



WASHINGTON STATE DEPARTMENT OF
Natural Resources
Peter Goldmark - Commissioner of Public Lands

Annual Report 2010

Managing
the state lands
for public
good

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Peter Goldmark
Commissioner of Public Lands

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On the Cover: San Juan Islands, Puget Sound.
Photo by Jason Goldstein / DNR

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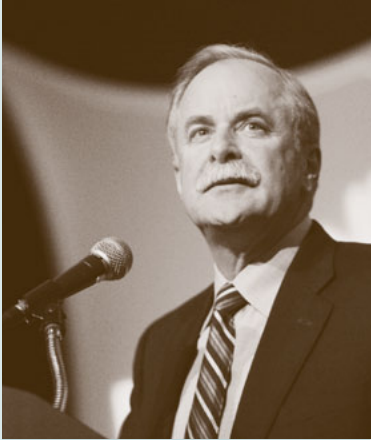


WASHINGTON STATE DEPARTMENT OF
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A Message from the Commissioner of Public Lands



Peter Goldmark, a statewide elected official, is Washington's thirteenth Commissioner of Public Lands since statehood in 1889.

In 2010 our focus was on a prudent response to the economic downturn and the resulting budget crisis. With a focus on innovative solutions to long-standing problems, we kept our commitment to long-lasting stewardship of the public land.

As your Commissioner of Public Lands, it is my responsibility to manage the Washington State Department of Natural Resources (DNR), which includes managing 5.6 million acres of publicly owned lands to raise money for the construction of public schools, colleges, universities, and other government institutions, as well as county and state services. DNR operates the state's largest fire department. We also are responsible for enforcing regulations on private timber lands, to protect public health and safety, as well as clean water and a healthy environment.

Responding to the state's budget crisis, we created more efficiency in our operations while maintaining our obligations to the public. For example, while reducing costs in our fire suppression program, we held the number of acres burned by wildfire this year to less than the five-year average for the second year in a row. And, in an effort to reduce our energy footprint and to reduce costs, we have reduced our fleet of vehicles by 125, slashing \$3 million in costs from our budget.

When private companies are not harvesting timber, mills reduce their hours or, even worse, they close. When mills close, people lose their jobs. By maintaining our agreed-upon sustainable timber harvest levels in a down timber market, DNR's share of the state's timber harvest grew to 30 percent last year. In doing so, we provided vital income to our trust beneficiaries, while also helping preserve the state's timber industry and the many jobs that depend on it.

In times of change, it is important to make sure your priorities are clear. In April of 2010, we announced our five-year Strategic

Plan that sets out six major goals to direct the work of the Department. We took many concrete steps in the first year of the plan to implement its goals, including:

- ▶ On our public lands, we have developed biomass pilot projects, protected Washington's forestland from conversion to other uses, and made improvements in recreation and public access, including the development of the Reiter Foothills Recreation Plan.

- ▶ Cleaning up and protecting Puget Sound. Our most notable success was the dedication of two new aquatic reserves with comprehensive management plans. In addition, our Derelict Vessel Removal Program continued its nationally recognized success by removing several watercraft that posed environmental and navigational hazards, while working with boat owners and local government to resolve other conflicts. We also removed tons of creosote-laden pilings and performed other restoration projects in Puget Sound.

- ▶ Our nurturing of Washington's clean and renewable energy future produced tangible results: the 106 wind turbines on state trust lands earned \$1 million for trust beneficiaries in 2010.

None of this could have happened without the hard-working employees of DNR, which is why I was proud to deliver, in December, the new Commissioner's Annual Recognition Awards for selected staff.

With clear goals to guide us, we will continue to preserve our state's natural and forestry heritage, and improve our ability to provide non-tax revenue to our trust beneficiaries.

Yours in stewardship,

PETER GOLDMARK
COMMISSIONER OF PUBLIC LANDS



“ We
created
more efficiency
in our operations
while maintaining
our obligations
to the public.”

PETER GOLDMARK
COMMISSIONER OF
PUBLIC LANDS

Moving Forward...

STRATEGIC PLAN | GOAL III

Preserve and protect working forests from conversion

Financial Stewardship in a Tight Timber Market

Through a combination of spending reductions and increased marketing of natural resources products, DNR revived the health of a critical fund this year: the Resource Management Cost Account (RMCA), specifically the uplands portion of the fund. Financial restraint, oversight and carefully planned cuts helped restore the fund's balance to \$8 million by the end of FY 2010. Deficit spending during most the 2000-2008 period had drained the fund's balance to almost \$0 by 2009.

RMCA revenues, which are generated by DNR's management (sales, leases, etc.) of state grant lands, go to the beneficiaries and to maintaining clean water, quality habitat and other investments in the health of state trust lands.

Sustainable Harvest and Removals: DNR Helps Nurture Rural Economic Recovery

As prices in the timber market remained depressed, DNR managers kept their sights on maintaining the Department's broader commitment to sustainable harvest volume targets

(see graphic, lower right). In doing so, DNR essentially kept the timber industry alive in several communities and played a critical role in helping retain many private sector natural resources jobs during the current recession.

While averaging 16 percent of the state's annual timber harvest between 2000 and 2007, the portion coming from state trust lands managed by DNR grew to 30 percent in FY 2010 (see graphic, upper right). The increase was largely because DNR maintained its commitment to provide continuous revenue to trust beneficiaries, while many private timber sources withheld their products or exported them in response to the tumultuous timber markets of recent years.

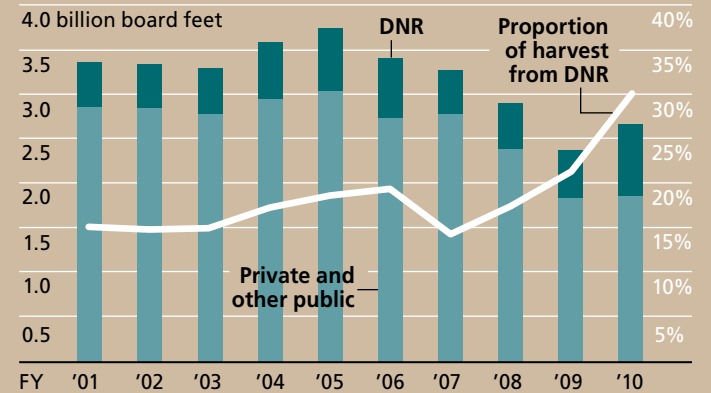
Challenges Spark Innovations

DNR began FY 2010 with its funding levels 18 percent lower than the previous year after the state legislature reduced DNR's appropriation from the General Fund and removed outstanding balances in several funds on which the agency relies to operate various programs, such as recreation. The lower funding in 2010 was also caused by lower prices for timber and other natural resources products DNR sells. The

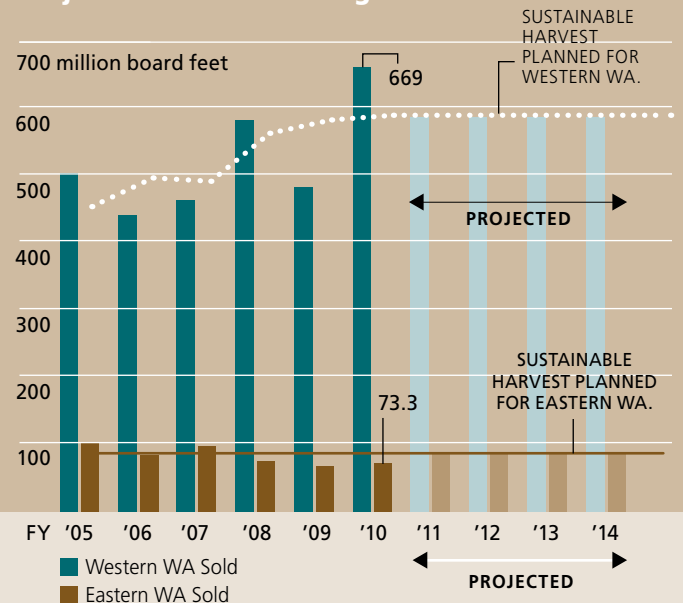
30% STATE TRUST LANDS' CONTRIBUTION TO STATE TIMBER HARVEST IN FY 2010

DNR and Private Timber Harvest

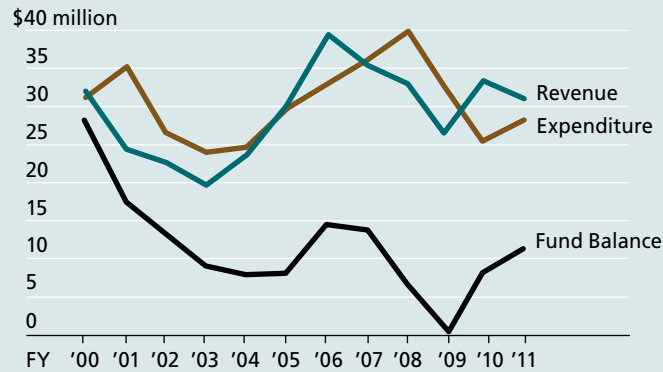
Almost one-third of Washington's timber harvest (except tribal lands) in FY 2010 came from DNR-managed state trust lands compared to 15 percent in 2000.



