



**WASHINGTON
HARDWOODS
COMMISSION**

COMMISSION MEETING MINUTES

May 30, 2012
Teleconference

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

Commissioners Present:

Tom Fox, Chairman
Erik Metcalf, Vice Chairman
Tim Halme
Joe Monks
Steve Witherspoon

Commissioners Absent:

Michael Johnson
Nick Wheeler

Attendees:

Diann Lewallen and Dave Sweitzer.

The meeting was called to order by Chairman Tom Fox at 10:00 a.m. 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 March 14, 2012 meeting as mailed.

FINANCE REPORT

Lewallen presented the financial report dated May 31, 2012 showing cash and CD's of \$28,991.37 with no accounts payable. The cash flow spreadsheet shows a projected estimated reserve and estimated available reserve of \$31,158.37, through June, 2012. (copy attached) Sweitzer presented the Logs Process Summary, Dollar and Volume reports. A few companies have not reported for the 1st quarter, so the Logs Process Summary will increase and an additional \$2,500 is expected attributable to 1st quarter. It was MSP to approve the financial report.

2012 ANNUAL MEETING

Sweitzer reported for Wheeler that all is set for the June 13th meeting in Kelso. Current registration is over 50.

SUBCOMMITTEE REPORTS

Committee reports follow these minutes and financial statements.

OTHER BUSINESS

Sweitzer reported on the Washington Friends of Farms and Forests. The Commissioners felt that they don't seem to be an exact match for WHC support. However, Fox will contact them to invite them to the meeting and determine later whether we are a fit.

UW Institute of Forest Resources – Sweitzer reported that this institute was established many years ago to study research needs in the forest sector. It has been reinvigorated under the direction of Bruce Bare. The Commission felt that we should stay very close to this institute through our research committee chairman. Parcels of the institute would include RTI, now called Precision Forestry Coop with Luke Rogers; CORRIM under the direction of Elaine Oneil includes 17 university research facilities throughout the U.S.; and CINTRAFOR under the direction of Ivan Eastin, primarily concerned with marketing.

Fox reported on the U. S. House Sub-Committee on National Parks, Forests, and Public Lands hearing in Longview on May 21st conducted by Representatives Doc Hastings (R-WA) and Jamie Herrera-Beutler (R-WA). The title of the hearing was “Failed Federal Forest Policies: Endangering Jobs, Forests, and Species”. The hearing and efficacy of the Northwest Forest Plan (NWFP) and Endangered Species Act (ESA) on local economies, forest health and the survival of the Northern Spotted Owl was discussed. In his introduction, Chairman Hastings noted that under the NWFP, which has been in effect for 20 years, the health of the forests and the economic health of the communities have suffered, mills jobs have been lost, and the spotted owl is experiencing drastic declines. He noted that the State of Washington trust forestlands produce seven times the revenue on one-quarter of the acreage of Forest Service lands in the state.

Hastings termed the draft Northern Spotted Owl Critical Habitat Designation a land grab based on faulty information from the 1990's that ignores economic impacts and the effects of the barred owl.

Representative Herrera-Beutler noted that we have known for a long time the NWFP is not fulfilling its objectives. She lamented current flawed federal forest management policies and criticized the U.S. Fish and Wildlife Service's (FWS') concentration on a single species at the expense of others.

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

The meeting was adjourned at 11:30 a.m.

Minutes prepared by Dave Sweitzer

Washington Hardwood Commission
Joe Monks
Plantation Management Sub-committee Report
May 2012

Contact will be made with Weyerhaeuser to determine the maintenance of the sites used for the Hardwood Silviculture Coop plot measurements. Check with HSC to determine how the Alder Growth & Yield model can be made user friendly for small landowners as well as industrial land managers.

