

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
FROM: Adiel McKnight, Deputy Clerk of the Board
DATE: June 17, 2024
SUBJECT: UPDATE re: Washington State Department of Natural Resources 2024 1st Quarterly County Income Report

STATEMENT OF ISSUE:

Department of Natural Resources Olympic Region Management Forester David Hurn will provide the Commissioners with an update regarding the Washington State Department of Natural Resources Quarterly County Income Report.

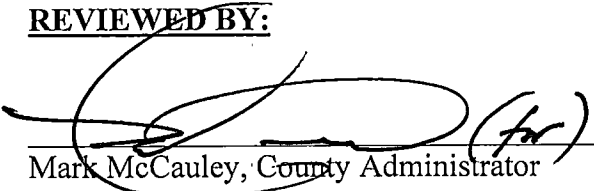
FISCAL IMPACT:

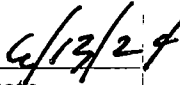
DNR Representatives will discuss timber sales and revenue reports.

RECOMMENDATION:

No Action Required

REVIEWED BY:

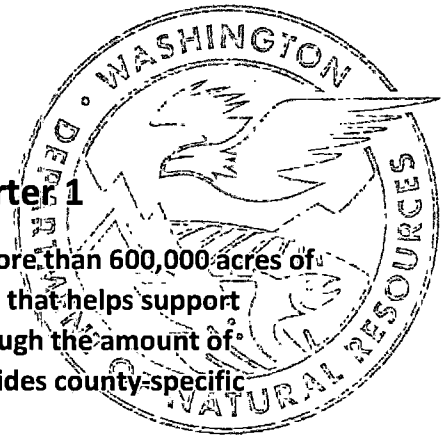

Mark McCauley, County Administrator


Date

Jefferson County

2024 Quarterly Income Report – Quarter 1

The Washington State Department of Natural Resources manages more than 600,000 acres of state forestlands in Washington. State forestlands generate revenue that helps support counties and local services. The lands are located in 21 counties, though the amount of acreage of trust land varies considerably by county. This report provides county-specific information regarding quarterly revenue from state forestlands.



ALL REVENUE¹ distributed to Jefferson County in Calendar Quarter 1 (January 1 - March 31, 2024). Due to the specific date monies are received by the Department and the cutoff dates used by the State Treasurer for wire transfers, the revenue for the current period may be different than actual remittances received by the county.

\$116,813.96

ALL REVENUE¹ accrued for Jefferson County this calendar year, 2024 as of March 31, 2024. For reporting purposes, DNR follows the modified accrual basis of accounting per Generally Accepted Accounting Principles (GAAP). Under this measurement focus, revenues are recognized and recorded when they become both measurable and available, i.e., when invoiced.

\$29,481.00

NET VALUE² of State Forestland timber in Jefferson County under contract as of March 31, 2024.

\$879,739.57

[Click here](#) for 10-Year Revenue History.

[Click here](#) for detail about timber sales under contract.

¹ All revenue refers to distributions from timber and non-timber sources.

² Net value of timber includes the estimated value of timber currently under contract and does not include the estimated value from non-timber sources.

Table 2: STATE FORESTLANDS -TIMBER SALES UNDER CONTRACT

LUMP SUM SALES	Contract #	Estimated total sale value to be distributed to the County*	Total Sale Distributions to the County through 3/31/2024	Estimated Remaining Value to be Distributed to the County	Contract End Date
Mt Jupiter Access	100658	32,321.87	13,313.26	19,008.61	10/31/2024
Penny Wise	102261	2,102,902.58	1,248,369.61	854,532.97	10/31/2024
Beaver Valley Pulp Direct	106545	6,198.00		6,198.00	8/30/2024
Total		2,141,422.44		879,739.57	
SCALE SALES	Contract #	Estimated total sale value to be distributed to the County*	Total Sale Distributions to the County through 3/31/2024	Estimated Remaining Value to be Distributed to the County	Contract End Date
Center-21-Thinning	100662	245,887.29	249,507.72		10/31/2025
Total		245,887.29			
SORT SALES	Contract #	Estimated total NET sale value to be distributed to the County*	Total Sale Distributions to the County through 3/31/2024	Estimated Remaining NET Value to be Distributed to the County	Harvest Contract End Date
Total					

1-LUMP SUM SALES Purchaser bids a fixed total sale value. Distributions occur throughout the contract as timber is harvested and invoiced. Contract can be terminated at any time.