Timber Harvest Volume Sold and Projected Sustainable Targets



A two-day summit in September 2010 brought together DNR and representatives invited from all 29 federally recognized Tribes in Washington State. Hosted by the Nisqually Indian Tribe, participants discussed clean water, lands, habitat and other issues critical to DNR and the Tribes. Afterwards, Commissioner of Public Lands Peter Goldmark issued a Commissioner's Order pledging to continued dialog and a government-to-government relationship with the Tribes.



RMCA (UPLANDS) FUND

Depleted by several years of expenditures outpacing revenues, the Resource Management Cost Account (Uplands) fund worked its way back to health, finishing FY 2010 with a balance of more than \$12 million.

Department reduced its permanent year-round workforce by 11.5 percent in 2009. DNR absorbed further General Fund cuts, enacted by a special session of the Legislature in Fall 2010, without the need to lay off employees or make deeper cuts in critical programs. The Department's early action also allowed it to avoid the employee furlough days implemented in FY 2010 for several other state agencies.

Efficiencies and innovations by DNR in FY 2010, included:

Motor vehicle fleet strategy.

A strategy to realign fleet distribution and vehicle use for greater efficiency and extend vehicle replacement

schedules produced estimated annual savings of \$500,000.

Information technology (IT) 'rightsizing.' Using new technologies, DNR replaced aging equipment, yet also cut IT maintenance and replacement costs by \$2 million and lowered IT-related annual power and utility costs by \$100,000.

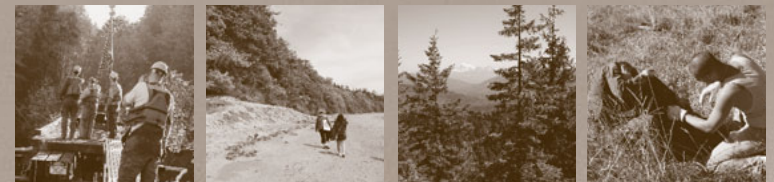
Contract harvesting. Eliminating the middleman and marketing direct to end-use customers returned an estimated 10 percent over normal stumpage sales in FY 2010—an estimated \$2 million.



natural resources
tribal summit



...and Delivering on the Promise



- 8 Eagle Harbor open-water marina lease signed
- 8 Eelgrass targets set
- 9 Woodard Bay NRCA restoration project
- 9 Derelict Vessel Removal Program
- 9 Aquatic Reserves established
- 10 Wind power milestone achieved
- 11 Applications for small forest landowners simplified
- 12 Ink Blot Natural Area Preserve established
- 12 Mount Si NRCA acquisition completed
- 13 Blanchard Mountain NRCA proposed
- 14 Yacolt, Ahtanum and Reiter Foothills recreation planning
- 14 Volunteers contribute 96,500 hours



WINDPOWER PHOTO COURTESY OF PUGET SOUND ENERGY

Producing Economic Benefits...

STRATEGIC PLAN | GOAL I

Deliver on our promise to manage state lands sustainably

Forest Biomass

At year's end, the state's Forest Biomass Initiative Report was completed and delivered to the 2011 State Legislature. The report outlines the progress that DNR and private-sector partners made in the initial four pilot projects last year.

DNR collaborated with private industry on two viable pilot projects on state trust lands, one each in Western and Eastern Washington. These projects are intended to demonstrate the viability of biomass as sustainable clean energy.

DNR's Forest Biomass Initiative made more progress in 2010. Highlights included passage of DNR's requested legislation allowing it to enter into long-term supply contracts with biomass consumers. Private firms need an assured long-term supply of biomass to attract financial backing for their technologies.

Also underway is a University of Washington study to assess the sustainable supply of forest biomass statewide.

Did you know?

The forests of the Pacific Northwest and Alaska comprise the largest renewable carbon storage banks in the United States.

SOURCE: THE WILDERNESS SOCIETY



Forest Biomass: A Timeline of Progress

JANUARY FEBRUARY MARCH APRIL MAY JUNE JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER JANUARY

February 2009
Goldmark launches Forest Biomass Initiative

April 2009 Forest Biomass Initiative bill becomes law

January 2010
Goldmark selects four biomass pilot projects



January 2010
Goldmark requests Forest Biomass long-term supply agreements bill for supply study to ensure sustainable development

March 2010
Forest Biomass Supply Agreements bill becomes law

July 2010
U.S. Forest Service grants DNR \$1M for statewide forest biomass supply study



December 2010
• DNR selects the University of Washington and TSS Consultants to conduct supply study.
• DNR reports status of pilot projects to legislature



January 2011
Goldmark launches Phase 2 of the Forest Biomass Initiative focusing on aviation biofuels



...and Preserving Public Safety

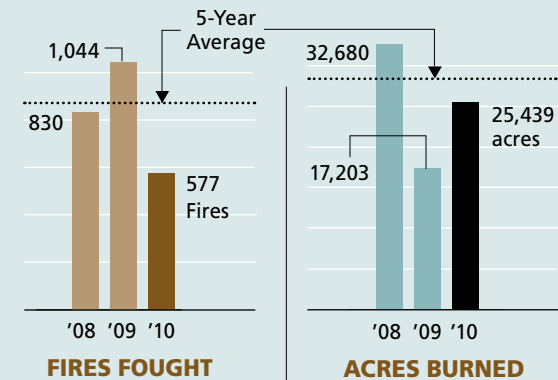


DNR responded to a below-average number of fires in 2010, controlled costs and kept people safe

Fire program avoids \$6.3 million in expense in biennium

A range of strategies and some good luck combined to save \$ 6.3 million in state spending for DNR's fire response in the 2009 and 2010 fire seasons. Strategic use of fire equipment and helicopters—begun in 2009—aided the fast-strike response to fires in 2010, allowing the Department to control fires before they could grow into larger blazes. DNR also positioned fire equipment and other resources throughout the state during the fire season to reduce transportation costs.

Last year DNR initiated a statewide burn ban from July 15 to September 21 to reduce chances of wildfires escaping from outdoor burning and campfires on DNR-protected forestland. The burn ban contributed to fewer wildfires that required DNR's response: 27 fires compared with 46 in the same period in 2009.



2010 FIRE SEASON

Despite an early prediction for normal to above-normal fire activity on Washington's wildlands, the state experienced a short, late-starting fire season. Late April snows in the Olympics and Cascades helped delay the onset of the fire season by several weeks.

A thermal trough contributed to an increased number of fires on the Westside briefly during August, but overall, favorable weather conditions helped keep the number of fires and acres burned across the state in 2010 below the five-year average.

Most importantly, DNR kept up its safety record with another year of no deaths or serious injuries in the fire program.

In the 2010 fire season:

- ▶ 557 fires were fought by DNR crews—39 percent below the 5-year average
- ▶ 17 percent fewer acres burned (25,439) than the 5-year average for DNR's 12.7 million-acre jurisdiction
- ▶ 94.7 percent of the fires (in FY10) were kept to less than 10 acres (exceeding the performance goal of 93 percent)

Aquatic Lands are Economic Engines...

STRATEGIC PLAN | GOAL IV

Clean up and restore Puget Sound

13,649

TONS OF CREOSOTE-TREATED MATERIAL DNR HELPED REMOVE FROM PUGET SOUND, 2003 THROUGH 2010

Restoration on State Aquatic Lands

As outlined in DNR's strategic plan, cleaning up and restoring Puget Sound is one of Commissioner of Public Lands Peter Goldmark's top priorities. To help meet goals for cleanup of the Sound by 2020, several major cleanup and restoration projects were launched or completed this year on state aquatic lands. In the waters of Woodard Bay Natural Resources Conservation Area near Olympia, some 1,450 tons of creosote-laden trestles, piers and pilings were removed with funding from the state's Toxics Fund.

