



Jefferson County Conservation Futures Committee
Wednesday April 11, 2012 4:00-6:00 PM
Jefferson County Public Health, Pacific Room
Port Townsend, WA
FINAL MINUTES

* **Decisions and action items are indicated in bold font.**

Members Present: Phil Andrus, District 2; Scott Brinton – Agriculture; Lige Christian, District 3; JD Gallant – District 3; Ray Hunter, Interest – Fallow Farms; Richard Jahnke, Interest – Coastal Areas; Janet Kearsley, District 1; Phyllis Schultz, Interest – Working Lands; Lorna Smith, Interest - Ecotourism; Sarah Spaeth, Interest - Jefferson Land Trust; Fred Weinmann, Interest - Ecology; John Wood, District 1

Members Absent: Jerry Gorsline, District 2 (excused absence - arrived 5:25 PM)

County Staff Present: Tami Pokorny, Water Quality Division and Recorder

Guests: None

I. Call to Order:

Chair John Wood called the meeting to order at 4:05 PM

II. Review of Agenda:

III. Approval of Minutes:

The minutes of March 27, 2012 meeting were approved as written.

IV. Observer comments:

None

V. Old Business:

Committee Member Introductions

There was a brief discussion of the requirement for attending the project presentations in person and whether it could be waived.

VI. New Business

Project Presentations

Tarboo Forest Conservation Project

Peter Bahls of Northwest Watershed Institute (NWI) began a PowerPoint presentation about the project. He introduced the subject property as one of the biggest and best projects to be brought before the CF

committee. The project involves a baron from Denmark, the granddaughter of Aldo Leopold “and some trees,” he began. The Tarboo Forest Conservation Project is a cooperative effort between NWI and Jefferson Land Trust (JLT). Compared to much of the country, forests of East Jefferson County’s contain high biomass and carbon storage, yet they face huge challenges – the state has lost 17% of its forestland since the 1980s due to conversion to other uses according to the DNR. In East Jefferson, Pope Resources has said it would like to pull out of the area in 10 -15 years if they can find buyers. DNR’s Asset Management Plan calls for moving out of the lowlands and up into the hills. Mr. Bahls has been working with Mike Cronin and the local public lands group to come up with an alternative plan that would retain the DNR pieces in East Jefferson for forestry and also clean water and fish and wildlife habitat.

The project area is located in the Tarboo Watershed at the north end of Dabob Bay. NWI has been working in the watershed for ten years with numerous landowners and about 50 different organizations. The project as a whole is in the Jefferson Land Trust Conservation Plan generally described under forestry and habitat and specifically referenced in a subarea plan to the Land Trust plan that covers just Tarboo-Dabob Bay. Properties are specifically identified in the subarea plan which contains three priority areas – 1.) a headlands to bay wildlife corridor; 2.) the Dabob Bay Natural Area, a boundary established by the DNR who is working with willing landowners to buy land within this area and protect it, and 3.) retaining the big blocks of Pope Resources and Green Diamond in timber/forestry to protect the overall watershed.

About ten years ago, NWI began its efforts with a watershed assessment and found culverts blocking fish passage. Since then, 12 barriers have been fixed and a third of the streams opened to salmon. The original spruce cedar forest in the valley was cleared by about 1910 and ditches were dug along the wetlands to drain them for dairy production. Since then, NWI has been restoring wetlands and plugging up ditches with promising results such as the use of some of these areas by western toad for spawning. About two miles of Tarboo Creek have been re-meandered. The creek now floods onto the floodplain and the silt ends up in the fields instead of in Dabob Bay on top of the oysters. Every year, Plantathon volunteers from five local schools plant trees in the wildlife refuge.

The second focus area, Dabob Bay, is very important in the county for clams and oysters. Summer chum and Chinook use the nearshore areas for rearing – the area is important to many species. Last year was the biggest run of coho in at least twenty years – ocean conditions were good, local fishing regulations were improved and a lot more habitat was available.

The third focus area of the JLT plan is forestry. The project area was recently purchased from a wealthy man in Denmark who formerly owned thousands of acres in Washington. He had wanted to hold it until the timber was mature enough to be clear cut and the property sold off for large lot development. Over time, a deal was made for NWI to purchase 80 acres with a loan and Freemans purchased the remainder of the property (157 acres) and that is held by the Leopold Freeman LLC.

