

**FINAL Meeting Notes**  
**Lewis River License Implementation**  
**Terrestrial Coordination Committee (TCC) Meeting**  
**September 10, 2008**  
**Woodland, WA**

**TCC Participants Present: (10)**

Kendel Emmerson, PacifiCorp Energy  
 David Geroux, WDFW  
 Kimberly McCune, PacifiCorp Energy  
 Todd Olson, PacifiCorp Energy  
 Kirk Naylor, PacifiCorp Energy  
 Diana Gritten-MacDonald, Cowlitz PUD  
 Bob Nelson, RMEF  
 Nathan Reynolds, Cowlitz Indian Tribe (9:45am – 10:50am)  
 Mitch Wainwright, US Forest Service  
 Lindsay Wright, USFWS Summer Intern

**Calendar:**

October 8, 2008	TCC Meeting	Merwin Hydro Facility
October 9, 2008	ACC Meeting	Merwin Hydro Facility

<b>Assignments from September 10th Meeting:</b>	<b>Status</b>
TCC: Provide a formal response from each TCC participants relating to their interpretation of the SA provision 10.8.2.3, specific to the text, “any funds derived” <b>on or before September 24, 2008 and submit via email to the TCC.</b>	<b>Received comment from WDFW – 9/26/08 (see Attachment B)</b>
Geroux: Naylor asked the TCC if they object to combining the Merwin WHMP into the annual Lewis River WHMP report that will be submitted to the TCC in Spring 2009. David Geroux (WDFW) will confirm with Curt Leigh (WDFW) and will advise.	<b>WDFW confirmed that this is acceptable – 10/8/08</b>

<b>Assignments from August 13th Meeting:</b>	<b>Status</b>
Naylor: Arrange a site visit of The Nature Conservancy property and Unit 26 forest management activities for TCC representatives in September 2008.	<b>Complete – 8/29/08</b>
Geroux: Review the revised X.3 Old-Growth Habitat Management Areas text with Curt Leigh at WDFW and will advise if approved.	<b>Complete – 9/5/08</b>
Gritten-MacDonald: Email the Cowlitz PUD WHMP budget to the TCC for their individual review.	<b>Complete – 8/13/08</b>

<b>Assignments from January 9th Meeting:</b>	<b>Status</b>
Naylor/Emmerson: Incorporate the following into the Forest Management chapter: WHMP lands that are within the SOSEA should have greater spotted owl protection than what is provided in Forest Practices Act and timber management actions should increase or improve spotted owl habitat in	

the SOSEA.	
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<b>Assignments from September 12, 2007 Meeting:</b>	<b>Status</b>
Naylor/Emmerson: Incorporate the following text into the Forest Management chapter of the WHMP, “Prior to any harvest, the areas will be evaluated (ground truth) to determine whether or not the area qualifies as NSO habitat.”	<b>In process</b>

<b>Parking lot items from June 11, 2008 Meeting:</b>	<b>Status</b>
Review and discussion of occupancy and productivity of Wood Duck Nest Box and Kestrel Nest Box Program. Should this program be discontinued?	

<b>Parking lot items from February 10, 2006 Meeting:</b>	<b>Status</b>
PacifiCorp Wildlife Habitat Management Plan (WHMP) Budget (annual)	
Conservation Agreement – what is wanted?	<b>Ongoing – 4/28/06</b>

### **Review of Agenda and Finalize Meeting Notes**

Kirk Naylor (PacifiCorp Energy) called the meeting to order at 9:00am. Naylor conducted a review of the agenda for the day and requested if the TCC had any additions to the agenda. No changes were requested.

Naylor reviewed the TCC Draft August 13, 2008 meeting notes and the meeting assignments with the TCC attendees and asked for any comments and/or additional changes. WDFW provided written edits that were reviewed by the TCC.

The TCC requested the following WDFW comment on page 5, paragraph 6 to be modified to read as follows:

*WDFW maintains that this topic needs to be further discussed at future TCC meetings before this part of the plan can be approved. This includes addressing the issue of what/how timber funds are to be used and who pays for costs associated with the harvest.*

The meeting notes were approved at 9:10am with edits referenced above and the WDFW comments submitted via email on September 5, 2008.

### **WHMP Update**

Naylor informed the TCC attendees that PacifiCorp intends to complete the balance of the Lewis River Wildlife Habitat Management Plan (WHMP) chapters in mid October 2008, at which time the TCC will have a 30-day review for the entire WHMP.

