

**JEFFERSON COUNTY  
BOARD OF COUNTY COMMISSIONERS**

**AGENDA REQUEST**

**TO:** Board of County Commissioners

**FROM:** Adiel McKnight, Executive Assistant

**DATE:** March 20, 2023

**SUBJECT:** UPDATE re: Washington State Department of Natural Resources - 4<sup>th</sup> Quarter  
County Income Report

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**STATEMENT OF ISSUE:**

Mona Griswold, DNR Regional Manager, and 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.

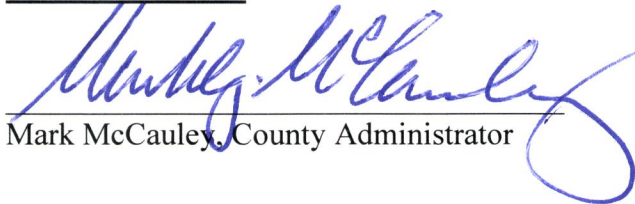
**FISCAL IMPACT:**

DNR Representatives will discuss timber sales and revenue reports.

**RECOMMENDATION:**

No Action Required

**REVIEWED BY:**

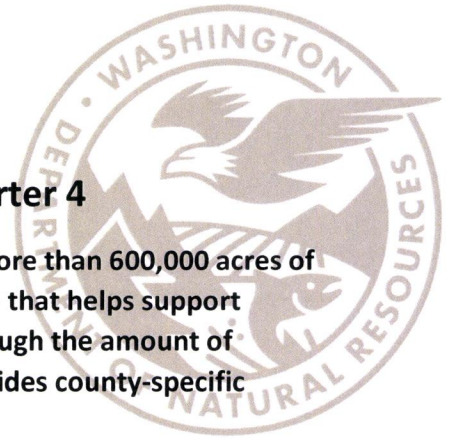
  
Mark McCauley, County Administrator

3/10/23  
Date

## Jefferson County

### 2022 Quarterly Income Report – Quarter 4

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 REVENUE<sup>1</sup> distributed to Jefferson County in Calendar Quarter 4 (October 1 - December 31, 2022).** 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.

**\$ 408,811.34**

**ALL REVENUE<sup>1</sup> accrued for Jefferson County this calendar year, 2022, as of December 31, 2022.** 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.

**\$ 1,116,217.00**

**NET VALUE<sup>2</sup> of State Forestland timber in Jefferson County under contract as of December 31, 2022.**

**\$ 5,322,108.18**

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

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

<sup>1</sup> All revenue refers to distributions from timber and non-timber sources.

<sup>2</sup> 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         |
| <b>Total Acres</b> | <b>538,918</b>        | <b>79,384</b>         | <b>618,302</b> |

## Table 2: STATE FORESTLANDS -TIMBER SALES UNDER CONTRACT

(NOTE: 30 month timeline - updated every quarter)

**2-SALE PRICE 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.

**3-SCALP SUM 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.

**4-SHORT 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 purchaser. 2) Contractor harvests timber, delivers logs to a single purchaser, and the purchaser pays the contractor a fixed 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 sales revenues and expenditures have been audited. Partial distributions may occasionally occur to provide revenue for the beneficiaries, but the majority of the required revenue must be distributed within less than \$5 million in the Contract Harvesting Fund at the end of each calendar year under RCW 79.55.020. 3) Contract can be extended.

If you are interested in more information related to state trust land distribution, please contact:  
[mona.griswold@dnr.wa.gov](mailto:mona.griswold@dnr.wa.gov) 360-374-2800