The subject property has tributary streams that flow to Tarboo Creek. NWI is planning to partly sell and partly donate a conservation easement (CE) on the 80-acre piece to protect the standing timber (as measured by a 2010 timber cruise). In other words, the CE would protect the standing volume of timber. Any additional growth could be selectively cut. On the Freeman parcel, a CE would be donated to protect the property from development. It would allow standard forest practices - there wasn’t time for the Freemans to determine their forest management priorities before the CF application deadline. They do plan to restrict the size of timber harvests and would likely practice selective forestry under FSC certification.

The goal for both properties would be to provide high quality, larger timber over time but also to allow for the restoration of some old growth characteristics. The forest management plans, rather than the

conservation easements, will describe the specific approach to harvesting. Due to CE monitoring considerations, it was a better approach for the timber cruise and appraisal to protect a specific volume of timber. A committee member asked whether the CE would allow older trees to be removed as young trees are added. Mr. Bahls answered that, yes, this would be the case.

Most of the timber stands are in the range of 40-60 years old; there are a few patches of 70-90 year trees. In addition to timber, the production of secondary forest products, especially cultural resources, is an objective. About 36 acres contain trees generally younger than 40 years. These days, second growth is becoming increasingly rare. Root rot pockets are present that provide cavity nests for birds and increasing forest diversity. The project would be a step towards restoring species such as the western red backed salamander, spotted owl and fishers. These owls and marbled murrelets are continuing to decline in numbers. NWI will own the 80 acres and the Leopold Freeman LLC will hold title to the remaining acreage. The family has agreed to donate a conservation easement to prevent development (donation valued in excess of \$200,000). Their letter (attached to the CF application) also promises to limit the extent of clear cutting. Sarah Spaeth noted that when a conservation easement involves forest management, it contains language requiring a forest management plan to achieve certain goals. The plan itself must be prepared by a professional forester and approved by JLT. Lige Christian pointed out that habitat degradation as a result of development isn't necessarily more severe than degradation due to clear cutting.

The Freeman property will provide a portion of the match for the project. The property is a scenic backdrop to the historic barn on the NWI property (former Yarr Farm) and for Old Tarboo Farm. In terms of risk, some commitment of funds is critical this year because there is a loan to repay and it will be necessary to raise an additional \$200,000 in cash. This is a situation where the buyer (NWI) had to purchase the property in advance of a funding commitment in order to prevent loss. The land is collateral for the loan. There is higher density zoning around the properties and a risk of subdivision to smaller acreage lots.

The Tarboo Wildlife Preserve will continue to be the headquarters for outreach and education. NWI hopes to expand the educational programs to include the project site as a demonstration area for new types of forestry. The project requests 34% of the funding from conservation futures and the rest will be match. If NWI is awarded a forest legacy grant for the upper watershed (separate project), they hope to try to leverage the success into a second forest legacy grant. This would be used to purchase conservation easements on the surrounding lands that are vulnerable to development. NWI is asking for a commitment of funds over two years in order to leverage the award to raise the additional money needed before the loan comes due (also in two years). Several committee members mentioned that committing CF funding in advance has happened in the past (Tamanowas Rock).

Mr. Bahls offered to ask the Freeman family more about their forestry intentions and to request a copy of their existing forest management plan – to be provided before the CF “new information” deadline of April 26. Fred Weinmann pointed out that the information is important at this stage of the process because it could be problematic [from a PR standpoint] if a clear cut appeared on property linked to a CF project. Fred Weinmann pointed out that “old growth” in this context refers to forest characteristics – such as canopy closure - that are usually present within 80-200 years as opposed to the concept of “original growth.”

Boulton Farm

Sarah Spaeth of Jefferson Land Trust first commended NWI on its work in the Tarboo Valley and involvement of the community.

JLT has been in discussions with John Boulton to protect his farm for six years. Mr. Boulton is a dedicated community member and very interested in leaving a family legacy of his property for agricultural use in the future. The farm is located at the “high divide” between Discovery Bay [Snow Creek] and Leland Creek. It’s one of the larger farms remaining in East Jefferson and has been in the family since the 1940s with a lot of mixed production – potatoes and a dairy for example. Eventually the family turned to logging for its primary income.

