

**JEFFERSON COUNTY
BOARD OF COUNTY COMMISSIONERS**

AGENDA REQUEST

TO: Board of County Commissioners
Philip Morley, County Administrator

FROM: Leslie Locke, Deputy Clerk of the Board

DATE: August 25, 2014

SUBJECT: UPDATE re: Washington State Department of Natural Resources 2nd Quarter County Income Report

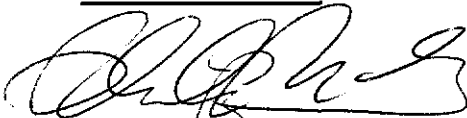
STATEMENT OF ISSUE:

Sue Trettevik, 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 2nd Quarter County Income Report.

RECOMMENDATION:

No Action Required

REVIEWED BY:



Philip Morley, County Administrator

8/19/14
Date



July 24, 2014

Peter Goldmark
Washington State
Commissioner of Public Lands

The Honorable John Austin, Chair
Jefferson County Board of Commissioners
P.O. Box 1220
Port Townsend, WA 98368

Dear Commissioner Austin:

The Washington State Department of Natural Resources (DNR) manages approximately 14,703 acres of State Forest Lands that benefit Jefferson County. These lands generated \$409,000 in the first half of calendar year 2014 and are projected to generate \$1,469,000 for calendar year 2014 from activities expected to occur under current contracts. This represents an increase of \$142,000 from the 2014 projection in the April 2014 report.

Net value under contract after calendar year 2014 is estimated at \$3,172,000. This income information does not include anticipated revenues from additional planned activities for which contracts have not been finalized. Projections of income after July 2, 2013 reflect the management fee of 25 percent, as adopted by the Board of Natural Resources on that date. The projections do not, however, reflect the remaining deductions for repayment of the erroneous trust distributions that occurred between 2010 and 2012.

Some counties receive portions of their income from leases and fees; however, the majority of income reflected in this report is derived from timber sales. As most revenue stems from timber sales, these projections can fluctuate depending upon when timber harvests actually occur. Market conditions, contract requirements, and regulatory requirements influence timber purchasers' decisions about when to harvest. Harvesting could occur earlier if conditions warrant. Changes in purchasers' plans for harvest will be reflected in future reports. The next projection of State Forest Land revenues will be available in October 2014.

I appreciate how necessary revenue is to the success of county functions. DNR consistently strives to ensure that we realize the maximum available income from the State Forest Lands we manage on behalf of the counties. Should you have any questions regarding this information, please contact Susan Trettevik, Olympic Region Manager, at 360-374-2800 or at susan.trettevik@dnr.wa.gov.

Sincerely,

Peter Goldmark
Commissioner of Public Lands

Department of Natural Resources
1111 Washington St SE
MS 47001
Olympia, Washington 98504-7001
(360) 902-1300