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

JEFFERSON COUNTY REVENUE PROJECTIONS FOR 2023 (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 |                 | PROJECTED 1ST - 4TH QUARTER | Yearly Total WIRED | SALE TOTAL WIRED TO COUNTY | 2024 under contract |
|                                                                                                        |              |              |            |            |              |              |          |                       |            |                | Projected   | Wired to County | Projected   | Wired to County | Projected   | Wired to County | Projected   | Wired to County |                             |                    |                            |                     |
| MT JUPITER ACCESS                                                                                      | C3010058     | LUMP SUM     | 5/26/2021  | 10/31/2023 | 5697         | \$1,766,232  | 2.44%    | \$32,322              | 441-100%   | \$3,236        | \$0         | \$4,378         | \$5,840     | \$5,840         | \$5,840     | \$0             | \$25,853    | \$25,853        | \$0                         | \$3,236            | \$3,232                    |                     |
| CENTER 21 THINNING                                                                                     | C3010060     | WEIGHT SCALE | 12/15/2021 | 10/30/2024 | 4652         | \$707,187    | 46.74%   | \$247,905             | 321-18.93% | \$16,268       | \$0         | \$4,378         | \$5,840     | \$5,840         | \$5,840     | \$0             | \$17,519    | \$4,378         | \$20,646                    | \$32,803           |                            |                     |
|                                                                                                        |              |              |            |            |              |              |          |                       | 322-20.79% | \$8,088        | \$0         | \$2,238         | \$3,119     | \$3,119         | \$3,119     | \$3,119         | \$9,356     | \$2,338         | \$11,026                    | \$17,518           |                            |                     |
|                                                                                                        |              |              |            |            |              |              |          |                       | 222-15.32% | \$6,402        | \$0         | \$1,723         | \$2,298     | \$2,298         | \$2,298     | \$2,298         | \$6,804     | \$1,723         | \$8,125                     | \$12,909           |                            |                     |
|                                                                                                        |              |              |            |            |              |              |          |                       | 324-8.76%  | \$3,661        | \$0         | \$985           | \$1,314     | \$1,314         | \$1,314     | \$1,314         | \$3,942     | \$985           | \$4,646                     | \$7,381            |                            |                     |
| TAYLOR DOWNHILL SORTS                                                                                  | VARIOUS      | SORT         | 2/23/2022  | CLOSED     | 5245         | \$2,930,572  | 88%      | \$1,940,552           | 221-28%    | \$185,958      | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$185,958                   | \$0                |                            |                     |
| BOLTON REHAB                                                                                           | C3000103111  | LUMP SUM     | 6/15/2022  | 10/31/2023 | 1149         | \$558,538    | 100%     | \$418,904             | 321-100%   | \$377,775      | \$0         | \$0             | \$41,890    | \$0             | \$0         | \$0             | \$0         | \$41,890        | \$0                         | \$377,775          | \$0                        |                     |
| BEAVER VALLEY SORTS                                                                                    | C3000100663  | LUMP SUM     | 7/27/2022  | 10/31/2024 | 4133         | \$2,177,825  | 100%     | \$1,633,369           | 231-100%   | N/A            | \$0         | \$0             | \$50,000    | \$100,000       | \$100,000   | \$100,000       | \$393,933   | \$250,000       | \$0                         | \$0                | \$1,383,369                |                     |
| PENNY WISE                                                                                             | C3000102261  | LUMP SUM     | 8/25/2022  | 10/31/2024 | 5129         | \$2,851,780  | 98%      | \$2,096,058           | 320-100%   | N/A            | \$0         | \$942,519       | \$200,000   | \$350,000       | \$393,933   | \$943,933       | \$942,519   | \$942,519       | \$942,519                   | \$209,606          |                            |                     |
| TOTALS                                                                                                 |              |              |            |            | 26005        | \$18,992,125 |          | \$6,369,109           |            | \$1,086,926    | \$0         | \$953,765       | \$328,760   | \$0             | \$486,870   | \$0             | \$556,656   | \$0             | \$1,372,286                 | \$953,765          | \$2,040,691                | \$1,680,468         |
| SALES PROJECTED TO BE SOLD IN CALENDAR YEAR 2023 (ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE) |              |              |            |            |              |              |          |                       |            |                |             |                 |             |                 |             |                 |             |                 |                             |                    |                            |                     |
| LAST CROCKER SORTS                                                                                     | TBD          | SORT         | 11/15/2023 | TBD        | 5990         | \$2,396,000  | 100%     | \$2,096,058           | 324-100%   | N/A            | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                         | \$0                | \$2,096,058                |                     |
|                                                                                                        |              |              |            |            |              |              |          |                       |            |                | \$0         | \$486,870       | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                         | \$0                | \$0                        | \$0                 |

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:         | \$0.00 |
| Non-timber:          | \$0.00 |
| Com. Sites           |        |
| ROW/RUP              |        |
| LEASES               |        |
| SPECIAL FOREST PROD. |        |
| Timber:              |        |

**Legend**

- Planned Harvest - FY 2024
- Sold Harvest - FY 2024
- Junior Taxing Districts

**Surface Trust and Major Public Lands**

- Forest Board
- RMCA and other
- Tribal Lands and Reservations
- US Forest Service
- National Park Service

The data used to create this map is statewide, corporate data from DNR's Geographic Information System

Extreme care was used during compilation of this map to insure accuracy. However, due to changes in ownership and the need to rely on outside sources of information, the Department of Natural Resources cannot accept responsibility for errors or omissions, and, therefore, there are no warranties which accompany this material.