The family’s goal is to see the agricultural portion of the property remain as one piece and in agricultural use forever. A little more than 60 acres of the property is in forestry. At this time, he would really like to see the farm portion of the property made available to the next generation of farmers. JLT has worked with its LandWorks partner organizations (WSU, NRRG, Farmer’s Market, Food Co-op, Kraft 3) to keep working lands working – such as Finnriver Farm, Glendale Farm, Brown Dairy, Spring Rain Farm. In the case of Boulton Farm, JLT efforts led to a partnership between Mr. Boulton and committed young farmers. Due to a terrible tragedy about four years ago, there are no members of the Boulton family interested in farming the property.

Zach Wailand and Haley Olson of Dharma Ridge Farm are now leasing the farm and moving into one of the houses with the long term aspiration to purchase it from Mr. Boulton. The proposed conservation easement will make it more affordable. The property is benefited by prime soils (prime farmland and soils of statewide importance for agriculture) and natural subsurface irrigation. Andrews Creek, which flows through the property, contains habitat for coho, cutthroat and steelhead and other wildlife such as trumpeter swans, bears and cougars.

There are three existing home sites on the property that will be accommodated by the conservation easement. There are also agricultural improvements and a shop. The easement would allow for additional agricultural structures so long as the prime soils are not permanently impacted. The economic viability is supported by the size of the farm and the opportunity for rental income from the home sites.

Mr. Boulton is working with Jefferson County DCD with the hope of segregating the forestry area from the remainder of the property which, in addition to the CE, will help make the farmland more affordable. However there are challenges with this. Currently the proposed easement covers the bulk of the agricultural area. Whether or not the timberlands are segregated, the agricultural area will be protected. A small amount of property was previously sold to WSDOT to improve salmon habitat in Andrews Creek. Back in the 1940s they also replanted a buffer along that creek. Ray Hunter mentioned working on the farm as a teenager. Mr. Boulton has been on the Conservation District board for more than 50 years.

JLT had estimated the value of the easement at \$500,000 when they first started the project. The appraisal came back at \$895,000. At this point the figure is a little moot due to the lack of available grant funds. Mr. Boulton is willing to donate the bulk of the CE value. The project cost does include some income for Mr. Boulton and covers acquisition expenses such as the appraisal and survey work.

The project has water quality implications to Discovery Bay and Leland Creek watersheds, and this is one of the reasons the area is identified in the Puget Sound Action Agenda as being important. The project is truly a community effort as indicated by all of the letters of support (attached to the CF application). People are eager to see this piece utilized in a creative way. Dharma Ridge is one of the few farms marketing produce in Seattle as well as locally. The site would be well suited for outreach activities and Ms. Spaeth expressed a desire to see it included on the Farm Tour within John Boulton’s lifetime.

Protection of the Boulton Farm is identified in plans for agriculture and water quality, including the Puget Sound Action Agenda, JLT’s conservation plan, on the county’s Comprehensive Plan map, “Areas of Future

Cooperative Preservation Efforts,” and is located on a scenic byway. JLT will conduct annual monitoring to verify that all of the terms of the easement are observed. The CE has already been drafted. A little bit of funding may come through the federal Farm and Ranch Protection Program. This possibility is not mentioned in the CF application because the chance of an award was slim at the time of application. Total acreage of the agricultural area is 144 acres; the forested portion outside the proposed easement is 60 acres. Mr. Boulton may reserve that portion for his family or sell it if county segregation approvals are forthcoming.

Fred Weinmann asked if JLT has a standard agricultural easement. Sarah Spaeth answered that this is somewhat true but the contents of the easement depend on the source(s) of funding. The state has a template. It gets more complicated if both state and federal funds are involved, for example. For strictly donated easements JLT utilizes a standardized agricultural easement.

Lorna Smith asked whether a farm plan would be required to ensure good husbandry on the property. Sarah Spaeth said that such plans are required for state or federal funding and JLT asks for a stewardship plan in the process of designing the easement. The Jefferson County Conservation District often participates in solutions to management issues.