### **Review of Cowlitz PUD WHMP Comments – Diana Gritten-MacDonald (Cowlitz PUD)**

Gritten-MacDonald provided the following summary of the September 9, 2008 TCC tour of the Swift No. 2 Project Works Management Unit (PWMU) and the Devil’s Backbone Management Unit (DBMU). Tour attendees included:

Diana Gritten-MacDonald, Cowlitz PUD	Kirk Naylor, PacifiCorp Energy
David Geroux, WDFW	Kendel Emmerson, PacifiCorp Energy
Bob Nelson, RMEG	Jeff Boyce, Meridian Environmental

A tour package was provided and included with these meeting notes as **Attachment A**.

PWMU Wetland: observed that the wetland is developing nicely. TCC agreed that the First Year Annual Plan should focus on weed control and to consider planting shrubs at some point in the future.

PWMU Borrow Slope: looked at the slope, described its original purpose (provide material for the new canal embankments), described initial slope failure and subsequent bio-stabilization efforts, Cowlitz PUD said, given the history, it intended to leave the slope alone with no active management, the TCC agreed.

*WDFW provided no comment, as it was unclear what part of the current plan was being addressed at this visit. No agreement was intended or implied.*

DBMU: meadow/wetland: discussed management options, including using goats for weed control and significantly expanding the size of the meadow (up to 30 acres). Discussed the management constraints and costs of controlling conifer encroachment in the “expanded” meadow. The TCC agreed that the First Year Annual Plan would focus on weed control.

DBMU: mid-successional stand: discussed the forest characteristics (number trees/acre, basal area, dbh, site occupancy, etc), discussed management options, including thinning a lot earlier in the license period, thinning in stages, thinning from below, not thinning at all, patch cuts, etc. The TCC agreed that the First Year Annual Plan would focus on weed control and that table 4.3-1 would be revised to include a suite of management options (potential tools) for consideration in the future.

The TCC agreed tables 4.2-1 and 4.3-1 would remain in the WHMP, but the budget table (Table 4.1-1) would be deleted. The TCC agreed that the text of WHMP would be revised to state that management actions listed in tables 4.2-1 and 4.3-1 are options to be considered in the future and that the TCC will decide *on an annual basis* which options will be implemented.

### **Review and Discussion of Land Interests**

Naylor provided an update of interests in certain lands, however, this discussion is considered confidential and proprietary and not for public viewing.

### **New Topics/issues**

Certain TCC participants requested further discussion regarding the management of Wildlife Habitat Management Plan (WHMP) funds as outlined in the Settlement Agreement provision below. General discussion took place regarding profit of trees, trees as an asset to Cowlitz PUD, logging costs from revenues received from the sale of trees, road construction costs included or not

included as timber/logging costs, revenues of receipts after costs, what is included after costs, the costs of managing lands for WHMPs and upgrade of roads not owned by Cowlitz PUD but easement only. *Specifically at issue, is the interpretation of the highlighted sentence in Section 10.8.2.3. Several members of the TCC believe that the Cowlitz PUD interpretation is not what was intended by the agreement.*

*10.8.2.3 Management of Funds. Funds provided by Licensees under this Section 10.8.2 shall be made available for lands associated with each Project (as shown in Exhibit A for PacifiCorp and Exhibit B for Cowlitz PUD) six months after the relevant Project's New License is Issued and annually thereafter. Such funds shall be held in a Tracking Account and shall be expended by the Licensees on their respective lands as their WHMPs are implemented under Section 10.8. The Licensees shall accrue interest on Fund monies held by the Licensees from the date the monies are due to be placed into the Fund, at the prime interest rate printed in the Wall Street Journal for the weekday nearest to April 1 of each year. If such rate ceases to be published in the Wall Street Journal, the Parties shall meet and agree upon an alternate source for the prime interest rate. Interest shall be computed, compounded, and added to the Fund once annually as of that date. PacifiCorp's total funding (but not the amount per acre) will increase as additional acres of Interests in Land are acquired to be managed under its WHMP. However, except as provided in Section 10.8.5 below, the funding provided in this Section 10.8.2 shall completely fulfill and satisfy the Licensees' respective obligations to fund implementation, modification, and monitoring of the Interests in Land subject to their respective WHMPs. No provision of the WHMPs, nor any action of the Parties under this Agreement, shall increase the monetary obligations of the Licensees with respect to their WHMPs without the express written consent of the affected Licensee. Funds that are not spent in a given year will be carried over to be used for future implementation of the respective WHMP. **Any funds derived from management of lands subject to the WHMPs, including compensation for timber removed pursuant to the WHMPs, shall be retained by the Licensees for their respective properties.***

Naylor suggested review of the logging process with Gritten-MacDonald for fifteen minutes to aid with the communication. The TCC attendees agreed to a 15 minute break.