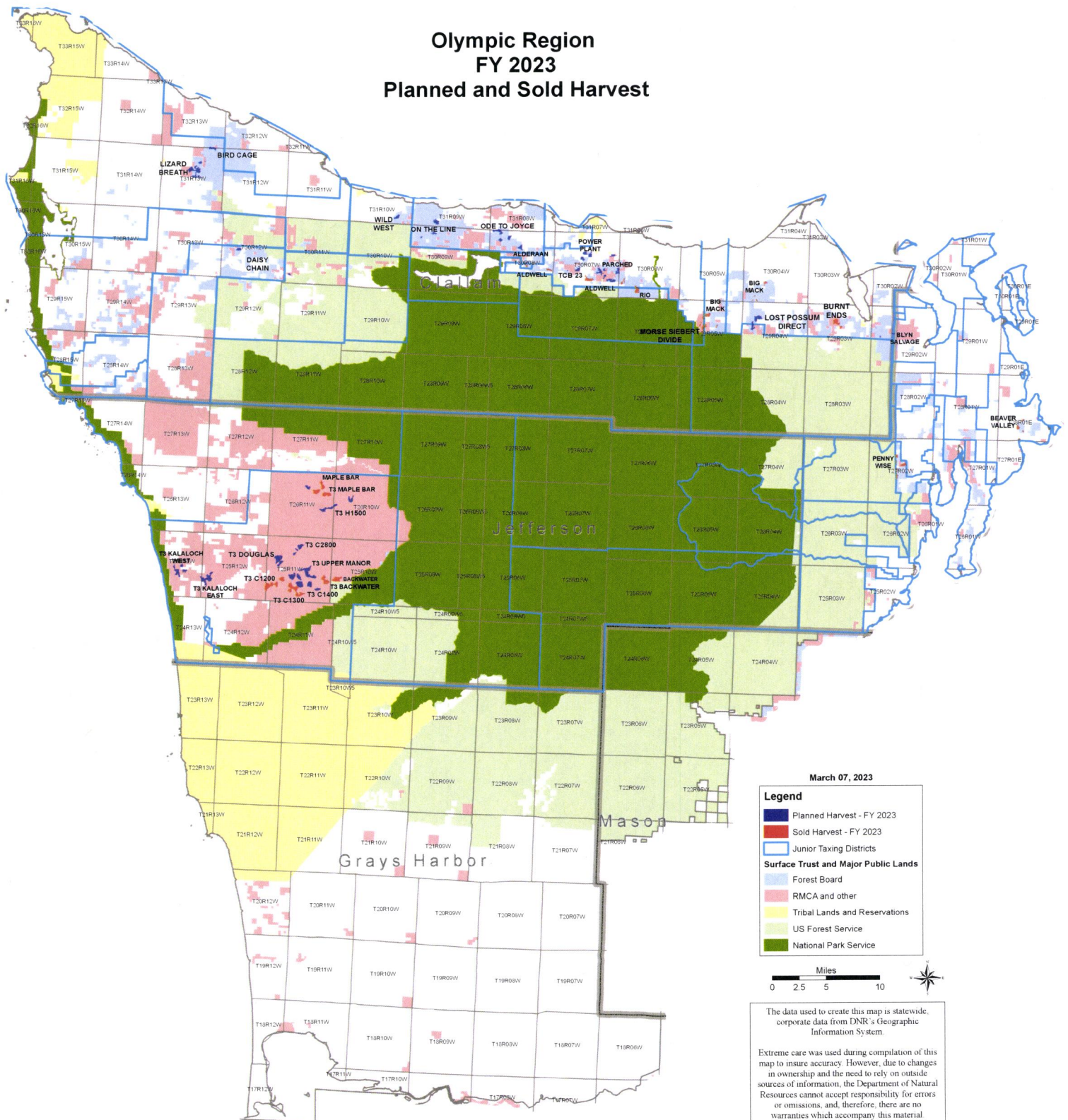
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**NATURAL RESOURCES**  
HILARY S. FRANZ | COMMISSIONER OF PUBLIC LANDS