L. Brown Trust II

Moving north down the watershed, Andrews Creek empties into Snow Creek where a 15 acre fee-simple acquisition of the L. Brown Trust II property is proposed. This is a property that builds on the efforts of JLT’s Chumsortium partners since the early 2000s – such as WDFW, JC Conservation District, NOSC, WSU, and some of the tribes. Snow and Salmon Creek flow to the head of Discovery Bay. Salmon Creek is the second largest summer chum run in the Hood Canal area and Snow Creek supports chum, coho, cutthroat, and steelhead. The location is just south of Uncas Road along Hwy 101. There are several properties in the vicinity that were permanently protected by WDFW, sometimes as the result of a transfer from JLT.

JLT has also purchased conservation easements in the area previously. Unfortunately, the owners of the Ruck property - which includes a large stretch of Salmon Creek – have decided not to proceed with the sale that would have been partly funded using conservation futures. In the last year however, JLT did acquire a key property in the watershed and has been cleaning it up.

The L. Brown Trust II also formerly owned the Compass Rose property. The realtor for that parcel knew that JLT was still active in the area and contacted them about a potential sale of the subject property. The Chumsortium partners agreed that this parcel contained important habitat for salmon and the potential for improvement through restoration. Funding for the land is being requested from conservation futures (16%) and the Salmon Recovery Funding Board (SRFB – 84%). This is a beautiful section of a high priority stream that provides a link between existing downstream projects and potential new upstream projects.

The project area is currently forested and, downstream, there has been a lot of replanting. The site has active floodplain characteristics and is quite wet. It is zoned 1:5 so technically it could accommodate three home sites. The property would be difficult to develop however and, in the opinion of JLT, is not well-suited to residential use. Even the best home site on the property has access issues. Due to past logging, blackberries have become established. Weed control and under-planting of conifers would improve the habitat quality. Ray Hunter expressed familiarity with the logging activities on the parcels and believes no replanting has occurred. Restoration funding has been requested from the state.

The Snow Creek watershed, and the protection of this property specifically, are listed in several plans including the Summer Chum Recovery Plan. JLT has made the acquisition a priority because 1.) the land

owner is not interested in selling a CE 2.) its development potential is limited. 3.) there is potential for this acquisition to lead to protections for additional properties.

The listing price for the property is \$125,000. An appraisal would be obtained prior to purchase and fair market value established. The total project cost of \$153,000 includes the estimated \$125,000 for the land plus the stewardship plan and acquisition costs. A final decision on the SRFB funding will likely occur in December. If CF funds are awarded, JLT may go ahead and purchase an option so that the property is held until the state funding decision is made.

Luke Cherney of the Hood Canal Coordinating Council Lead Entity will provide additional context for the acquisition during the site visit. The property fits within the management plan for the larger area, would attract volunteer involvement and be monitored annually by JLT. JLT is in the process of developing a series of preserves to engage more of the public directly – for example through something like the new JLT Northwest Naturalists series.

There is a lot of study being done currently on how to increase the value of Snow Creek habitat, incorporating the trail corridor and restoring the railroad grade. Ray Hunter mentioned that, prior to 1920, Salmon and Snow Creek flowed together.

Sarah Spaeth then discussed recent restoration activities in the area, especially the removal of the enormous sawdust pile in the estuary, and development of a trail corridor.

Lige Christian asked about the lack of initials on the final page of the Tarboo application (Questions 29 and 30). Since Peter Bahls had submitted the application to Environmental Health directly, Sarah Spaeth's initials – as sponsor – were lacking. This was corrected at the meeting as well as two errors within the budget on page 3. Staff will update the application on the CF website.

There was further discussion about whether it might be possible to rank projects in the future without attending the presentation meeting in person - perhaps the PowerPoint presentation(s) could be provided along with the meeting recording to absent committee members. When the [bylaws] were originally drafted, the technology was more limited. Staff was asked to place the bylaws back on the agenda for discussion ahead of the 2013 funding cycle.

VII. Other/ Administrative

Staff Update

Fund Balance: At the end of March the balance in the CF account was \$591,580.23 which includes the award for the Salmon Creek Riparian Acquisition (Ruck property).

Organize for Site Visits: Carpools were formed.

Steps to Next Meeting: Staff cautioned members not to discuss projects outside of public meetings or be prepared to provide the content of those discussions to the committee during the disposition. At the site visits it will be important to ask and answer questions in front of the camera.

VIII. Observer Comments

None

IX. Adjournment

Chair Wood adjourned the meeting at 5:55 PM.