<Break 9:40am>

<Reconvene 9:50am>

Naylor requested a formal response from each TCC participants relating to their interpretation of the SA provision 10.8.2.3, specific to the text, "any funds derived." *No specific date or deadline was set or agreed to. There was a general agreement to get an email out in the next couple of weeks. The concerned members of the TCC will issue the requested email in a timely fashion that will allow for appropriate response from the utilities.*

## **Review of Wildlife Habitat Management Plan (WHMP) Chapter Comments**

Invasive Species Chapter – no comments received from TCC via email. Nathan Reynolds (Cowlitz Tribe) informed the TCC participants that he may submit comments during the 30-day review of the entire WHMP document.

Riparian Management Chapter – no additional comments at this time.

## **Introduce New WHMP Chapters**

### **- Species Associations Management**

<http://www.pacificorp.com/Article/Article79878.html>

Emmerson informed the TCC attendees that the Draft Species Associations Chapter is provided to collect relevant information from relicensing studies that were conducted from 1999 – 2001, a summary of general life history and habitat information for each species is provided along with the Habitat Evaluation Procedure (HEP) for the appropriate species.

**TCC comments are due on or before Friday, September 26, 2008.**

### **- Unique Area/Habitats Management**

<http://www.pacificorp.com/Article/Article79878.html>

Emmerson provided a cursory review of the Unique Area/Habitats Management Chapter to include the description of caves, cliffs, talus slopes and oak stands. Emmerson also informed the TCC attendees that the sites are visited every year yet these sites are very static, so she has modified the visits to every three years.

Emmerson also provided a review the descriptions of caves and lava tubes, ethnobotanically significant plants, oak stand management (removing encroaching conifers and invasive plant species), cave management, unique area record management and schedule & effort.

**Comments are due on or before Tuesday, September 30, 2008.**

Naylor informed the TCC attendees that the monitoring chapter is in internal review and will be released very soon for TCC review and comment. In addition, Naylor communicated that after the WHMP is submitted to the FERC on or before December 26, 2008, PacifiCorp will immediately begin work on the WHMP 2009 Plan for TCC review.

Naylor asked the TCC if they object to combining the Merwin WHMP into the annual TCC and ACC report that will be submitted to the TCC in Spring 2009. David Geroux (WDFW) will confirm with Curt Leigh (WDFW) and will advise.

## **License Issuance Update**

Olson informed the ACC attendees that PacifiCorp received formal notice from the Federal Energy Regulatory Commission (FERC) in late August stating that they are in receipt of the Utilities Request for Rehearing. In the letter, the FERC requested additional time for review/deliberation of the Utilities request; however, the FERC did not specify how much time.

In addition, PacifiCorp plans to request a stay prior to September 26, 2008 in regards to the Exhibit G submission until such time the FERC has had an opportunity to respond to PacifiCorp's request for rehearing with a ruling.

## 2009 Aquatic Funding

Todd Olson (PacifiCorp Energy) informed the TCC that the 2009 Aquatic Fund announcement was mailed to all parties on September 5, 2008. The TCC and any others who know of projects to be submitted are invited to do so.

## Lewis River License Issuance Celebration

Olson reminded the TCC attendees that the Lewis River License Issuance Celebration will be on Wednesday, September 17, 2008 and they are all invited.

## Next Meeting's Agenda

- Review of 9/10/08 Meeting Notes
- License Issuance Update
- WHMP Chapter Review (Public Access, Monitoring and Forestry)

## Public Comment Opportunity

No public comment was provided.

Meeting adjourned at 10:50 a.m.