Washington Hardwoods Commission
Michael Johnson
Resource Values Sub-committee Report
May 2012

I don't have a true "report" to submit, but I do have a little information to share. One of the items that I was going to try and start tracking was the number of hardwood seedlings produced each year for use in Washington state. The two main producers appear to be WA DNR at Webster and Weyerhaeuser. From those two I received the following information:

Red Alder Seedling Production (only hardwood that is produced commercially)
Weyerhaeuser - 450,000 for WA (additional 150,000 for OR)
DNR - 400,000 (for DNR and public sale)

So, it looks like for the state of Washington approximately 850,000 seedlings were produced for 2012. The bulk of the DNR trees are used for reforestation on DNR lands. It sounded like the DNR had developed historical information that will be shared at our upcoming annual meeting.

Washington Hardwood Commission
Erik Metcalf
Education Sub-committee Report
May 2012

Spoke at the Cowlitz chapter Farm Forest Association meeting on hardwood markets, distributed the WHC brochure, and promoted the WHC annual meeting. He will discuss with SAF the possibility of distributing hardwood brochures in their booth at various fairs. Also, we need to set up a distribution of brochures to the extension services.

Washington Hardwood Commission
Policy & Government Affairs Sub-committee report
Tom Fox
May 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 at the end of the 60 day regularly planned session on March 9, 2012. A special session was convened on March 12, 2012 and adjourned on April 12, 2012.

After months of wrangling, the Legislature went into double overtime and managed to reach agreement on major reform bills and the budgets. They were not able to finish all of their business, which is when special session had to adjourn, but they were close enough that the Governor called them back into another special session immediately following the mandatory adjournment in order to finish. Legislature finally concluded at 7:30pm 4/12/2012. General Overview of the budget that passed the Legislature leaves \$319 million in reserves and relies heavily on an accounting maneuver, valued at \$238 million, in which the state would temporarily claim control of local sales taxes before they are redistributed back to jurisdictions at their usual time. This maneuver preserved Disability Lifeline and other social safety net programs that were at risk of being cut. Policy level reductions in the budget total \$295 million. A tax preference for mortgage loans for some large banks was eliminated which raises \$14.5 million. It also projects to bring in approximately \$12 million by changing rules on roll-your-own cigarettes.

There were some key bills that were preventing an agreement on the budget, known as "the Big 3." They were bills that altered health insurance benefits for K-12 employees; changed early retirement benefits for future state employees; and require Washington to be the first state to require that two-year balanced budgets also fall within revenues expected for four years. They eventually reached agreement on all of the details and passed the bills and the budgets, including a \$1.1 billion "jobs now" package, for projects across the state to promote economic development, higher education, sewer and water

system upgrades and environmental rehabilitation. There is \$10 million in that package for Family Forest Fish Passage Program projects. Hours after legislators left the Capitol, the state Economic and Revenue Forecast Council's monthly update stated that collections for the March 11-April 10 period were \$24.9 million above the forecast.

Adaptive Management Program:

The Budget Adaptive Management Program had an excess fund balance in the Forest & Fish Support Account (FFSA), so all participation grants were restored to full funding levels and, for the 2011-13 biennium only, interagency agreements with Ecology and DFW will be funded out of the FFSA. Proviso language directs DNR and DFW, in partnership with Ecology, to deliver a report to Governor and Legislature, and the FP Board, by 9/1/12, documenting FP AMP reforms implemented, or recommended, that streamline existing processes to increase program efficiencies and effectiveness. The departments must collaborate with interested AMP participants in the development of the report.

Forest Fire Suppression Costs:

Senator Schoesler wanted a study done to see if there is a way to reduce DNR overtime costs on fire fighting and look at the possibility of a cost insurance program to level out the fluctuations of fire fighting costs. There is proviso language in the budget that gives \$100,000 of the Forest Fire Protection Assessment Account to the Washington State Institute of Public Policy to conduct a detailed analysis of potential mechanisms for reducing the amount of and variation in the state's fire suppression costs. The analysis must include an examination of Oregon's excess forest fire suppression cost insurance program and potential application of this model in Washington, and an examination of Washington's total and marginal costs related to staffing and overtime and whether these costs are in excess of market rates. The analysis must be completed and submitted to Legislature by 12/1/12.