At the former American Smelting and Refining Company (ASARCO) site in at Point Ruston, contractors removed large docks containing more than 2,300 pilings and 66,795 square feet—almost 2 acres—of over-water decking. Funding included \$2.6 million allocated to the Point Ruston restoration project in Tacoma, and \$1.3 million from the ASARCO bankruptcy settlement. When work on the bulkhead is completed, there will be more than one mile (10 acres) of additional waterfront link from the waterside park along Ruston Way to Point Defiance Park.

In addition, DNR's Aquatic Restoration Program, Seattle Parks Foundation, and Friends of Waterway 18 restored the waterway—one of the last natural beaches on Seattle's Lake Union. The natural beach is restored to provide better habitat for migrating species, low-impact recreational opportunities, and safer public access.

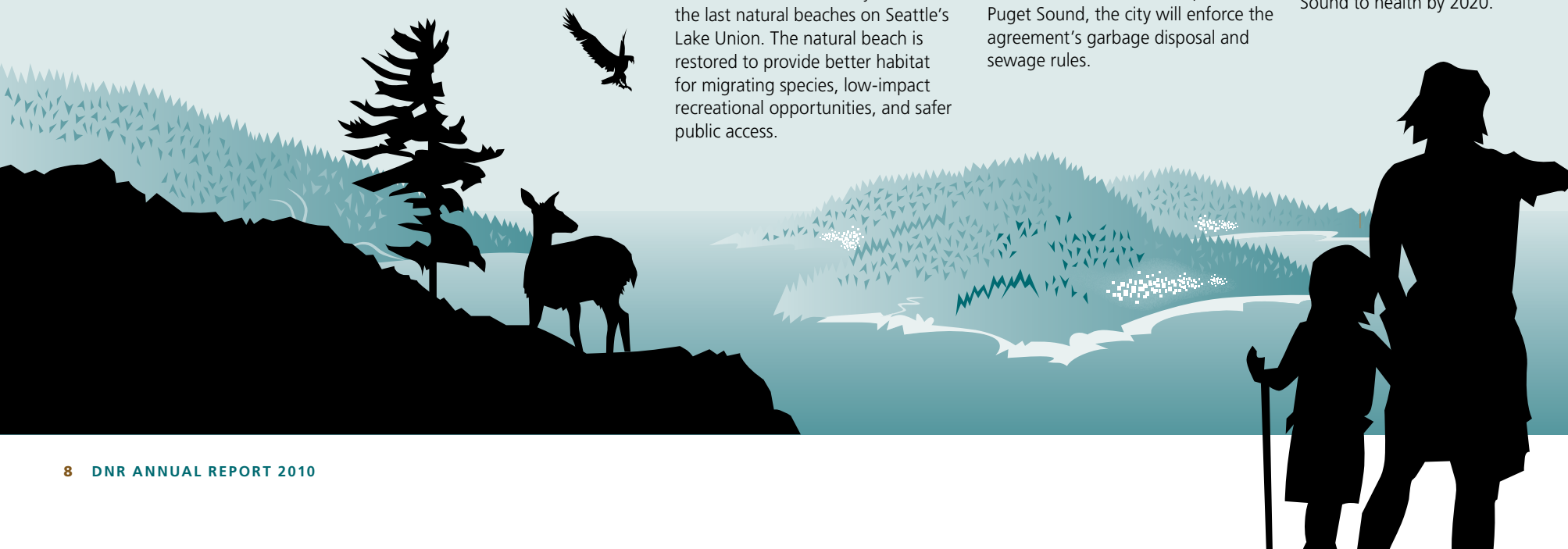
Eagle Harbor Open-Water Marina Lease

After more than a decade of off-and-on negotiations, DNR signed a 12-year lease with the City of Bainbridge Island for an open-water marina in Eagle Harbor. The long-term liveaboard community had deep roots in Eagle Harbor. Unfortunately, some 60 vessels were illegally moored there, raising concerns about safe navigation in the harbor and about the public health and environmental hazards of people living aboard boats without proper waste disposal. Under the city's operation, vessel owners may moor in the harbor longer than 30 days and will have the proper infrastructure available. To protect Puget Sound, the city will enforce the agreement's garbage disposal and sewage rules.

Eelgrass to be First Puget Sound Ecosystem Target

DNR is leading the way to help the Puget Sound Partnership clean up and restore Puget Sound. A DNR science and policy report published in August 2010 recommended the first clear indicator from which to build measurable targets in Puget Sound clean-up and restoration efforts. Because eelgrass is sensitive to stresses associated with human activities, DNR recommended eelgrass as an ecosystem indicator of Puget Sound health.

In 2011, eelgrass is slated to be the first of two dozen indicators that the Puget Sound Partnership will use to measure progress on restoring the Sound to health by 2020.



Restoration at Woodard Bay NRCA

About 1,450 tons of creosote-laden trestles, piers and pilings have been removed.



...and Vital Habitats



Derelict Vessel Removal

DNR's nationally recognized derelict vessel removal program removes abandoned boats that can create hazards to navigation and to the health of aquatic life. In 2010, DNR removed and disposed of 32 derelict vessels (and helped other agencies remove 15 more).



Aquatic Reserves

In 2010, Commissioner Goldmark officially dedicated aquatic reserves at:

- Smith and Minor Islands
- Protection Island
- Cherry Point

Each reserve has a management plan designed to ensure the sustainable management of its marine habitat—guided by sound science, research, monitoring and maintenance of public access to natural resources.



Commissioner of Public Lands Peter Goldmark at Cherry Point Aquatic Reserve dedication ceremony.

With these three reserves, more than 63,000 acres of aquatic lands will be protected from development and future uses that do not coincide

with DNR's management plans. An additional Aquatic Reserve is proposed for Nisqually Reach including Anderson Island and the waters fed by the Nisqually River (see map).



Adding Value Through Renewable Uses

STRATEGIC PLAN | GOAL V

Develop renewable energy resources on state lands, address the challenges of climate change, and create renewable energy jobs



Red Mountain Vineyard Planting

In May 2010, Commissioner Goldmark attended the first grapevine planting of the year on the largest state lease for vineyards on Red Mountain in Benton County. Of the 404-acre Common School Trust lease parcel involved, 300 acres are for wine vineyards. About 70 acres were planted this year with varieties of cabernet sauvignon. The vineyard lease is part of a collaboration between DNR, Benton County and the private sector to create a year-round destination for wine enthusiasts.

Once developed, the vineyards and wineries associated with them will anchor a burgeoning local wine industry, bringing more revenue to state trust land beneficiaries and the community. Red Mountain American Viticulture Area (AVA) is recognized as having conditions for growing superior wine grapes.

Wind Power Milestone

Wind power projects on state trust lands earned more than \$1 million for the first time in a single year. DNR began leasing land for wind power in 2004 to provide a partial solution for a changing climate, develop a new funding source for schools, and contribute to a cleaner energy future. DNR-managed trust lands are part of 11 projects in operation—totaling 108 turbines—with other projects in development.

Currently operating turbines on state trust lands can potentially generate 191 megawatts of energy. Some of the trust lands on which the towers sit also earn other funding for the state trusts through agriculture, grazing, communications sites, and oil and gas leases. Most wind power leases provide the state either a percentage of the gross revenue or a rental rate based on the kilowatt hours produced by wind turbines on state trust land. Washington State was among the top four states in wind power capacity in 2010.

Wind Power Leases

► In 2010, the 11 wind power projects that include DNR-managed state trust lands were east of the Cascade Mountains, in the state's southeastern counties, and at the east end of the Columbia Gorge.



PHOTO COURTESY PUGET SOUND ENERGY



Our nurturing of Washington's clean and renewable energy future produced tangible results

Forest Health And Sustainability

In June 2010, DNR finalized the *Forest Resources Assessment and Strategy*. The report examines working forestlands and urban forest for their characteristics and the pressures on them. State, private and federally owned lands are analyzed for biodiversity, habitat and water quality, forest health and wildfire susceptibility, as well as the potential for conversion to other uses.

The report is required of states receiving U.S. Forest Service funds for programs that help landowners keep their forests working and in good health. Washington State, through DNR, has benefited for years from these programs which include:

- Urban and Community Forestry, (helps large and small communities);
- Forest Health (monitors forest pests and diseases and helps landowners address them);
- Forest Stewardship (helps family landowners learn about and plan for their forests' sustainable management); and
- Wildfire fuel reduction grants (helping to protect communities from catastrophic wildfire).