## Travel to TNC land and Management Unit 26

## Next Scheduled Meetings

October 8, 2008	November 12, 2008
Merwin Hydro Facility	Merwin Hydro Facility
Ariel, WA	Ariel, WA
9:00am – 3:00pm	9:00am – 3:00pm

## Handouts

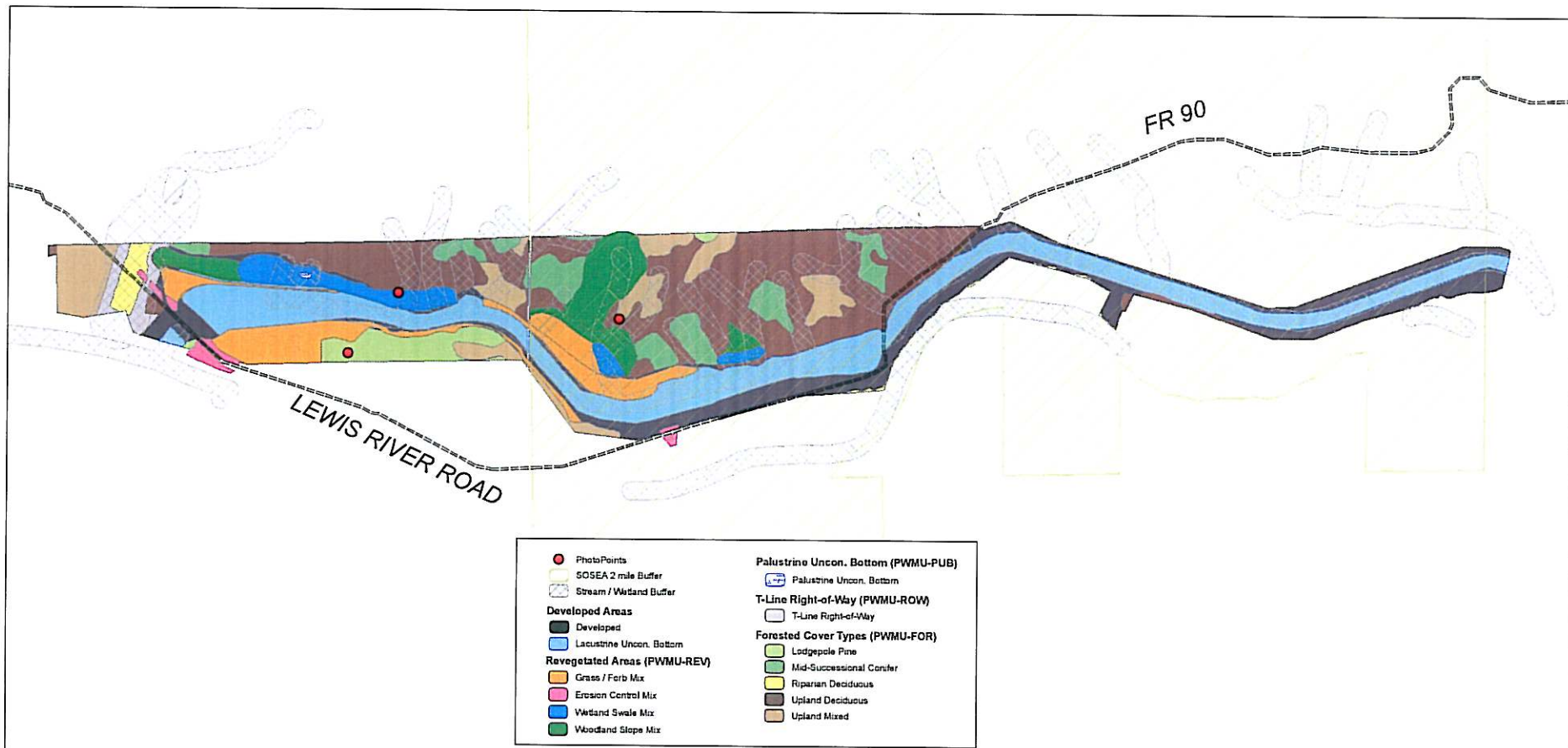
1. Agenda
2. Draft meeting notes from 8/13/08
3. **Attachment A** – Swift No. 2 and Devil's Backbone Site Visit

## **Swift No. 2 and Devil's Backbone Site Visit**

September 9, 2008

### **Agenda**

- 10:00 am Meet at Swift No. 2 powerhouse
- 10:00-10:30 Visit Project Works Management Unit wetland and revegetated areas
- 10:30-11:00 Drive to Devil's Backbone, stop at Sparsely Vegetated cover type
- 11:00-11:30 Visit Devil's Backbone meadow
- 11:30-11:50 Lunch in the field
- 11:50-1:30 Walk the Devil's Backbone south section road
- 1:30-2:15 Walk the Devil's Backbone north section (optional)
- 2:15-2:30 Drive to Pine Creek



Cowitz County PUD Swift No. 2 Hydroelectric Project  
FERC No. 2213

## Project Works Management Unit

1 inch equals 1,100 feet



Geographic data are compiled from a variety of Federal, State, County, City and Private sources and may not meet national map accuracy standards.

