

DNR Meeting

November 5, 2018

3:30 p.m.

Present: Commissioner Fund, Commissioner Jackson, Commissioner Stamper, Budget Services Manager Becky Butler, County Engineer Tim Fife, DNR's Pacific Cascade Region Chief Eric Wisch, Lisa Anderson of the DNR, Matt Comisky of the American Forest Resource Council, Rep. Ed Orcutt (3:39 p.m.), County Manager Erik Martin (3:42 p.m.)

Guests: Dr. Linsdey Pollock and Susan DeLaire

Recorder: Rieva Lester

Lisa Anderson gave an overview of DNR's 3 million acres of trust lands.

Rep. Ed Orcutt joined at 3:39 p.m.

State lands

- Federally granted
- Enabling Act
- Source of financial support, primarily for schools and colleges
- Common School trust totals more than 1.8 million acres

Erik Martin joined at 3:42 p.m.

Lisa said revenue for the Common School Trust, which contributes to construction projects statewide, is generated through the following:

- Timber
- Communication sites
- Orchards, dry crop leases
- Wind farms, vineyards, grazing lands, commercial leases

The group discussed the fluctuations in commodities, which affects the annual revenue distributions.

Eric Wisch reviewed the bid process for timber contracts.

Lisa provided the following information regarding state forest lands:

State forest lands

- Acquired by counties through tax foreclosures
- Transferred to the state to manage in trust (though Grays Harbor did not transfer their lands to the state)
- Beneficiaries include

- State and local schools
- County services
- County roads
- Ports
- Local park districts
- Library districts
- Fire districts
- Hospitals
- EMS

Lisa discussed the Office of Superintendent of Public Instruction (OSPI) rule change that had affected the amount of money schools would receive.

Commissioner Jackson left at 4:12 p.m.

Lisa further discussed state forest lands and provided the following information:

State forest lands

- Second-largest trust (618,000 acres)
- Property acquired through tax foreclosure
- Funds county services, state schools and junior taxing districts
- Lewis County has 43,067 acres that generate money (96,869 acres total managed by DNR) and are managed under the Habitat Conservation Plan (HCP), which has wider buffer requirements than the Forest Practices Rules

Commissioner Jackson returned at 4:19 p.m.

Lisa discussed work on an agreement regarding the marbled murrelet.

Eric said much of the DNR ownership in Western Washington is in large blocks.

Commissioner Stamper asked if the Good Neighbor Authority policy would allow for more sales and more revenue. The group discussed the GNA timber sales the DNR will be administrating. Matt Comisky said those would be “additive” and the county would get 25 percent of DNR’s base rate. He said the county likely won’t see a windfall but that there will be an increase in local mills’ economic output.

The group discussed the losses a forest fire would create, though they also discussed the salvage opportunity that would exist.

Becky asked about DNR’s contract projections. Eric said it’s hard to predict as the bid winner has flexibility as to when they will harvest.

Lisa discussed the Trust Land Performance Assessment, for which DNR has released an RFP. She said DNR is performing a comprehensive analysis of the strengths and weaknesses of the state trust land asset portfolio.

The group discussed the upcoming Timber Counties meeting at WSAC.

Commissioner Stamper said he wants to see where DNR is spending its money.

Lisa said DNR keeps 25 percent of the revenue it generates for operations. She gave an overview of the breakdown of DNR's \$67.8 million annual expenditures. Bidders still have to pay timber excise taxes on lands that are harvested, Eric said.

Susan DeLaire left at 5:12 p.m.

Eric said fines and fees go to the state general fund.

Eric offered to provide revenue reporting updates on a periodic basis.

Becky said actual revenue can fluctuate greatly. For example, she said, Lewis County received \$5.3 million in 1995 and \$1.9 million in 2017.

Commissioner Stamper left at 5:18 p.m. and returned at 5:19 p.m.

Meeting adjourned at 5:20 p.m.