| JEFFERSON COUNTY REVENUE PROJECTIONS FOR 2022 (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.  | 2019 TRANSFERS | 2020 TRANSFERS | 2021 TRANSFERS | 1st Quarter                    |                 | 2nd Quarter |                 | 3rd Quarter |                 | 4th Quarter |                 | PROJECTED 2ND- 4TH QUARTER | Yearly Total WIRED | SALE TOTAL WIRED TO COUNTY | 2023 under contract |
|                                                                                                      |              |              |            |            |              |              |          |                       |            |                |                |                | Projected                      | Wired to County | Projected   | Wired to County | Projected   | Wired to County | Projected   | Wired to County |                            |                    |                            |                     |
| PENNY ALDERWOOD                                                                                      | C300009664   | LUMP SUM     | 8/26/2018  | CLOSED     | 5076         | \$1,869,697  | 81.71%   | \$1,145,797           | 324-50.59% | \$443,487.31   | \$78,592.30    | \$0.00         | \$56,002                       | \$56,002        | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$56,002                   | \$579,082          | \$579,082                  | CLOSED              |
| CITY SKIDDER                                                                                         | C300009923   | LUMP SUM     | 5/27/2020  | CLOSED     | 6925         | \$2,700,000  | 100%     | \$2,025,000           | 320-49.41% | \$433,143.44   | \$77,736.00    | \$0.00         | \$54,695                       | \$54,695        | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$54,695                   | \$583,574          | \$583,574                  | CLOSED              |
| MT KURTIS ACCESS                                                                                     | C30100658    | LUMP SUM     | 5/26/2021  | 10/31/2023 | 5697         | \$1,766,222  | 2.44%    | \$32,322              | 461-100%   | N/A            | N/A            | \$0            | \$133,375                      | \$133,375       | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$133,375                  | \$1,377,001        | \$1,377,001                | CLOSED              |
| CENTER 21 THINNING                                                                                   | C30100662    | WEIGHT SCALE | 12/15/2021 | 10/30/2024 | 4652         | \$707,187    | 46.74%   | \$247,905             | 232-18.93% | N/A            | N/A            | \$0            | \$0                            | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                        | \$1,236            | \$1,236                    | \$29,086            |
| TAYLOR DOWNHILL SORTS                                                                                | VARIOUS      | SORT         | 2/23/2022  | 1/20/2023  | 5245         | \$2,830,572  | 88%      | \$1,840,552           | 231-10.75% | N/A            | N/A            | \$0            | \$0                            | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                        | \$11,499           | \$18,348                   | \$40,241            |
| BOLTON REHAB                                                                                         | C300010311   | LUMP SUM     | 8/15/2022  | 10/31/2023 | 1149         | \$558,538    | 100%     | \$418,904             | 222-15.12% | N/A            | N/A            | \$0            | \$0                            | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                        | \$6,402            | \$6,402                    | \$42,852            |
| BEAVER VALLEY SORTS                                                                                  | C300010063   | LUMP SUM     | 7/27/2022  | 10/31/2024 | 4133         | \$2,177,825  | 100%     | \$1,833,389           | 334-8.78%  | N/A            | N/A            | \$0            | \$0                            | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                        | \$13,861           | \$13,861                   | \$18,056            |
| PENNY WISE                                                                                           | C300010226   | LUMP SUM     | 8/25/2022  | 10/31/2024 | 5129         | \$2,851,789  | 88%      | \$2,098,058           | 320-100%   | N/A            | N/A            | \$0            | \$0                            | \$0             | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$0                        | \$6,770            | \$6,770                    | \$13,191            |
| TOTALS                                                                                               | 38006        |              |            |            |              | \$15,541,822 |          | \$8,519,906           | 221-28%    | N/A            | N/A            | \$0            | \$306,838                      | \$306,838       | \$0         | \$0             | \$0         | \$0             | \$0         | \$0             | \$306,838                  | \$3,097,914        | \$3,097,914                | \$5,282,183         |

ALL NUMBERS ARE ESTIMATES AND ARE SUBJECT TO CHANGE  
All revenue figures are for calendar years, and already have DNR management fees deducted.

|                      |                |
|----------------------|----------------|
| 2022                 |                |
| All Revenue:         | \$1,398,145.14 |
| Non Timber:          | \$4,384.14     |
| Com. Sbrs:           | \$1,500.00     |
| ROW/RUP:             | \$1,500.00     |
| LEASES:              | \$1,584.14     |
| SPECIAL FOREST PROD: | \$0.00         |
| Totals:              | \$1,393,761.00 |

# Olympic Region FY 2023 Planned and Sold Harvest



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