This year, additional federal American Recovery & Reinvestment Act stimulus funds helped pay rural forest workers to thin and prune forests at high risk of catastrophic wildfire and improve forest health.

Simpler Applications for Small Forestland Owners

In February 2010, the Forest Practices Board approved a fixed-width riparian (streamside) buffer alternate plan template for small forest landowners. These no-cut zones are established next to fish-bearing streams when harvesting timber in Western Washington.

The alternate plan template gives landowners more clarity and reduces their application-related expenses but does not sacrifice habitat and clean water protections. Applying the conditions of a fixed-width riparian buffer template plan as part of a forest practices application replaces a more complex multi-step process that often required landowners to hire consultants. Now, the width of a zone can be based on a measure related to the riparian area's Forest Site Class (which indicates the growth rate of trees).

FLORIAN DESENHOFER / DNR

Snowfall on a clumped retention of Douglas-fir and western hemlock in a variable retention harvest unit on DNR-managed trust land in Clark County.



Preserving Washington's Heritage and...

STRATEGIC PLAN | GOAL III

Preserve forest cover and protect working forests from conversion

Ink Blot is State's Newest Natural Area Preserve

DNR completed a purchase of 153 acres from a private seller.

The site, near Shelton in Mason County, includes one of the largest and least

disturbed freshwater wetland-bog habitats of its type. The state Recreation and Conservation Office provided \$1.06 million in funding through the Washington Wildlife and Recreation Program.



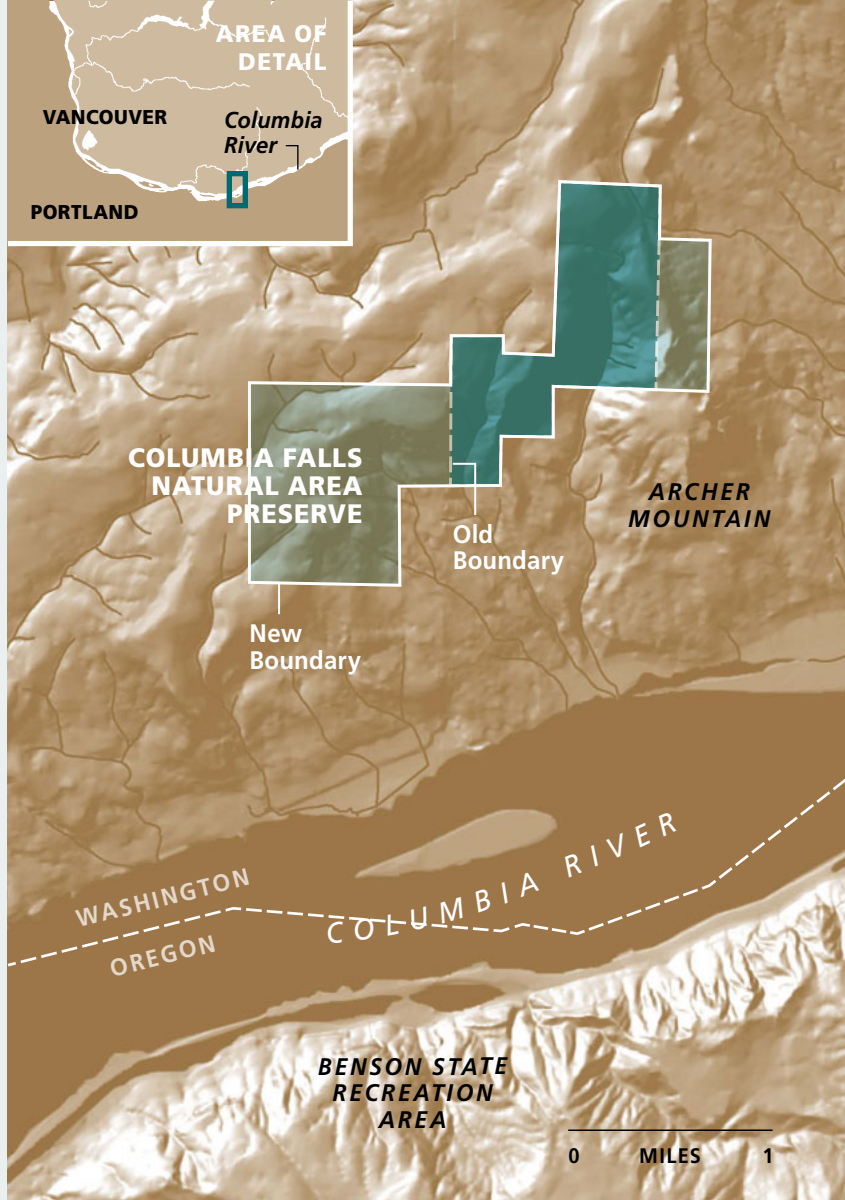
Mount Si Natural Resources Conservation Area Acquisition

In April, DNR announced the purchase of two high-elevation, scenic-view properties in the heart of Mount Si Natural Resources Conservation Area. The purchases on Mount Teneriffe, from willing sellers, add to the 14,885-acre landscape. The acquisitions allow DNR to decommission 5 miles of road and reduce the chances of future habitat damage. For generations there will be an unbroken expanse of forestland and mountain area reserved for environmental education and recreation, such as hiking—all within an hour of downtown Seattle.

The land acquisitions were funded by Washington Wildlife and Recreation Program grants awarded to DNR by the state Recreation and Conservation Office.

Columbia Falls Expansion

▼ The addition of 680 acres to Columbia Falls Natural Area Preserve in Skamania County in 2010 was made possible by the legislatively funded Trust Land Transfer (TLT) Program. DNR transfers Common School properties with low income potential to other public ownership for habitat, open space or recreation. The TLT program reimburses the trust based on the transferred property's appraisal value—proceeds go to school construction and trust land replacement.



MAP BY JASON GOLDSTEIN AND LUIS PRADO / DNR. NUTTHATCH BIRD: DORI. NORTHWESTERN SALAMANDER: GARY MAEIS / CALIFORNIAHERPS.COM

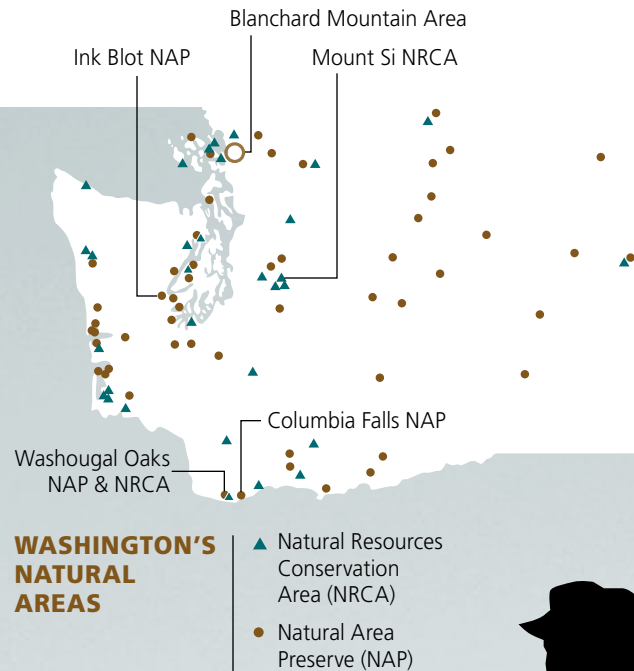
...Protecting Working Forests

Blanchard Mountain

In February 2010, Commissioner of Public Lands Peter Goldmark signed an order directing DNR to create the Blanchard Mountain Natural Resources Conservation Area (NRCA). Although the order does not define the official boundary, it is the next step in an approach that builds on the “Blanchard Strategy” recommendations formulated by a group of Skagit County citizens with diverse interests in Blanchard. This solution will preserve this dramatic open space with public access, retain working forests, and help contain urban sprawl. DNR will manage the 1,600 acre mountain-top NRCA and the 3,200 acres of forested state trust lands that will continue to provide revenue for the trust

beneficiaries, including Skagit County and junior taxing districts, such as local school districts.

Another important step came in June when an appeals court upheld the key management strategies of the Blanchard Strategies Group. With minor changes, DNR had adopted the recommendations and will implement them, including purchasing other working forests to replace the land that will become part of the new NRCA. The strategies mesh well with Skagit County’s efforts to promote recreation and land preservation that does not conflict with significant long-term commercial natural resources production.



WASHINGTON'S NATURAL AREAS

Trust lands best suited for conservation are transferred to conservation programs and replaced with equal valued lands

Opposite Page: The slender-billed, white-breasted nuthatch (*Sitta carolinensis*).

