

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners

FROM: Adiel McKnight, Deputy Clerk of the Board

DATE: November 18, 2024

SUBJECT: UPDATE re: Washington State Department of Natural Resources 2024 3rd Quarterly County Income Report

STATEMENT OF ISSUE:

Drew Rosanbalm, DNR State Lands Assistant, will provide the Commissioners with an update regarding the Washington State Department of Natural Resources Quarterly County Income Report.

FISCAL IMPACT:

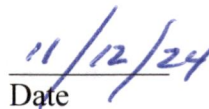
DNR Representatives will discuss timber sales and revenue reports.

RECOMMENDATION:

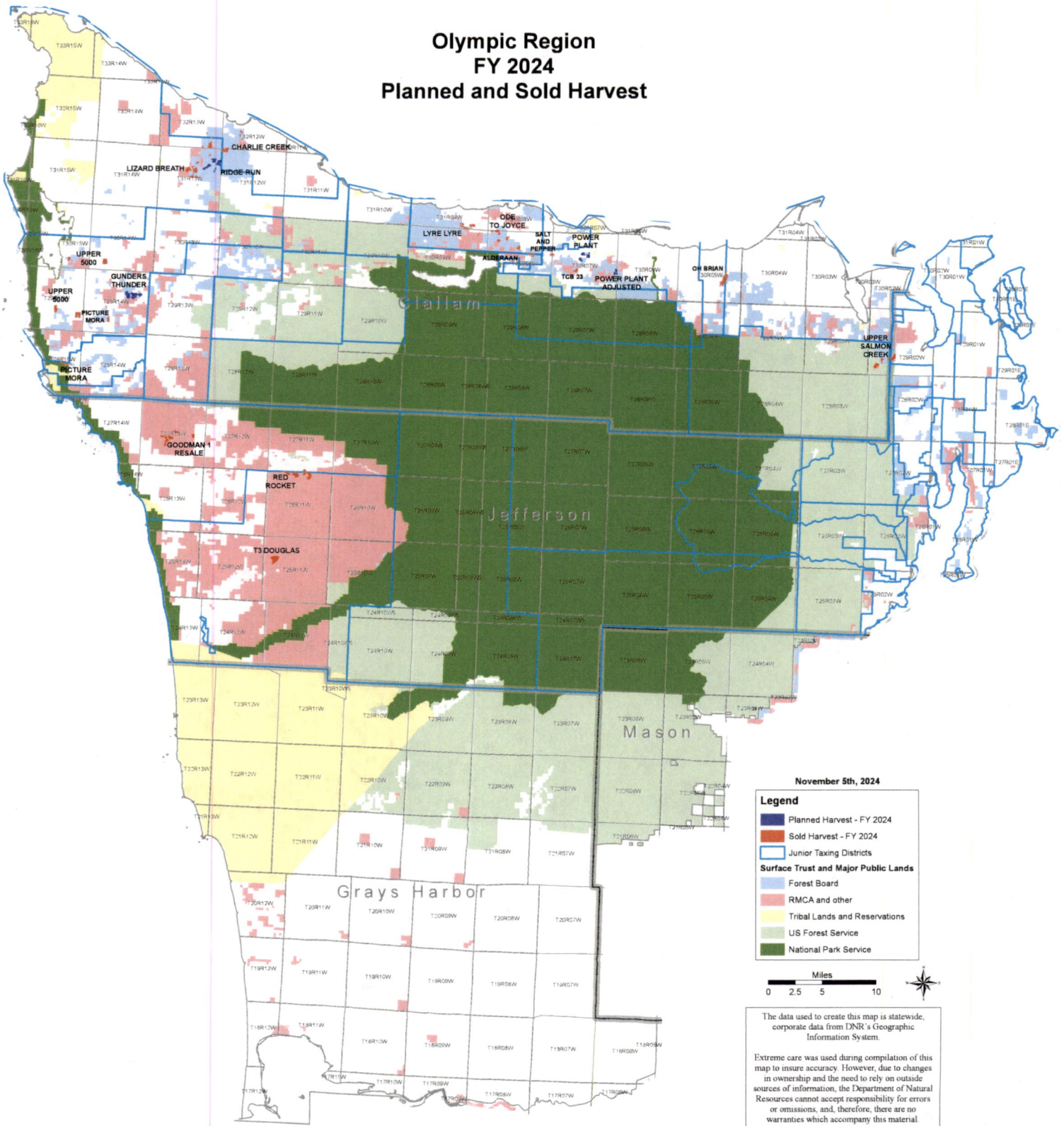
No Action Required.