2-SCALE SALES Purchaser bids a fixed price per thousand board feet for the biddable species; prices for all other species are set by DNR prior to auction. The total value for scale sales are estimates only, actual value will depend upon the amount of timber volume harvested by species. Distributions occur throughout the contract as timber is harvested and invoiced. Contract can be extended.

3-SORT SALES 1) Contractor hired by DNR harvests timber, delivers logs to individual purchasers of log sorts, and the harvester is paid for those services from the gross proceeds. Purchaser bids a delivered log value, per thousand board feet. The net value [after payment of harvesting costs] are estimates only until the project is completed. Actual net value will depend upon the amount of timber volume harvested by sort. 2) Distribution occurs once all operations are completed and the sale revenues and expenditures have been audited. Partial distributions may occasionally occur to provide revenue for the beneficiaries, or to meet the statutory requirement to maintain less than \$5 million in the Contract Harvest Revolving Fund at the end of each calendar year under RCW 76.09.020.

Estimated Distribution Window	SORTS Contract End Date
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* This revenue is distributed by the county in accordance with RCW 79.64.110

JEFFERSON COUNTY REVENUE PROJECTIONS FOR 2024 (ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGES)

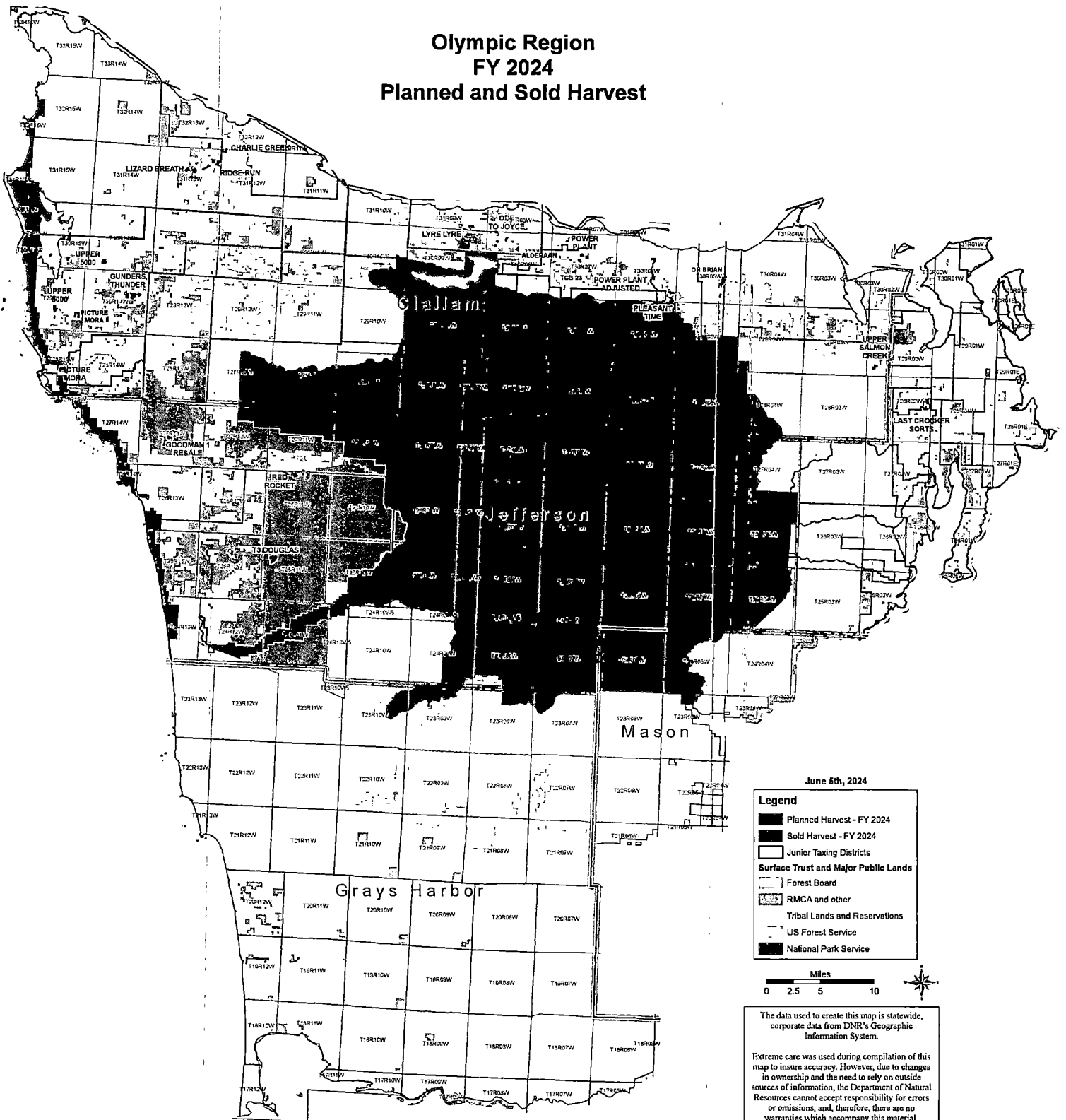
SALES CURRENTLY UNDER CONTRACT																						
SALE NAME	CONTRACT NO.	SALE TYPE	SALE DATE	EXP. DATE	Total Volume	TOTAL VALUE	% COUNTY	TOTAL VALUE TO COUNTY	TAX DIST.	PREVIOUS YEARS	1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		PROJECTE D 2nd - 4TH	Yearly Total WIRED	SALE TOTAL WIRED TO COUNTY	2025 under contract
											Projected	Wired to County	Projected	Wired to County	Projected	Wired to County	Projected	Wired to County				