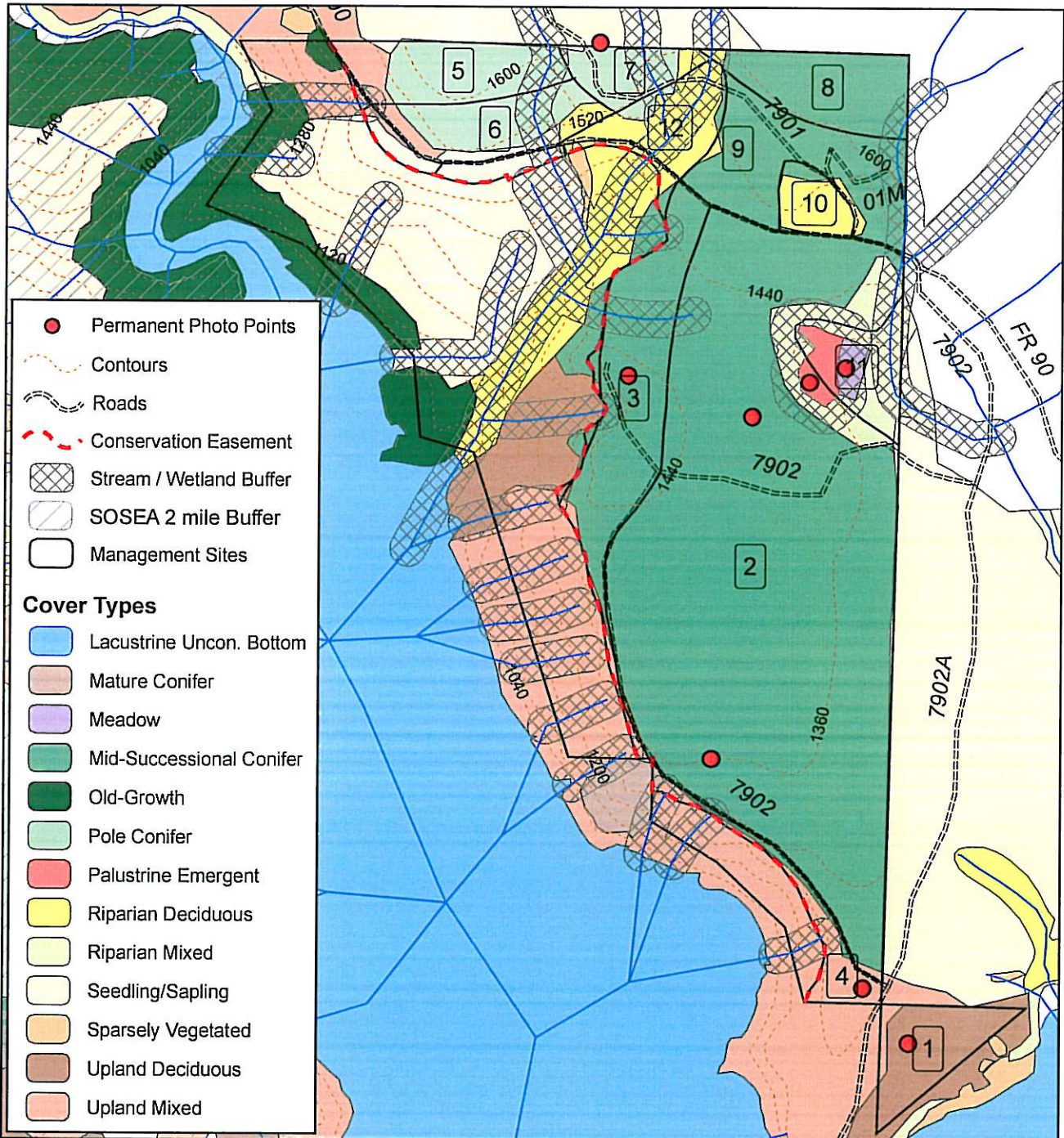


**Table 4.3.1 Project Works Management Unit Plan and Schedule Overview.**

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
PWMU-REV Revegetated areas (61.6 ac), including wetland swale (14.5 ac.), forage (33.3 ac.), woodland (10.5 ac.), and erosion control (3.3 ac.)	High priority, due to weed risk as vegetation establishes. Some areas have good access via project maintenance roads, some inaccessible due to steep slopes and lack of roads.	Proximity of to SR 503 Spur may limit habitat functions and values in some areas. Canal and locked project gates protect other areas from disturbance.  Allow for natural succession.	Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds.
PWMU-PUB (0.1 ac)	High priority due to weed risk as wetland develops. Good access via project maintenance roads.	Site is the only open-water wetland in the WMA. Wetland functions and values may improve over time as site develops.  Allow for natural succession.	Monitor and manage weeds. Maintain shoreline vegetation.	Monitor and manage weeds; monitor for bullfrogs; consider aquatic vegetation management.	Monitor and manage weeds; monitor for bullfrogs; consider aquatic vegetation management.	Monitor and manage weeds; monitor for bullfrogs; consider aquatic vegetation management.	Monitor and manage weeds; monitor for bullfrogs; consider aquatic vegetation management.
PWMU-FOR Forested cover types (177.7 ac.), including Mid-	Low priority due to low risk of weed intro or disturbance. No road access	Forested stands may provide bald eagle and osprey perch, nest or roost habitat in the future.	Monitor and manage weeds; manage raptor sites as needed.	Monitor and manage weeds; manage raptor sites, as needed.	Manage raptor sites, as needed.	Monitor and manage weeds; manage raptor sites, as needed; evaluate	Monitor and manage weeds; manage raptor sites, as needed; evaluate

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
successional conifer (24.5 ac), Lodgepole (11.9 ac), riparian deciduous (4.0 ac), upland deciduous (105.0 ac), and upland mixed (32.3).	into site, steep slopes limit activities north of canal.	Allow for natural succession. Evaluate snag conditions as trees mature.				snag/LWD conditions and consider snag/LWD creation.	snag/LWD conditions and consider snag/LWD creation.
PWMU-ROW (3.6 ac)	High due to weed risk. Adjacent road access; riparian buffer constraints.	Maintain visual screening; when replacing equipment, select with raptor-friendly design.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.