REVIEWED BY:


Mark McCauley, County Administrator

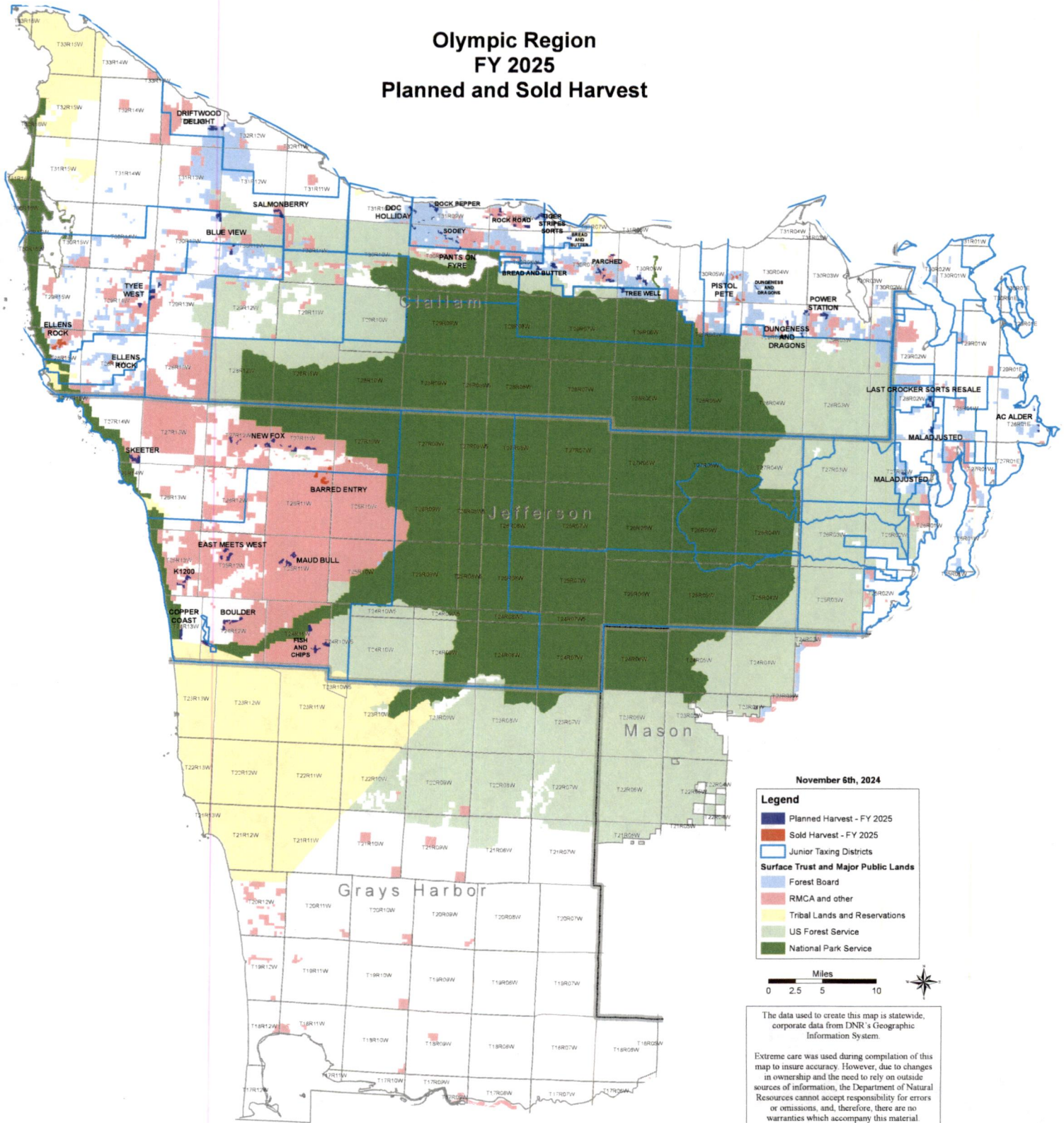

Date

Olympic Region FY 2024 Planned and Sold Harvest



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

Olympic Region FY 2025 Planned and Sold Harvest



WASHINGTON STATE DEPARTMENT OF
NATURAL RESOURCES
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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 4TH QUARTER	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-EXTENDE	C30100658	LUMP SUM	5/26/2021	10/31/2024	5697	\$1,766,222	2.44%	\$32,322	441-100%	\$13,313	\$0	\$0	\$0	\$15,777	\$0	\$0	\$17,525	\$0	\$17,525	\$0	\$17,525	\$30,838	\$1,484		
CENTER 21 THINNING	C30100662	WEIGHT SCALE	12/15/2021	10/30/2024	4652	\$707,187	46.74%	\$247,905	321-38.93%	\$55,827	\$0	\$8,402	\$11,315	\$0	\$22,631	\$15,873	\$0	\$0	\$0	\$24,276	\$80,103	\$16,408	\$0	\$16,408	
									323-20.79%	\$29,813	\$0	\$4,487	\$6,042	\$0	\$12,086	\$8,477	\$0	\$0	\$0	\$12,964	\$42,777	\$8,763	\$0	\$8,763	
									222-15.32%	\$21,968	\$0	\$3,307	\$4,452	\$0	\$8,908	\$6,247	\$0	\$0	\$0	\$9,553	\$31,521	\$6,457	\$0	\$6,457	
									324-8.76%	\$12,561	\$0	\$1,891	\$2,546	\$0	\$5,092	\$3,572	\$0	\$0	\$0	\$5,462	\$18,023	\$3,692	\$0	\$3,692	
									213-16.20%	\$23,230	\$0	\$3,496	\$4,708	\$0	\$9,417	\$6,605	\$0	\$0	\$0	\$10,102	\$33,332	\$6,828	\$0	\$6,828	
PENNY WISE	C3000102261	LUMP SUM	8/25/2022	10/31/2024	5129	\$2,851,780	96%	\$2,096,058	320-100%	\$1,248,370	\$0	\$0	\$420,000	\$0	\$250,000	\$493,615	\$144,467	\$148,244	\$144,467	\$641,859	\$1,890,229	\$61,362	\$0	\$61,362	