This candidate for state endangered species listing used to populate many lowlands of the Puget Sound region. Now, only a few isolated populations remain, including one in the oak woodlands at Washougal Oaks Natural Area Preserve in Clark County.



Access to Outdoor Activities

Recreation planning, public involvement and volunteers help keep public lands accessible and safe



● REITER FOOTHILLS

● AHTANUM

YACOLT

Recreation Planning on State Trust Lands

DNR works with citizens and recreation user groups to develop comprehensive recreation plans that guide sustainable development of trails and facilities on the trust lands. The plans help ensure that recreation on state trust lands is safe, enjoyable, and compatible with DNR's trust obligations.

Western Yacolt Burn Forest

The recreation plan for the western portion of Yacolt Burn State Forest was completed in August in 2010. DNR staff and volunteers continue to identify options for a proposed mountain bike trail system and for motorized trails. Staff and volunteers are locating locations where trails can cross streams.

Ahtanum State Forest

In late 2010, DNR submitted construction plans to Yakima County for permitting a new trailhead. The trailhead, just west of the existing guard station in Ahtanum State Forest, will provide parking for approximately 66 standard

vehicles, or 33 truck-and-trailer vehicles. Construction is scheduled to begin in spring 2011.

Reiter Foothills Forest

In April, DNR formally adopted the Reiter Foothills Forest Recreation Plan. The plan identified two areas in the forest for new motorized and non-motorized recreation trail systems.

During the winter and spring of 2010, volunteers joined DNR staff in weekend work parties (see below) to restore forest areas that had been heavily impacted by user-built trails. A major accomplishment was to stabilize damaged areas and prevent sediment from flowing into streams.

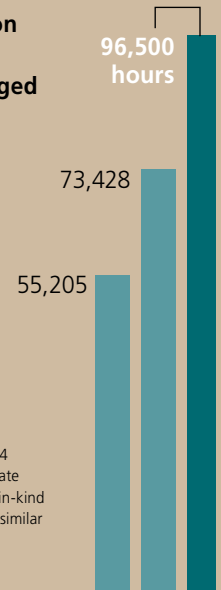
As the year came to a close, DNR submitted its proposed plan for a new motorized trail system for public comment through the State Environmental Policy Act (SEPA) review process.

PHIL WOLFF / DNR



VOLUNTEERS CONTRIBUTE TIME

Volunteers provided \$1.35 million of labor on DNR-managed lands in 2010*



*Based on the \$14 hourly rate the state uses to calculate in-kind grant matches in similar projects.

'08 '09 '10

New Approaches to Safety and Compliance

Surface Mine Reclamation



DNR issues surface mine reclamation permits under the authority of

the state's Surface Mining Act. In all, DNR regulates approximately 1,100 surface mines (above) in the state. DNR's Surface Mining Reclamation Program creates photographic inspection reports using aerial photographs of sites taken by a private contractor.



Using the aerial photos and GIS data, DNR inspectors can more easily spot when operators mine outside of the permitted area or make other deviations from the reclamation plan. The result is more sites documented at a lower cost than relying on on-the-ground inspections solely.

Successful surface mine reclamations are critical to reestablishing the vegetative cover, soil stability, and water conditions present before the mining began. Reclaimed mining sites can be places for fish and wildlife, grazing, forestry, wetlands, and commercial and industrial uses.



Aerial photography and GIS data allow DNR inspectors to detect and confirm when surface mine operators deviate from reclamation plans. This surface mine, one of the 1,100 DNR regulates, was in compliance with its reclamation plan.



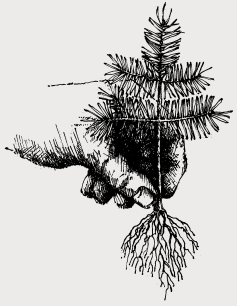
DEIRDRE CLARKE / DNR

School Earthquake Safety

DNR geologists completed field testing this summer for the School Seismic Safety Pilot Project, which will assess the seismic vulnerability of schools in the Walla Walla and Aberdeen districts. Geologists use computer hazard software to simulate earthquakes for school sites and estimate how much damage buildings might sustain at different levels of ground shaking. The pilot project could lead to assessing all Washington public school buildings to determine their seismic "risk." The project is funded by the Washington State Emergency Management Division with a grant from Federal Emergency Management Agency.

Above: DNR geophysicist Recep Cakir uses a sledgehammer to create vibration so that sensitive geophones can assess soil layers beneath an elementary school.

Sustaining and Restoring Trust Lands



Webster Forest Nursery

Each year, millions of tree seedlings are planted across the state in forest areas that have been harvested.

For state trust lands, DNR replants seedlings that are best adapted to each site. DNR foresters provide the Webster Forest Nursery with seedling orders for areas planned for timber harvests up to two years in advance. Using its seed zone data, Webster Nursery grows seedlings—8 to 10 million a year—that will be just right for each forest stand. In FY 2010, DNR—mainly through private contractors—planted millions

of these seedlings on 15,375 acres of forested trust lands, helping to sustain trust forests long into the future.

DNR's careful matching of species to planting destinations helps maintain locally adapted gene pools and grow forests more resilient to climate change and pests. Replanting, weed control, thinning and other silvicultural prescriptions help improve the overall health, vigor, and growth of trust forests. The result is that DNR grows valuable trees for revenue to build public schools, universities

and other state institutions, while also growing wildlife habitat that supports the variety of plants and animals on Washington's forestlands.

The Trust Lands Habitat Conservation Plan (HCP) guides silvicultural treatments around sensitive areas such as streams, wetlands, and uncommon habitat types such as talus slopes, rocky 'balds' and caves. The HCP also specifies that live trees, fallen logs and standing dead trees be left for wildlife to use as the stand matures.



By spraying water to coat fragile seedlings during a deep freeze, **DNR's Webster Forest Nursery staff saved millions of dollars** worth of inventory last November. The nursery's seedlings are used to replant state trust forestland with appropriate tree species after timber harvests. (The water released enough heat as it froze to keep seedlings warmer than the 13-degree F. air temperatures.)



FIELD PHOTO: DORIAN SMITH / DNR. FROZEN SEEDLINGS: JOHN TROBAUGH / DNR

Fiscal and Timber Management Data

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- ▶ These pages account for the revenues DNR generated, collected and expended during Fiscal Year 2010 (July 1, 2009 – June 30, 2010).
- ▶ Most revenues DNR generated are from activities on upland state trust lands and aquatic lands. (See related stories, pages 4 to 16). Distribution of revenue is governed by statute and varies according to trust and revenue source.
- ▶ DNR manages 2.1 million acres of forestlands that generate revenue for state trusts, mostly from timber sales. On pages 44 to 47, DNR provides data on timber management activities on forested state trust lands, as required by RCW 79.10.010(3).
- ▶ Fiscal information is presented as a combination of tables, pie charts and notes. The notes provide context for the tables.
- ▶ Underlined bold numbers are totals or subtotals.
- ▶ Some pages show dollars in thousands. Totals may not add due to rounding.
- ▶ There is no individual page for the Community College Forest Reserve Trust. See Fund Activity (page 21).
- ▶ These pages include data for federally granted trust lands and for legislatively established trust lands, including State Forest Lands (formerly known as Forest Board lands). Trusts are listed individually.
- ▶ Counties that contain State Forest Lands, but are not listed for an activity, did not have that activity during Fiscal Year 2010.

Total Revenue

REVENUE BY SOURCE ¹	FY 2010	FY 2009
Source	Total Funds	Total Funds
Sales		
Timber sale removals	\$203,390	\$145,387
Timber sales-related activities	3,820	616
Forest road assessments	16,534	12,186
Nursery seedling sales	2,766	3,071
Miscellaneous	3,027	416
	\$229,537	\$161,675
Leases		
Agriculture	\$12,266	\$14,419
Aquatic	29,622	20,166
Commercial real estate	10,000	9,428
Mineral and hydrocarbon	2,078	1,974
Communication sites	4,051	3,676
Rights-of-way	1,017	763
Miscellaneous	2,392	1,816
	\$61,426	\$52,242
Other Revenue		
Interest income	\$1,342	\$3,278
Fire assessments and cost reimbursement	10,860	11,412
Grants and contributions	22,695	16,107
Permits, fees and related charges	2,835	2,902
Miscellaneous	1,670	3,309
	\$39,401	\$37,009
Total Revenue from Operations	\$330,364	\$250,926
Other Activity		
Land transfers ³	\$7,412	\$70,031
Land bank ^{4, 16}	15	(382)
	\$7,427	\$69,650
Total Revenue		
Total	\$337,791	\$320,575

Amounts are reported in thousands of dollars.