FPA/HPA Integration:

If you will recall, even though the Senate voted SB 6406 out of the Senate during the regular session on March 5, it did not pass the House, and therefore had to return back to the Senate. The Senate again voted the bill out on a bipartisan vote of 35-14. The bill then went to the House where Republicans insisted on a couple of amendments, one affecting part of the bill. Opposition to various parts of the bill remained active until the very end, but the House amended the bill and passed it out on a vote of 75-23. The Senate concurred on the House amendments and SB 6406 did get passed, with literally 90 seconds to spare. I have included a summary of this bill below.

Summary of SB 6406

General

- Requirements of hydraulic code including a fee increase do not apply to any forest practices hydraulic project (fphp), or to any activities associated with such a project, upon incorporation of fish protection standards adopted under the hydraulic code into the FP rules and approval of technical guidance as required under 76.09.040, at which time these projects are regulated under RCW 76.09.
- DFW continues to conduct regulatory and enforcement activities for fphp until 12/31/13 when the FPB incorporates the standards adopted under this chapter into FP rules and approves technical guidance (could get done earlier).
- DFW retains ability to participate in effectiveness monitoring for fphp.
- DFW retains ability to review and comment on any FPA. DFW must review, and either verifies the reviews has occurred or comment on, FPAs that include an fphp involving Type

F or S waters. Prior to commenting, and where reasonably practicable, DFW must communicate with the applicant.

- DFW must notify DNR prior to beginning a rule-making process that may affect activities regulated under 76.09
- DFW must act consistent with Appendix M of the FFR when modifying any fish protection rules that may affect activities regulated under 76.09.
- DFW and DNR must enter into and maintain a memorandum of agreement that describes how to implement the integration of hydraulic projects into FPAs consistent with this legislation. The MOA must be executed by 12/31/12 and may be amended as agreed to by the two agencies. The agencies must also enter into and maintain an interagency contract to ensure implementation and must include funding provisions for DFW's review of fphps.
- DFW and DNR must provide a joint report to the Legislature by 9/1/14, and a second report by 9/1/16, that includes information and recommendations relating to the regulatory integration of the hydraulic projects and forest practices, including progress made on rule incorporation and board manual guidance, an update on and potential for permitting efficiencies in addition to what is required under the new legislation; compliance monitoring for fphps.

Concurrence Review

- DFW must adopt rules no later than 12/31/13, which establishes the procedures for concurrence review process.
- Beginning 12/31/13, if a Class III or IV FPA is subject to concurrence review, the application must be approved or disapproved by DNR within 30 days of completion of the concurrence review by DFW.
- After DNR receives a FPA that includes an fphp involving one or more water crossing structures meeting the criteria below, DNR must provide information on the FPA to DFW for concurrence review as soon as practicable following receipt of a complete FPA.
- The review process must allow DFW up to 30 days to review fphp meeting the following criteria:
 - Culvert installation or replacement, and repair at or below the bankfull width, in fish bearing rivers and streams that exceed 5% gradient;
 - Bridge construction or replacement, and repair at or below the bankfull width, of fish bearing unconfined streams; or
 - Fill within the flood level – 100 years of fish bearing unconfined streams.

FP Rulemaking

- DNR no longer has to submit proposed rules to DFW and counties of the state prior to initiating rulemaking.
- The FP Board must incorporate hydraulic code fish protection standards into the FP rules no later than 12/31/13 (could get done earlier) that are applicable to activities regulated under the FP rules as they exist as of July 10, 2012.
- Thereafter, the FP Board shall incorporate into FP rules any changes to the hydraulic code fish protection standards that are applicable to FP rules. These rules are exempt from compliance with chapter 43.21C RCW (SEPA).

- If fish protection standards are incorporated by reference, the FP Board can do a streamlined process with the requirements of the Administrative Procedures Act.
- The FPB must establish and maintain technical guidance in the FPB manual by 12/31/13 to assist with implementation, including BMPs and standard techniques to ensure fish protection.