BEAVER VALLEY PULP	C3000106545	LUMP SUM	3/15/2024	CLOSED	27	\$8,284	100%	\$8,198	231-100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,198	\$0	\$6,198	\$0	\$6,198	\$0	\$6,198
TOTALS					15805	\$5,333,453		\$2,382,483		\$1,405,082	\$0	\$21,583	\$449,063	\$0	\$323,909	\$534,389	\$144,467	\$171,966	\$144,467	\$727,939	\$2,133,021	\$104,994	\$0	\$104,994	
SALES PROJECTED TO BE SOLD IN FISCAL YEAR 2025 (ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE)																									
LAST CROCKER SORTS RESALE	TBD	SORT	12/18/2024	TBD	5447	\$1,389,220.00	100%	\$1,041,915	324-100%	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,041,915		
MALADJUSTED	TBD	LUMP SUM	1/29/2025	10/31/2026	3834	\$933,000.00	100%	\$699,750	320-33%	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$230,917		
									324-67%	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$468,832
AC ALDER	TBD	LUMP SUM	6/18/2025	TBD	920	\$276,000.00	100%	\$207,000	213-100%	N/A	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$207,000		
TOTALS										\$1,405,082	\$0	\$21,583	\$449,063	\$0	\$323,909	\$534,389	\$144,467	\$171,966	\$144,467	\$727,939	\$2,133,021	\$104,994	\$0	\$104,994	

ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE

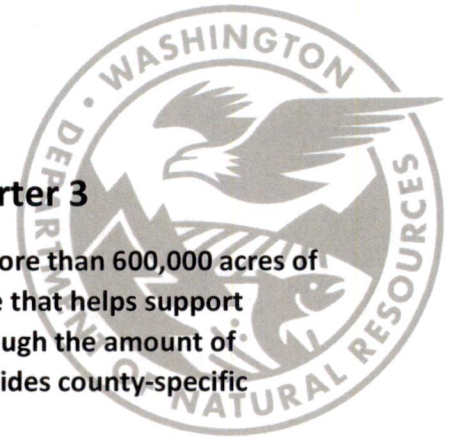
All revenue figures are for calendar years, and already have DNR management fees deducted.