PHOTO: DORIAN SMITH / DNR



▲ **Bill Latunen** is manager of PLS Poleyard in Rochester. The company specializes in logs used for utility poles. For land managers like DNR, logs suitable for poles bring a higher price than those to be milled into dimensional lumber, such as 2X4s. In recent years, as many as half of these higher-value trees sold in Washington were harvested from state trust lands. DNR provides a needed source of suitable trees for the pole industry, returning an additional \$10 million or more annually for state trusts.

ABOUT THIS PAGE

● DNR's expenditures reflect the Department's diverse work. Land Management activities, funded by trust land revenue, are investments in the long-term benefits and productivity of the resources. Other activities, funded by non-trust revenue sources, support regulatory, assistance and resource protection programs, as well as agency operations.

Capital expenditures include land acquisitions on behalf of state trusts and Natural Areas.

Revenues are shown for two years for comparison. Differences between the years reflect changes in market conditions, legal requirements, availability of resources, and other factors.

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

Total Expenditures

EXPENDITURES BY PROGRAM ²	FY 2010	FY 2009
Operating		
Agricultural resources	\$1,528	\$1,555
Asset management & protection	4,670	5,607
Product sales & leasing	29,759	37,354
Land management	15,878	21,318
Aquatic resources	10,255	12,115
Law enforcement services	796	773
Administration	4,374	4,600
Interagency payments	10,996	9,805
Agency support	11,413	16,968
Geology & earth resources	2,266	3,198
Forest practices	14,534	15,545
Engineering services	14,463	14,771
Resource protection	18,633	17,903
Fire suppression	25,813	30,189
Total Operating Expenditures	\$165,378	\$191,699
Capital		
Recreation	\$472	\$1,923
Aquatic resource projects	141	4,490
Real estate and property acquisition	28,786	100,428
Facilities	212	1,060
Small timber landowner program	0	7,747
Miscellaneous	468	1,459
Total Capital Expenditures	\$30,079	\$117,108
Total Expenditure		
Total	\$195,457	\$308,807

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

Amounts are reported in thousands of dollars.

PHOTO: BOB REDLING / DNR



▲ **Randy Wenman**, of Hoquiam, studies land surveying and geomatics technology at South Puget Sound Community College in Olympia. Wenman and fellow students make frequent use of the many land surveying materials DNR makes available through its Public Land Survey Office. The Office's online databases, manuals, guides, historical records and computer tools are also widely used by professional land surveyors, land title companies, and government agencies. DNR is Washington State's official agency for survey records and maps.

ABOUT THIS PAGE

● Expenditures are shown for two years for comparison. Differences between the years reflect changes in the programs, legal requirements, salaries and benefits, inflation, and other factors.

DNR-Administered Funds

Fund Title	Beginning Balance 7/1/09	Revenue	Expenditure	Ending Balance 6/30/10
Trust Management Accounts *				
Forest development (FDA)	\$13,095	\$25,935	\$(19,458)	\$19,572
Resources management (RMCA) **	35,424	48,574	(42,522)	41,477
Agricultural college (ACTMA)	464	1,357	(775)	1,047
	\$48,983	\$75,866	\$(62,754)	\$62,095
Other DNR-Administered Funds				
Access road revolving	\$4,731	\$16,560	\$(12,295)	\$8,996
Aquatic lands dredged material	744	197	(210)	732
Aquatic lands enhancement ⁷	n/a	16,832	(3,147)	n/a
Conservation areas stewardship	270	12	(1)	281
Contract harvesting revolving	872	25,615	(12,419)	14,067
Derelict vessel removal ⁸	n/a	15	(1,057)	n/a
Forest and fish support ⁹	n/a	513	(3,207)	n/a
Forest fire protection assessment	7,825	10,016	(9,916)	7,925
Geothermal ¹³	0	0	0	0
Landowner contingency forest fire	2,315	461	(173)	2,603
Off-road vehicle ⁶	n/a	2	(2,126)	n/a
Park land trust revolving	74	46	(72)	48
Real property replacement ³	21,518	5,643	(131)	27,031
School construction revolving ¹³	51	1	(12)	40
Special. forest products outreach & educ. ¹³	0	0	0	0
State forest nursery revolving	746	2,773	(2,508)	1,011
Surface mining reclamation	883	1,648	(1,650)	881
Surveys and maps	1,212	803	(1,028)	987
	\$41,242	\$81,136	\$(49,951)	\$64,601
Total DNR-Administered Funds ¹³	\$90,224	\$157,003	\$(112,705)	\$126,696

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

Amounts are reported in thousands of dollars.

ABOUT THIS PAGE

● DNR's fiscal activity includes generating revenue for a variety of funds and accounts, some of which benefit state trust beneficiaries and some of which fund state programs, including DNR's own. DNR's fiscal activity also includes expenditures supporting its work.

Some of the accounts that receive revenue from DNR or that fund DNR's expenditures are managed by DNR; others are managed by other agencies.

N/A = not applicable

* These accounts fund DNR's management of state trust lands. Revenue may be carried over from year to year. As a result, any given year's expenditures do not necessarily correlate to that year's revenue. See pages 22, 24, 32, 24, and 36 for more detailed accounting. FDA and RMCA are funded through revenue generated from the lands whose management they support. ACTMA is not funded through such revenue, but instead, through a legislative appropriation from the State General Fund.

** The RMCA trust balance includes \$20,795,487 dedicated by law (RCW 79.19) to land bank purchases of lands that replace previously sold trust lands.

Funds Administered by Other Entities

Fund Title	Revenue	Expenditure	Net Fiscal Activity
Trust Current Funds ¹²			
Common school construction	\$50,212	\$0	\$50,212
Community college forest reserve *	0	0	0
WSU bond retirement ¹⁸	1,244	0	1,244
UW bond retirement	1,811	0	1,811
CEP&RI	5,646	0	5,646
EWU capital projects	16	0	16
CWU capital projects	16	0	16
WWU capital projects	16	0	16
TESC capital projects	16	0	16
Capitol building construction	8,700	0	8,700
Forest board counties	67,883	0	67,883
	\$135,559	\$0	\$135,559
Trust Permanent Funds ¹²			
Agricultural college (WSU)	\$6,058	\$0	\$6,058
Normal school (EWU, CWU, WWU, TESC)	4,019	0	4,019
Common school (K-12)	537	0	537
Scientific (WSU)	5,108	0	5,108
State university (UW) ¹⁸	654	0	654
	\$16,376	\$0	\$16,376
Other Funds			
General fund	\$28,656	\$(70,151)	\$(41,495)
State building construction	7	(9,849)	(9,842)
Disaster response	0	(1,561)	(1,561)
Motor vehicle	3	0	3
Air pollution control	109	(167)	(58)
State toxics control	1	(603)	(602)
State wildlife	70	0	70
Developmental disabilities community trust	7	0	7
NOVA program	0	(421)	(421)
	\$28,853	\$(82,752)	\$(53,898)
Total other fiscal activity	\$180,789	\$(82,752)	\$98,037
Total all funds and activities ¹³	\$337,791	\$(195,457)	

Amounts are reported in thousands of dollars.

Totals may not add, due to rounding. See fiscal notes, pages 40-43.

ABOUT THIS PAGE

* All revenue for the Community College Reserve Trust was generated from leases. DNR expenditures from the fund were to purchase land for the trust.

Resource Management Cost Account (RMCA) Upland + Aquatic

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	EXPENDITURES	REVENUE
Source		
Fund balance (July 1, 2009)		\$35,424,054
RMCA Revenue		
Operating revenue	48,574,439	
Total revenue		48,574,439
Less Expenditures ²		
Agricultural resources	1,500,218	
Asset management & protection	823,432	
Product sales & leasing	8,821,664	
Land management	6,590,261	
Law enforcement	351,871	
Correctional camps	262,841	
Administration	867,056	
Interagency payments	4,196,797	
Agency support	3,150,810	
Aquatic resources	6,038,213	
Engineering services	1,461,598	
Total operating expenditures	34,064,761	
Total capital expenditures	8,457,052	
Total expenditures and other charges		42,521,814
RMCA Fund Balance (June 30, 2010)**		\$41,476,679

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

● The Resource Management Cost Account (RMCA) funds DNR's Land Management activities on state grant lands. DNR deposits a portion of the revenue it generates from these lands into the account, and the Legislature appropriates funds from the account to DNR for expenditures. The RMCA can be used only for Land Management expenses (e.g., reforestation, preparing timber sales, or managing aquatic leases) that support federally granted state lands.

