tom Kelly]

12:20 Lunch [provided] - Hardwood Tree Improvement [Rich Shuren]

1:00 – 5:00 Field Trip: Greenwood Resources' Clatskanie Plantations – Tree Improvement and short rotation hardwood plantation demonstrations. (Can poplar serve as a good model for alder?)

Washington Hardwoods Commission
Plantation Management Subcommittee
Joe Monks
March 2012

No Report

Washington Hardwoods Commission
Resource Values Subcommittee
Michael Johnson
March 2012

No Report

Washington Hardwoods Commission
Education Subcommittee
Eric Metcalf
March 2012

No Report

Washington Hardwood Commission
Policy & Government Affairs Sub-committee quarterly report
Tom Fox
3/9/2012

The Washington Hardwoods Commission (WHC) was created by the State Legislature in 1991 to, in part; ensure the sustained management of the Washington's alder and other hardwood species using practices based on sound forest science. A key component of the Commission's work is to stay informed of pertinent legislation and policy as well as to provide information to legislators working in the area of hardwood-forest rules and regulations.

One of the main purposes of the Policy & Government Affairs sub-committee is to promote an awareness of the Washington Hardwoods Commission as an advocate of the State's stakeholders in effective hardwood management policy and serve as a source of expert advice to the legislature.

I have not received any requests from any Legislators for assistance or comments on any pending or proposed legislation.

The 2012 legislative session convened on January 12, 2012 and the regular session ended with a thud at the end of the 60 day regularly planed session on March 9, 2012. A special session will convene on March 12 2012.

The Governor and leaders from the House and Senate have agreed to a set of bills/topics to be discussed during the special session. The list includes completion of a supplemental operating budget; a supplemental capital budget (called a "jobs" bill); bills necessary to implement the budgets, including revenue measures; a constitutional amendment to limit state debt; and bonds to pay for pieces of the jobs package.

SB 6406 is named in the proposed budgets and therefore considered necessary to implement the budget, but its future and most of the remaining bills are uncertain.

If receiving this report electronically you may review any of these bills below you are interested in by using the hyper lick. Just put your mouse arrow on the bill number, hold Ctrl key + click to follow link to each bills text.

Below are a number of forestry related bills that passed as of 3/9/2012.

[ES2238](#) Regarding wetlands mitigation. **Bill has been passed and sent to governor.**

[ES5575](#) Recognizing certain biomass energy facilities as an eligible renewable resource. **Bill has been passed and signed by the governor 3/7/2012.**

[ES2502](#) Modifying exceptions to the compensating tax provisions for removal from forest land classification to more closely parallel open space property tax provisions. **Bill has been passed and sent to governor.**

[S2349](#) Concerning the management of beavers. **Bill has been passed and sent to governor for signature.**

[ES2567](#) Authorizing an optional system of rates and charges for conservation districts. **Bill has been passed and sent to governor for signature.**

Below are a number of forestry related bills that were not passed by the end of the regular session and will be either brought back up during special session because the bills are necessary to implement the budget or will die during special session.

[H1157](#) Regarding the forest practices permitting system.

[H2135](#) Hydraulic project permit fee

[S6011](#) Charging an application fee for hydraulic project permits.

[S6406](#) Modifying programs that provide for the protection of the state's natural resources

[6413](#) Strengthening the integrity, fairness, and equity in Washington's property assessment system.

[E2S2253](#) Modernizing the functionality of the state environmental policy act.

[6497](#) Requiring a net benefit to the state to claim the sales and use tax exemption for manufacturing machinery and equipment.

Below are bills that are dead:

[S1313 & S5225](#) Regulating soil science and wetland science professions.

[S1349](#) Concerning private road maintenance agreements.

[2286](#) Regarding the authority of the department of fish and wildlife to finalize administrative processes for programs related to agreements with the federal government under the endangered species act.

[E2S2365](#) Regarding large wild carnivore conflict management.

[S2388](#) Exempting certain forest practices from the requirements of the hydraulic code.

[H2413](#) Protecting workers and other community members from pesticide drift.

[H2453](#) Regarding denials of forest practices applications.

[2597](#) Removing potential barriers to successful salmon recovery efforts.

[2654](#) Modifying the energy independence act.

[E5169](#) Encouraging economic development by exempting certain counties from the forest land compensating tax.

[ES6078](#) Implementing efficiencies in the management of the state's natural resources.

[S5536](#) Regarding the management of water resources.

[6080](#) Regarding landowner immunity from liability for nonintentional injuries to recreational users in connection with forestry and other principal uses of the lands.