MT JUPITER ACCESS- EXTENDED	C30100658	LUMP SUM	5/26/2021	10/31/2024	5697	\$1,766,222	2.44%	\$32,322	441-100%	\$13,313	\$0	\$0	\$0	\$0	\$15,777	\$0	\$0	\$0	\$15,777	\$0	\$13,313	\$3,282
CENTER 21 THINNING	C30100662	EIGHT SCA	12/15/2021	10/30/2024	4652	\$707,187	46.74%	\$247,905	821-38.93%	\$55,827	\$0	\$8,402	\$11,315	\$0	\$11,315	\$0	\$0	\$0	\$22,630	\$8,402	\$64,229	\$9,650
									823-20.79%	\$29,813	\$0	\$4,487	\$6,042	\$0	\$6,042	\$0	\$0	\$0	\$12,084	\$4,487	\$34,300	\$5,153
									222-15.32%	\$21,968	\$0	\$3,307	\$4,452	\$0	\$4,452	\$0	\$0	\$0	\$8,804	\$3,307	\$25,275	\$3,797
									324-8.76%	\$12,561	\$0	\$1,891	\$2,546	\$0	\$2,546	\$0	\$0	\$0	\$5,092	\$1,891	\$14,452	\$2,171
									281-16.20%	\$23,230	\$0	\$3,496	\$4,708	\$0	\$4,708	\$0	\$0	\$0	\$9,416	\$3,496	\$26,726	\$4,016
PENNY WISE	C3000102261	LUMP SUM	8/25/2022	10/31/2024	5129	\$2,851,780	98%	\$2,096,058	320-100%	\$1,248,370	\$0	\$0	\$420,000	\$0	\$218,082	\$0	\$0	\$638,082	\$0	\$1,248,370	\$209,606	
TOTALS					15478	\$5,325,189		\$2,376,285		\$1,405,082	\$0	\$21,583	\$449,063	\$0	\$262,922	\$0	\$0	\$0	\$711,985	\$21,583	\$1,426,665	\$237,625
SALES PROJECTED TO BE SOLD IN CALENDAR YEAR 2024 (ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE)																						
Maladjusted	TBD	LUMP SUM	11/13/2024	10/31/2026	3853	\$933,000.00	100%	\$699,750	320-33%	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$230,917
TOTALS									324-67%	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$468,832
																					\$937,374.00	

ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE

All revenue figures are for calendar years, and already have DNR management fees deducted.

All Revenue:		1ST QTR
		\$116,814.25
Non-timber:		\$95,231.24
		\$95,231.24
Com. Sites		\$0.00
ROW/RUP		\$0.00
LEASES		\$0.00
SPECIAL FOREST PROD.		\$0.00
Timber:		\$21,583.01

Olympic Region FY 2024 Planned and Sold Harvest



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES
HILARY S. FRANZ | COMMISSIONER OF PUBLIC LANDS