**RMCA fund balance includes \$20,795,487 in upland trust reserved for land bank sell first purchases.

State Grant Lands | Upland + Aquatic

Source	REVENUE	DISTRIBUTION		
	Grand Total All Funds	Trust Current Funds	Trust Permanent Funds	Resource Management Cost Account ¹⁴
Sales				
Timber sales ^{10, 14, 18}	\$83,047,583	\$42,498,307	\$17,285,944	\$23,263,332
Timber sales related activities ¹	2,536,217	1,643,420	135,489	757,309
Trust land transfer program ³	2,233,000	2,233,000	0	0
Land sales (includes land bank) ^{4, 16}	15,000	0	0	15,000
	\$87,831,800	\$46,374,727	\$17,421,432	\$24,035,641
Leases				
Agriculture				
Dryland	\$3,612,126	\$2,254,191	\$295,356	\$1,062,578
Irrigated	7,941,794	5,302,951	280,375	2,358,469
Grazing and other	674,273	447,657	27,342	199,274
Aquatic lands	29,621,623	16,229,407	0	13,392,216
Special use	1,701,616	1,028,688	162,595	510,333
Commercial real estate	9,993,417	6,919,215	77,782	2,996,420
Mineral and hydrocarbon	1,846,311	1,066,835	79,963	699,512
Rights-of-way	923,939	223,126	394,695	306,118
Communication sites	2,633,079	1,315,361	546,068	771,650
Special forest products	212,763	125,988	22,962	63,812
	\$59,160,940	\$34,913,420	\$1,887,140	\$22,360,381
Other Revenue				
Interest income	\$981,057	\$166,836	\$18,425	\$795,797
Non-trust revenue ¹⁵	2,155,268	1,227	0	2,154,041
Operating transfer ^{1, 11}	(838,738)	3,048,712	(3,048,712)	(838,738)
Permits, fees and miscellaneous ¹	167,924	2,572	98,035	67,317
	\$2,465,512	\$3,219,347	\$(2,932,252)	\$2,178,417
Totals	\$149,458,252	\$84,507,493	\$16,376,320	\$48,574,439

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

State grant lands (upland and aquatic) were granted to Washington at statehood by the federal government. Each upland parcel is assigned to a specific state trust dedicated to financially supporting a specific beneficiary (e.g., the Common School Trust supports construction of K-12 schools).

The aquatic lands are designated as a public trust to benefit the public as a whole. Income from state grant lands is divided among trust beneficiary accounts and the RMCA, which DNR uses to manage the lands.

Resource Management Cost Account (RMCA) Upland

Source	Granted Trusts	Land Bank*	Total Uplands
Trust balance (July 1, 2009)	\$805,617	\$28,405,132	\$29,210,749
Upland Revenue			
Total Revenue	33,293,073	478,354	33,771,427
Less: Expenditures ²			
Agricultural resources	1,500,218	0	1,500,218
Asset management & protection	823,432	0	823,432
Product sales & leasing	8,821,664	0	8,821,664
Land management	6,590,261	0	6,590,261
Law enforcement	351,871	0	351,871
Correctional camps	262,841	0	262,841
Administration	672,447	0	672,447
Interagency payments	2,843,337	0	2,843,337
Agency support	2,201,832	0	2,201,832
Engineering services	1,461,598	0	1,461,598
Total operating expenditures	25,529,501	0	25,529,501
Total capital expenditures	304,844	8,088,000	8,392,844
Total expenditures	25,834,345	8,088,000	33,922,345
Trust balance (June 30, 2010)	\$8,264,340	\$20,795,487	\$29,059,827

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

PHOTO: DORIAN SMITH / DNR



▲ **Carl Denton**, president of the Yakima Ski Benders club, exemplifies the commitment of DNR volunteers. When budget cuts made it likely that DNR would suspend winter recreation at five Sno-Parks in eastern Washington, Denton rallied his fellow snowmobilers and the local Yakima business community to donate enough money (\$25,000) to keep the Sno-Parks open for the 2009-2010 winter season.

Denton also volunteers for DNR's forest watch program at Ahtanum State Forest.

ABOUT THIS PAGE

● This portion of the RMCA supports the management of upland state grant lands, each of which supports a specific, designated beneficiary.

* Land bank revenue is dedicated by law (RCW 79.19) to purchases of lands that replace previously sold trust lands.

General Distribution of Revenue from Upland State Grant Lands*

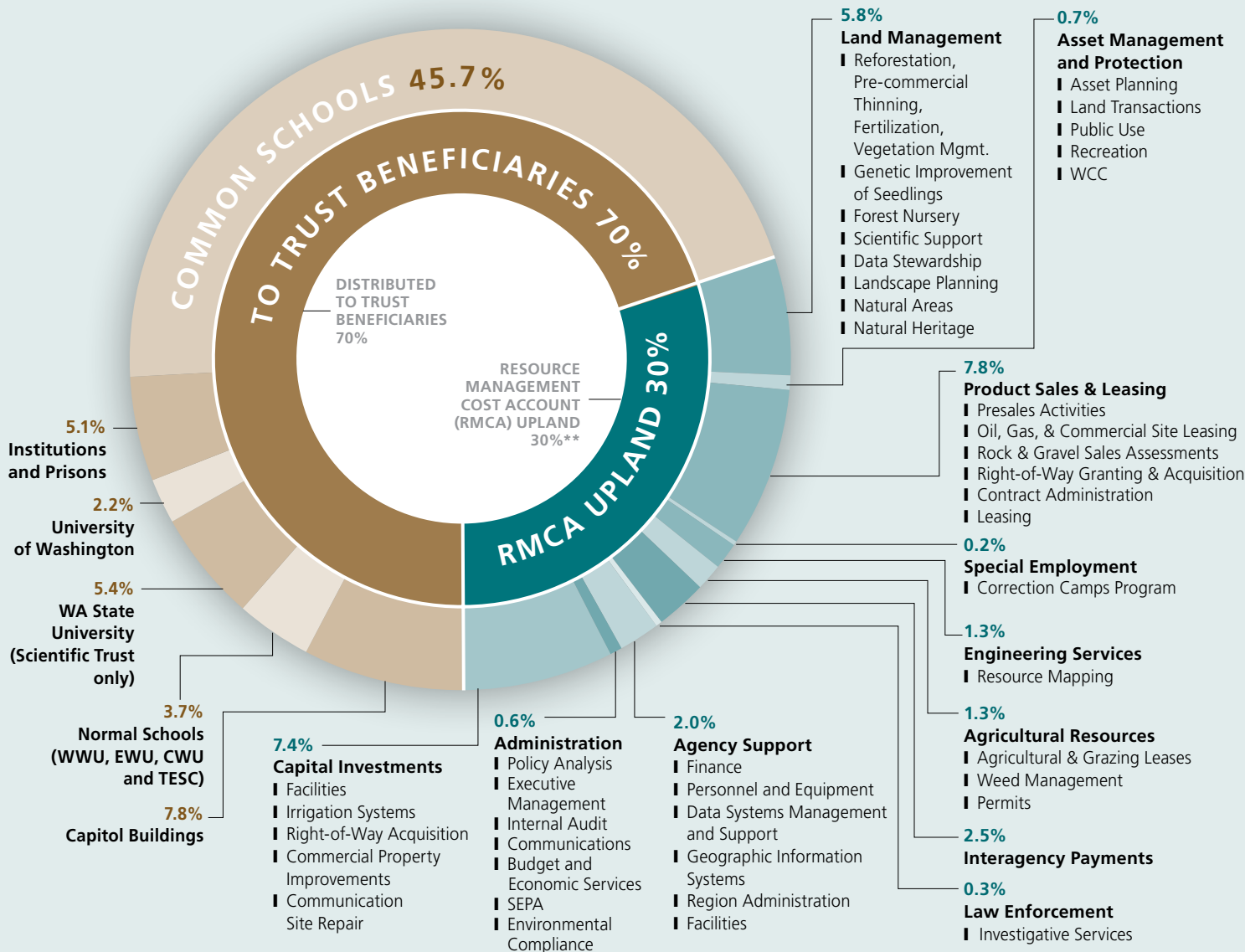
ABOUT THIS PAGE

Generally, by law, each beneficiary of the granted land trusts receives 70 percent of the revenue earned from its lands, and the remaining 30 percent goes to the RMCA to fund DNR's management of the lands. This chart shows the combined distribution in Fiscal Year 2010, with each trust beneficiary's share proportional to its share of the total revenue earned, and with the RMCA share divided among DNR's expenditures from the account for upland management activities.