All sites	High	Evaluate WHMP effectiveness in improving habitat for HEP species.				Conduct HEP.	
All Sites	High	Document management activities using inspection forms and permanent photo-points.	Maintain Site Management Plan files, GIS database and maps.	Maintain Site Management Plan files, GIS database and maps.	Maintain Site Management Plan files, GIS database and maps.	Maintain Site Management Plan files, GIS database and maps.	Maintain Site Management Plan files, GIS database and maps.
All Sites	High	Document consultation and license compliance.	File Annual Report.	File Annual Report.	File Annual Report.	File Annual Report.	File Annual Report.

<sup>1</sup> Acreages include habitat within stream buffers.



**Meridian**  
Environmental, Inc.

**COWLITZ COUNTY**  
"CUSTOMER-OWNED for CUSTOMER BENEFIT"



Geographic data are compiled from a variety of Federal, State, County, City, and Private sources and may not meet national map accuracy standards.

Cowlitz County PUD Swift No. 2 Hydroelectric Project  
FERC No. 2213

## Devil's Backbone Management Unit

0 300 600 1,200 1,800 2,400  
Feet

1 inch equals 840 feet

**Table 4.2.1 Devil's Backbone Management Unit Plan and Schedule Overview.**

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
DBMU-1 Upland deciduous forest (6.6 ac.)	Moderate: Adjacent road access, moderate-to-steep slopes limit activities.	Only site within DBMU that contains some large-diameter (>24" dbh) trees, including western redcedars. Allow for natural succession.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access	Monitor and manage weeds and public access	Monitor and manage weeds and public access	Monitor and manage weeds and public access
DBMU-2 Mid-successional conifer (104.5 ac.)	High: Good road access; no apparent site constraints.	Use patch cuts and thinning to promote development of old-growth characteristics and improve elk forage, monitor and manage snags/LWD as trees mature.	Monitor and manage weeds and public access. Create 4 0.25-acre patch cuts. Manage raptor sites, as needed.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access. Thin 10 acres in year 11; create 4 0.25-acre patch cuts in year 15; monitor and manage snag/LWD Manage raptor sites, as needed.	Monitor and manage weeds and public access. Thin 10 acres in years 21 and 30. Create 4 0.25-acre patch cuts in year 25. Monitor and manage snags/LWD in year 25. Manage raptor sites, as needed.	Monitor and manage weeds and public access. Thin 10 acres in years 39 and 48. Create 4 0.25-acre patch cuts in year 35 and 45. Monitor and manage snags/LWD in year 35 and 45. Manage raptor sites, as needed.