FPA's and Notifications

- Beginning 7/10/12, FPA's and notifications are effective for a term of three years, and may be renewed for an additional three year term. The renewal is subject to FP rules in effect at the time of filing.
- Beginning 7/10/12, the fee for applicants and notifications relating to the commercial harvest of timber shall be:
 - \$100 for Class II, III, and IV-Specials for small forest landowners if the application or notification applies to a single contiguous ownership consisting of one or more parcels;
 - \$150 for Class II, III and IV-Specials for all other landowners;
 - \$1,500 for Class IV conversions.
- The department may require the applicant to provide advance notice before commencing operations on an approved application or notification.
- For any FPA or FP notification submitted on or after 12/31/13 that includes an fphp, plans and specifications for the fphp must be provided with the other information required.

FP Conversions

- If a landowner did not state intent to convert his or her land to a non-forestry use and does convert the land within six years of receiving an approved FPA or notification, the landowner must submit a new application for the conversion. The fee for the conversion is the difference between the applicable fee for the new application (\$1,500) and the fee previously paid for the original application or notification.

Below are a number of forestry related bills that passed.

[ES2238](#) Regarding wetlands mitigation.

[ES5575](#) Recognizing certain biomass energy facilities as an eligible renewable resource.

[ES2502](#) Modifying exceptions to the compensating tax provisions for removal from forest land classification to more closely parallel open space property tax provisions.

[S2349](#) Concerning the management of beavers.

[ES2567](#) Authorizing an optional system of rates and charges for conservation districts.

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.

Washington Hardwoods Commission
Steve Witherspoon
Markets Sub-committee Report
May 2012

The Pacific Northwest Policy Conference is June 14th in Tigard, OR.
<http://www.westernforestry.org/Events/conference/trust-management-a-viable-option-for-public-forest-lands/>

The Western Hardwood Association annual meeting is June 22 -23 in Sunriver, OR.
http://www.westernhardwood.org/annual_mtg.htm

FRA Western Region Fall Meeting, September 25-27, 2012, Hilton Eugene Conference Center, Eugene, Oregon

The link below contains information about Pacific Northwest natural gas consumption for power generation in 2011 and 2012, and a brief article on how warm temperatures in the Pacific Northwest might affect hydro supply in the summer.
<http://205.254.135.7/naturalgas/weekly/>

Washington Hardwoods Commission
Nicholas Wheeler
Science Sub-Committee Report
May, 2012

I attended one day of the Oregon SAF annual meeting in Seaside, as an invited speaker. I spoke on the role of genetics in maintaining forest productivity in a changing environment. Notably, the talk discussed climate change. If I had one recommendation to make, regarding hardwoods, I would endorse the concept of initiating large-scale species / provenance trials across the region that stretched the current natural range of the species of interest. The idea of such trials is to determine the adaptive flexibility of a species and to identify seed sources that are suitable to future environments.

Other points of interest from the meeting:

- It was reported that the Oregon Dept. Forestry Intensive Forestry on public lands prescription is to keep alder if it occurs in patches or is the best tree in a plot.
- Alder was mentioned in the context of maintaining biodiversity in our forests.

Glenn Ahrens, OSU extension faculty located in Clatsop, OR, is offering an alder management workshop May 11. See attached pdf sent to WHC 5/3/2012.

Washington Hardwoods Commission
Tim Halme
Farm to Forest Committee Sub-committee Report
May 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: Up to \$11,184 in NRCS Grant money was funded for 14 acres on our first farm-to-forest grant. This equates to about \$800 per acre, a sum that includes tractor work, herbicide applications, planting and follow up release applications.

Two other farm- to- forest projects totaling 18 acres were planted this spring. Both projects were planted with conifer, but the concept is the same.

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 5 conversions sites 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: For pasture conversions, we have designed and built a 55 gallon spraying system mounted on a Yamaha Rhino UTV. The spraying utilizes an agricultural GPS system to track swath widths and patterns. The entire unit weighs less than 2000 lbs fully loaded and with wide, soft tires and 4 wheel drive, is able to tread lightly on wet soils, yet navigate steep or broken terrain if needed.