[S6093](#) Regarding wetlands mitigation.

[6097](#) Encouraging economic development by exempting certain counties from the forest land compensating tax.

[S6130](#) Modernizing the functionality of the state environmental policy act.

[S6303](#) Authorizing an optional system of rates and charges for conservation districts.

[6369](#) Protecting environmental quality and human health.

[6396](#) Modifying the energy independence act.

[6397](#) Protecting workers and other community members from pesticide drift.

[S6431](#) Harmonizing federal exemptions for agriculture practices with state law.

[6461](#) Regulating drayage truck operators.

If you are interested in looking up a bill of interest for Washington State you can go to the Washington Legislature web site at <http://leg.wa.gov> and search by bill number, or subject ect.

Washington Hardwoods Commission
Markets Subcommittee Report
Steve Witherspoon
March 2012

2011 Local Mill Closures

<u>Mill</u>	<u>Location</u>
Blue Heron Paper	Oregon City, OR.
Grays Harbor Paper	Hoquiam, WA.
Kimberly-Clarke	Everett, WA.

2011 Local Hardwood Sawmill Acquisitions

Weyerhaeuser Co. sold its Northwest Hardwoods unit to American Industrial Partners, a private equity firm.

Biomass

The Oregon Forest Biomass Working Group is developing a new biomass strategy for Oregon. There will be a roundtable discussion on March 21, 2012 at the Douglas County Museum in Roseburg, OR. The meeting is scheduled between 9:00 a.m. and 12:30 p.m. Matt Krumenauer or Chad Davis can be contacted with questions regarding the discussion.

Matt Krumenauer
Senior Policy Analyst
Oregon Department of Energy
(503) 378-6043

Chad Davis
Director, Forest Stewardship Program
Sustainable Northwest
(503) 221-6911

The State of Oregon has revised its Biomass Producer or Collector Tax Credit Certification Rules for 2012. Rules regarding the tax credit can be found on the Oregon Department of Energy website.

http://www.oregon.gov/ENERGY/RENEW/Biomass/docs/BPC_rules_effective_010112.pdf

Washington Hardwoods Commission
Science Subcommittee Report
Nick Wheeler
March 14, 2012

Sub-committee activity focused on developing and finalizing the agenda and speakers for the WHC annual meeting, to be held June 13, in Kelso, WA. While the meeting will include common elements familiar to past programs, it will also introduce the expanding regional efforts evaluating sustainable programs to produce biofuels from woody biomass. The meeting will feature a half day of talks and a half day of field activities.

Nick Wheeler agreed to represent the WHC as a panel member at a two-day workshop hosted by the Agriculture Center of Excellence at Walla Walla Community College, GreenWood Resources, and collaborators at the University of Washington supported by the USDA competitive grants program. The workshop will focus on providing critical input into a curriculum development process. The goal is to provide a solid foundation from which to provide cutting edge training and continuing education to new students and working professionals in the Biofuels industry throughout the Pacific Northwest. The workshop will be held March 12-13.

Washington Hardwoods Commission
Farm to Forest Committee Subcommittee
Tim Halme
March 2012

The objective of the Farm to Forest Committee is to advocate the afforestation of non-productive or under-utilized farm lands in Western Washington particularly by planting hardwoods where best suited.

Goal 1 : Research and report on the numerous State and Federal Governments programs to provide cost share benefits for afforestation projects.

Continuing to work with agencies and private landowners in applying for grant money under the EQIP program with the USDA Natural Resource Conservation Service for the establishment of a forest plantation on former farmland. Besides planting of pastures, qualifying practices now include Forest Stewardship plans, precommercial thinning and riparian restoration. This includes hardwood establishment.

Update: Our first grant application has been accepted and recommended for funding by NRCS for 15 acres of farmland to forest conversion. Site preparation will be completed in the fall of 2012 with planting in the spring of 2013. An afforestation prescription will be submitted prior to implementation.

Goal 2: Research and report on the afforestation techniques as published by others and as experience by applicators.

Pasture sites and abandoned fields present some challenges not often encountered by foresters. To date, we have established 3 conversions with several more scheduled for next spring planting. As a company, we also recently took over the management of one 7 acre pasture conversion project that was planted with red alder and cedar in 2011 by another firm. This project will be used as another of our study areas. We will be continuing to experiment with various tools and techniques to reduce costs and ground disturbance while achieving the desired results.

Update: The pasture conversion to alder/cedar suffered severe mortality due to a late fall frost event. A survey will be conducted to determine if this is a "start over" project or if it can be salvaged.