All Revenue:	1ST-3RD QTR
Non-timber:	\$742,124
	\$14,185
Com. Sites	\$11,671
ROW/RUP	\$930
LEASES	\$1,584
SPECIAL FOREST PROD.	\$0
Timber:	\$727,939

Jefferson County

2024 Quarterly Income Report – Quarter 3

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 3 (July 1 – September 30, 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.

\$ 536,903.86

ALL REVENUE¹ accrued for Jefferson County this calendar year, 2024, as of September 30, 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.

\$ 592,243.00

NET VALUE² of State Forestland timber in Jefferson County under contract as of September 30, 2024.

\$ 403,737.43

[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.

There are two types of state forestlands: State Forest Transfer lands, and State Forest Purchase lands.

1. **State Forest *Transfer* Lands.** These are lands acquired by counties through tax foreclosures that were subsequently turned over to the state. The Department of Natural Resources currently manages more than 538,000 acres of these forestlands in trust for 20 counties. Revenue from State Forestlands is distributed in accordance with RCW 79.64.110. Based on population, Skamania and Wahkiakum Counties have different distribution requirements compared with other counties.
2. **State Forest *Purchase* Lands.** State-issued bonds were used to acquire certain parcels of forestland from private owners. Typically, these forestlands had been logged and were in need of active management. Allocation of revenue from these lands was determined when purchase was authorized, as follows: 26.5 percent to the county in which the property is located; 50 percent to DNR for management expenses; and the remaining 23.5 percent to the State General Fund.

State Forestlands

Current as of 04/09/2021

	State Forest Transfer	State Forest Purchase	Total Acres
Clallam	93,018	242	93,260
Clark	26,497	3,850	30,347
Cowlitz	11,083	275	11,358
Grays Harbor	2,315	29,033	31,348
Jefferson	14,706	16	14,722
King	22,908	0	22,908
Kitsap	7,561	79	7,640
Kittitas	0	3	3
Klickitat	20,360	41	20,401
Lewis	39,999	3,069	43,067
Mason	28,344	561	28,905
Okanogan	42	0	42
Pacific	14,839	8,163	23,002
Pierce	8,880	3,339	12,219
Skagit	86,146	2	86,148
Skamania	37,917	4,461	42,378
Snohomish	62,480	1,681	64,161
Stevens	160	41	201
Thurston	20,019	23,531	43,550
Wahkiakum	12,405	0	12,405
Whatcom	29,241	996	30,237
Total Acres	538,918	79,384	618,302

Table 2: STATE FORESTLANDS -TIMBER SALES UNDER CONTRACT

(NOTE: 30 month timeline - updated every quarter)

		Contract #	Estimated total net sale value to be distributed to the County*	Total Sale Distributions to the County through 10/31/2024	Estimated Remaining Value to be Distributed to the County	Contract End Date	2024	2025	2026	2027
LUMP SUM SALES										
Mt Jupiter Access	100658		32,321.87	13,313.26	19,008.61	10/31/2024				
Penny Wise	102261		1,102,902.58	1,741,984.88	360,917.70	10/31/2024				
Total			2,135,224.45		\$79,926.30					
SCALE SALES										
		Contract #	Estimated total net sale value to be distributed to the County*	Total Sale Distributions to the County through 10/31/2024	Estimated Remaining Value to be Distributed to the County	Contract End Date				
Center 21 Thinning	100662		245,887.29	222,076.16	23,811.13	10/31/2025				
Total			245,887.29		23,811.13					
SORT SALES										
		Contract #	Estimated total NET sale value to be distributed to the County*	Total Sale Distributions to the County through 10/31/2024	Estimated Remaining NET Value to be Distributed to the County	Harvest Contract End Date				
No Sort Sales			-	-	-					
Total			-	-	-					

Net Estimated Remaining Value of State Forestland Timber Under Contract	403,737.43
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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.

SORT SALES 1) Contractor hired by the harvesters timber, delivers logs to individual purchasers of log sorts, and the harvesters are 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

Estimated Distribution Window	SORTS Contract End Date
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If you are interested in more information related to state trust land distribution, please contact:
william.wells@dnr.wa.gov 360-374-2800

NOTE: This table shows revenue from timber only; it does not include non-timber revenue.

* This revenue is distributed by the county in accordance with RCW 79.64.110