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
DBMU-3 Mid-successional conifer (17.2 ac.)	Low: Good road access; one intermittent stream/stream buffer crosses site.	Allow for natural succession, monitor and manage snags/LWD to meet target densities as trees mature.		Monitor and manage weeds and public access.	Monitor and manage weeds and public access. Monitor and manage snags/LWD in year 15.	Monitor and manage weeds and public access. Monitor and manage snags/LWD in year 25.	Monitor and manage weeds and public access. Monitor and manage snags/LWD in year 35 and 45.
DBMU-4 Upland mixed forest (4.3 ac.)	Low: Good road access; narrow site between road and steep slope, intermittent stream/stream buffers limit activities.	Maintain as buffer between road and Conservation Easement, allow for natural succession.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access.
DBMU-5 Pole conifer forest (8.8 ac.)	Low: Adjacent road access; steep slopes and intermittent streams/stream buffers limit activities.	Maintain cover on steep slopes, allow for natural succession, monitor and manage snags/LWD to meet target densities as trees mature.		Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds. Monitor and manage snags/LWD in year 35 and 45.

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
DBMU-6 Pole conifer forest (8.2 ac.)	Low: Adjacent road access; intermittent stream/stream buffer limits activities.	Allow for natural succession, monitor and manage snags/LWD to meet target densities as trees mature.		Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds.	Monitor and manage weeds. Monitor and manage snags/LWD in year 35 and 45.
DBMU-7 Pole conifer forest (4.3 ac.)	Low: Impassable road in 2006 ; steep slopes and intermittent streams/stream buffers limit activities.	Maintain cover on steep slopes, allow for natural succession; monitor and manage snags/LWD to meet target densities as trees mature.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion. Monitor and manage snags/LWD in year 25.	Monitor and manage weeds and public access. Monitor erosion. Monitor and manage snags/LWD in year 35 and 45.
DBMU-8 Mid-successional conifer forest (8.6 ac.)	Low: No road access; steep slopes limit activities.	Maintain cover on steep slopes, allow for natural succession, monitor and manage snags/LWD to meet target densities as trees mature.			Monitor and manage weeds and public access. Monitor erosion	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion. Monitor and manage snags/LWD in year 35 and 45.

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
DBMU-9 Mid-successional conifer forest (13.2 ac.)	Moderate: Good road access, possible wet soils.	Allow for natural succession, monitor and manage snags/LWD as trees mature.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion. Monitor and manage snags/LWD in year 15.	Monitor and manage weeds and public access. Monitor erosion. Monitor and manage snags/LWD in year 25.	Monitor and manage weeds and public access. Monitor erosion. Monitor and manage snags/LWD in year 35 and 45.
DBMU-10 Riparian deciduous forest (3.1 ac.)	High: Good road access; wet soils and intermittent stream/stream buffer limit activities.	Allow for natural succession, maintain vegetative screening along FR 90 and 7901 Rd.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.
DBMU-11 Palustrine emergent marsh (1.8 ac.); meadow (1.0 ac.), riparian mixed forest (3.4 ac.)	High: Good road access; wet soils; wetland and wetland buffer limit activities.	Site contains the only wetland and only meadow within the DBMU. Maintain as PEM/MD/RM complex over time.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access. Control conifer encroachment, thin forest edges in year 10.	Monitor and manage weeds and public access.	Monitor and manage weeds and public access. Control conifer encroachment, thin forest edges in year 20 and 30.	Monitor and manage weeds and public access. Control conifer encroachment, thin forest edges in year 40 and 50.

Site ID, Cover type, and Acreage <sup>1</sup>	Management Priority/ Site Constraints	Management Opportunities	Implementation Schedule Overview				
			Years 1-5	Years 6-10	Years 11-15	Years 16-30	Years 31-50
DBMU-12 Riparian deciduous forest (6.1 ac.)	Low: Access from FR 90 and 7901 Rd. Steep slopes and intermittent stream/stream buffer limits activities.	Maintain cover on steep slopes, allow for natural succession.		Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.	Monitor and manage weeds and public access. Monitor erosion.
All sites	High	Evaluate WHMP effectiveness in improving habitat for HEP species				Conduct HEP	
All Sites	High	Document management activities	Maintain GIS database and maps	Maintain GIS database and maps	Maintain GIS database and maps	Maintain GIS database and maps	Maintain GIS database and maps
All Sites	High	Document consultation and license compliance	File Annual Report	File Annual Report	File Annual Report	File Annual Report	File Annual Report

<sup>1</sup> Acreages include habitat within stream buffers.



