



WASHINGTON
HARDWOODS
COMMISSION

COMMISSION MEETING MINUTES

March 20, 2007
WFPA Building
Olympia, Washington

Next Meeting: June 20, 2007 Annual Meeting
Location TBA

Commissioners Present:

Steve Pottle
Tal Edman
Del Fisher
Steve Pedersen
Steve Sabalaska
Merlin Smith
Brian Stanton

Commissioners Absent:

Attendees:

Mark Doumit, John Tweedale, Bob Dick, Dave Sweitzer

Chairman Pottle called the meeting to order at 8:30 a.m. and made introductions.

It was MSP to approve the minutes of the December 13, 2006 meeting as mailed.

FINANCE REPORT

Sweitzer presented the financial report dated February 28, 2007 showing cash and CD's of \$39,132.41 with no accounts payable. The cash flow spreadsheet shows a projected estimated reserve of \$27,282.81 and a projected estimated available reserve of \$13,282.91 both through June 30, 2007. (copy enclosed) The Logs Processed Summary, Dollar Summary, and Volume Summary were also presented. It was MSP to approve the finance report. Sweitzer also presented the proposed budget for FY 2007-2008. It was MSP to approve the proposed budget. (copy enclosed) It was further MSP that a 3-5 year plan be developed and presented at the September meeting. Subsequent to the meeting, a reimbursement for measurements from CMER was recorded for \$9,900, thus changing the "Budget vs. Actual FY07 and the FY'08 proposed budget balance forward and reserves. (copies enclosed)

GROWTH & YIELD

Fisher reported that he had not had a live discussion with the modeler regarding her questions.

His impression from her email is that she may be getting too detailed for the data that is available. Her timeline is to have the model available for presentation at the annual meeting on June 20, 2007. Sweitzer discussed the potential need for technical support to handle any problems encountered by model users. Fisher and Stanton will make recommendations. Sweitzer also mentioned that he met with RSAG and CMER and all was approved for payment of the \$9,900 to WHC for the latest measurements.

DNR UPDATE

Tweedale sat in for Jed Herman and reported that the DNR mindset is certainly changing with reference to hardwoods. This shift includes not only the hardwoods that are put up for sale, but the silviculture and management on DNR lands. Hardwood sales for FY 2006 are nearly 45 mmbf or 8% of the total. Projected FY 2007 is 39 mmbf, approximately 6.6% of the total projected volume. The trend is not the direction we want to go and DNR is aware of that. Future sustainable hardwood volume could approach 100 mmbf annually, according to WHC. Tweedale said that the Webster Nursery is expecting to double alder seedlings in the next few years. Approximately 325,000 alder seedlings will be available in the 2007-2008 FY, as compared to 105,000 seedlings in 2006-2007. Additional harvest may be available from the Riparian Forest Restoration Strategy (RFRS) implementation. Pilot projects designed by regions were completed in 2006. Seven demonstration projects are now under way. It was suggested that we include a demonstration project on alder as a field tour for the upcoming annual meeting. It was also suggested that we need to have a mill tour for DNR Purchasers' Committee and one for the Board of Natural Resources.

WFPA

Doumit visited the Commission meeting and reported that WFPA wants to work with the Commission and all groups to maintain a robust timber industry. A meeting of several organizations will meet March 29, 2007 to discuss the procedure for working together on common issues. He feels that the future of the industry looks bright, especially with the governor expressing her views of the importance of the timber industry to Washington's economy.

FARM FORESTRY

Pedersen reported that the hardwood template is scheduled to go to Forest & Fish in June and then to the Forest Practice Board later in the summer. He will do a comparison of the template to the Lewis County HCP when both are complete. He announced the WFFA annual meeting at the Kelso Red Lion Inn April 26-27, 2007. Hardwoods will be well represented in the Friday afternoon concurrent sessions.

GOVERNMENT AFFAIRS

Smith reiterated the March get together of various organizations to work together on common goals in the timber industry.

EDUCATION

No report.

FEDERAL LANDS

Sweitzer reported that he feels harvest of softwoods on federal lands should increase over the next decade because of increased interest by the land managers, thus increasing the harvest

of hardwoods.

INDUSTRY DEVELOPMENTS

Edman and Sabalaska reported that the softwood lumber market is continuing to be slow and thus affects the flow of hardwood timber to the mills. Chip volume appears to be up 5-10%. Some mills are experiencing restricted supply of hardwood logs.

2007 ANNUAL MEETING

The date is set for June 20th, 2007, the location to be announced, to tie in with a field trip. Doug Sutherland and FVS modeler are confirmed. Others to contact are Jed Herman on DNR and field trip, Pete Holmberg on seedlings, Alex Dobkowski on silviculture, and Dave Hibbs on HSC. It was suggested that we rent a bus for the tour. Preliminary schedule is Commission meeting is 8-9 a.m., 9 a.m. to noon for presentations, noon to 1:00 p.m. for travel and lunch, and 1-4 p.m. for the field trip.

OTHER BUSINESS

Dick suggested that we pay close attention to DNR's riparian strategy because there might be a lower harvest than expected. As a result of the governor's explaining that the forest industry is a major part of Washington's economy, he suggested that John Mankowski and Bob Nichols be encouraged to attend various meetings. He mentioned that in the Olympic Experimental State Forest (OESF), a settlement has been agreed to between the environmentalists and the OESF to manage the land. There could be a substantial hardwood component available in the future. He reported that the Skagit County lawsuit has been picked up by the school district in that area. The question is whether the trust mandate of managing for the beneficiaries has been violated. The DNR is looking to certify 140,000 acres in South Puget Sound under FSC. All state trust lands are now certified under SFI. Lastly he reported that the log trucker bill that would allow, among other things, a unionization process, is dead.

The meeting was adjourned at 12:30 p.m.

Minutes prepared by Dave Sweitzer

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