## McCune, Kimberly

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**From:** David Geroux [geroudcg@DFW.WA.GOV]  
**Sent:** Friday, September 26, 2008 9:52 AM  
**To:** McCune, Kimberly  
**Cc:** Nelson338@aol.com; dmacdonald@cowlitzpud.org; Eric Holman; LouEllyn\_Jones@fws.gov; Naylor, Kirk  
**Subject:** SA 10.8.2.3 email

The intent of this email is to express Washington State Department of Fish and Wildlife (WDFW), Rocky Mountain Elk Foundation (RMEF), and the US Fish and Wildlife Service (USFWS) interpretation of the following statement in Section 10.8.2.3 of the Settlement Agreement:

Any funds derived from management of lands subject to the WHMPs, including compensation for timber removed pursuant to the WHMPs, shall be retained by the Licensees for their respective properties.

The above mentioned signatories interpret "compensation for timber removal" to refer to profits garnered after the expense of the harvest are covered. Profits are defined as "the excess of returns over expenditure in a transaction or series of transactions" (Merriam-Webster Dictionary, 2008). "Compensation for timber removed pursuant to the WHMPS", according to the Settlement Agreement, includes the profit from the timber. We do not agree it includes the cost of removing the timber. Timber is sold based on its value. When bidding for a timber harvest, the purchaser bids on and pays the price on the stump, which is the profit that goes to the utility. We are unaware of any company that inflates profits by adding costs.

Under RCW 84.33.074 (<http://apps.leg.wa.gov/RCW/default.aspx?cite=84.33.074>), the Washington State Department of Revenue defines the taxation of timber profits for small timber harvest owners as: "the tax is based on the actual amount paid for stumpage or the amount received from the sale of logs less the costs of harvesting and delivering to the buyer". The Washington State Department of Revenue uses this as the guideline to tax timber harvests statewide. The statement of "less the costs of harvesting and delivering to the buyer" speaks directly to the intent of the Settlement Agreement, Section 10.8.2.3. The signatories to this email believe that the term "compensation" was referring to the profits of the harvest, as defined in this RCW. Because of this legal definition and industry standard of how timber harvest dollars are assessed; Cowlitz PUD has no reasonable expectation to timber harvest dollars without the associated costs of harvest being deducted.

The Washington State Department of Natural Resources defines stumpage bids as: "The costs of cutting, removing, and hauling that tree is borne by the bidder, so therefore the bidder has accounted for those costs in their stumpage bid. Revenue is recognized when the purchaser pays the stumpage they have bid" (Personal communication via email, Jon J. Tweedale, Assistant Division Manager, Product Sales and Leasing

Division, Washington State Department of Natural Resources).

The purchase of the Devil's Backbone Unit was to offset an impact created by the dam that the PUD uses, and the trees on that land are a part of that mitigation. Mitigation is intended to lessen an impact; it is not a profit-making venture. The purpose of the property is to enhance wildlife habitat including elk. Elk benefit from increased forage production resulting from timber harvest and locally elk forage is a limiting factor. Interpretations that transfer enhancement efforts into profits for the PUD without benefitting wildlife is contrary to the purpose of a wildlife mitigation plan. The Settlement Agreement refers to the purchase and management of the Devil's Backbone Unit and "resource benefits associated with the purchase" and as "partial fulfillment of Cowlitz PUD's mitigation obligations" (Section 10.6.1). The "mitigation obligation" that is referred to is hinged upon the enhancement of habitat on this property. The intended obligation will not be met by using mitigation dollars to offset costs of harvesting timber originally purchased as a part of a mitigation obligation.

We appreciate your time and allowance for us to clarify our position. We look forward to discussing this issue further at TCC meetings and hope that we can come to an agreement in a timely fashion.

David Geroux  
Department of Fish and Wildlife  
Habitat, Major Projects Division  
Habitat Biologist  
geroudcg@dfw.wa.gov  
(360) 902 2539