Expenditures are appropriated by the legislature and are ongoing investments to keep the lands productive and to generate future income for the trusts.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing. This chart does not include revenue from the Agricultural School trust lands, because 100 percent of revenue from those lands is distributed to the trust.

** Per Board of Natural Resources Resolution No. 1321, the deduction of revenues from granted lands will be 30 percent from July 1, 2009, through June 30, 2011.



Common School, Indemnity and Escheat Grants

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Source	REVENUE	DISTRIBUTION		
	Total Funds	Common School Construction	Common School Permanent	Resource Management Cost Account ¹⁴
Sales				
Timber sales ^{10, 14}	\$42,461,276	\$29,807,402	\$0	\$12,653,874
Timber sales-related activities ^{1, 16}	736,571	514,456	0	222,115
Trust land transfer program ³	2,233,000	2,233,000	0	0
Land sales (includes land bank) ^{4, 16}	15,000	0	0	15,000
	\$45,445,847	\$32,554,858	\$0	\$12,890,989
Leases				
Agriculture				
Dryland	\$2,955,967	\$2,069,176	\$0	\$886,790
Irrigated	7,542,461	5,279,723	0	2,262,739
Grazing and other	621,280	434,858	0	186,423
Aquatic lands	0	0	0	0
Special use	1,431,102	1,001,771	0	429,331
Commercial real estate	9,871,611	6,910,128	0	2,961,484
Mineral and hydrocarbon	627,652	377,787	61,569	188,296
Rights-of-way	579,189	28,157	377,275	173,757
Communication sites	1,864,985	1,289,183	0	575,802
Special forest products	105,336	73,081	0	32,255
	\$25,599,583	\$17,463,864	\$438,844	\$7,696,875
Other Revenue				
Interest income ¹⁶	\$723,229	\$192,992	\$62	\$530,175
Non-trust revenue ¹⁵	974,261	0	0	974,261
Operating transfer ¹	(22,542)	0	0	(22,542)
Permits, fees and miscellaneous ¹	127,932	0	98,035	29,897
	\$1,802,880	\$192,992	\$98,097	\$1,511,791
Totals	\$72,848,311	\$50,211,714	\$536,941	\$22,099,655

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS FUND

Income from these state grant lands and escheat lands (those with no known heirs) supports construction of state public kindergarten through 12th grade schools.

The beneficiary's share of income is distributed to the Common School Construction Account and the Common School Permanent Account, which generates perpetual interest for the support of school construction. This distribution varies by activity and is governed by law.

University Grants Original and Transferred (UW)

Source	REVENUE	DISTRIBUTION		
	Total Funds	UW Retirement Bond	State (UW) University Permanent	Resource Management Cost Account ¹⁴
Sales				
Timber sales ¹⁸	\$3,654,602	\$0	\$2,144,228	\$1,510,374
Timber sales-related activities ¹	125,592	0	87,777	37,815
Land sales (includes land bank) ^{4, 16}	0	0	0	0
	\$3,780,194	\$0	\$2,232,005	\$1,548,189
Leases				
Agriculture				
Dryland	\$182,115	\$0	\$127,481	\$54,635
Irrigated	0	0	0	0
Grazing and other	22,961	0	16,072	6,888
Aquatic lands	0	0	0	0
Special use	2,959	0	2,071	888
Commercial real estate	103,472	0	72,430	31,042
Mineral and hydrocarbon	399	0	279	120
Rights-of-way	9,246	0	6,472	2,774
Communication sites	0	0	0	0
Special forest products	9,250	0	6,475	2,775
	\$330,401	\$0	\$231,281	\$99,120
Other Revenue				
Interest income	\$8,048	\$1,221	\$798	\$6,029
Non-trust revenue ¹⁵	40,878	0	0	40,878
Operating transfer ^{1, 11}	(780,112)	1,810,169	(1,810,169)	(780,112)
Permits, fees and miscellaneous ¹	(718)	0	0	(718)
	\$(731,904)	\$1,811,390	\$(1,809,371)	\$(733,923)
Totals	\$3,378,691	\$1,811,390	\$653,915	\$913,387

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of buildings for the University of Washington. Some of these lands were acquired at the time of statehood, and some lands were transferred to this trust from the CEP&RI trust by the legislature in 1893.

The beneficiary's share of income is distributed to the University Permanent and UW Bond Retirement accounts. This distribution varies by activity and is governed by law.

Charitable, Educational, Penal and Reformatory Institutions Grant (CEP&RI)

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Source	REVENUE	DISTRIBUTION	
	Total Funds	CEP & RI Account	Resource Management Cost Account ¹⁴
Sales			
Timber sales	\$5,626,089	\$3,956,731	\$1,669,358
Timber sales-related activities ¹	1,559,225	1,091,458	467,767
Land sales (includes land bank)	0	0	0
	\$7,185,314	\$5,048,189	\$2,137,126
Leases			
Agriculture			
Dryland	\$181,741	\$127,219	\$54,522
Irrigated	3,248	2,274	974
Grazing and other	9,726	6,808	2,918
Aquatic lands	0	0	0
Special use	3,584	2,509	1,075
Commercial real estate	11,150	7,805	3,345
Mineral and hydrocarbon	437,360	306,152	131,208
Rights-of-way	10,274	7,192	3,082
Communication sites	190,198	132,010	58,189
Special forest products	27,825	19,478	8,348
	\$875,108	\$611,447	\$263,662
Other Revenue			
Interest income	\$(6,492)	\$(14,049)	\$7,558
Non-trust revenue ¹⁵	112,889	0	112,889
Operating transfer	0	0	0
Permits, fees and miscellaneous ¹	415	0	415
	\$106,813	\$(14,049)	\$120,862
Totals	\$8,167,235	\$5,645,586	\$2,521,649

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands is used to establish and maintain institutions managed by the Department of Corrections (such as prisons) and the Department of Social and Health Services (such as Western State Hospital).

The beneficiary's share of income is distributed to the CEP&RI Account.

Capitol Building Grant

Source	REVENUE	DISTRIBUTION	
	Total Funds	Capitol Building Construction	Resource Management Cost Account ¹⁴
Sales			
Timber sales	\$12,432,724	\$8,734,174	\$3,698,550
Timber sales-related activities ¹	54,319	37,506	16,813
Land sales (includes land bank)	0	0	0
	\$12,487,043	\$8,771,680	\$3,715,363
Leases			
Agriculture			
Dryland	\$51,204	\$35,843	\$15,361
Irrigated	0	0	0
Grazing and other	3,347	2,343	1,004
Aquatic lands	0	0	0
Special use	22,700	15,890	6,810
Commercial real estate	1,832	1,282	549
Mineral and hydrocarbon	8,225	5,757	2,468
Rights-of-way	19,708	13,796	5,913
Communication sites ¹⁶	(148,507)	(105,832)	(42,676)
Special forest products	41,649	29,562	12,087
	\$159	\$(1,358)	\$1,517
Other Revenue			
Interest income ¹⁶	\$(78,572)	\$(70,258)	\$(8,314)
Non-trust revenue ¹⁵	173,345	0	173,345
Operating transfer ¹	(8,594)	0	(8,594)
Permits, fees and miscellaneous ^{1, 16}	(804)	0	(804)
	\$85,374	\$(70,258)	\$155,632
Totals	\$12,572,576	\$8,700,064	\$3,872,512

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of state government office buildings at the Capitol Campus in Olympia.

The beneficiary's share of income is distributed to the Capitol Building Construction Account.

Normal School Grant (EWU, CWU, WWU and TESC)

Source	REVENUE	DISTRIBUTION		
	Total Funds	EWU, CWU, WWU, TESC Capital Projects	Normal School Permanent	Resource Management Cost Account ¹⁴
Sales				
Timber sales ^{10, 14}	\$5,547,406	\$0	\$3,988,813	\$1,558,593
Timber sales-related activities ¹	40,395	0	28,014	12,381
Land sales (includes land bank) ⁴	0	0	0	0
	\$5,587,801	\$0	\$4,016,827	\$1,570,974
Leases				
Agriculture				
Dryland	\$31,362	\$21,953	\$0	\$9,409
Irrigated	29,935	20,955	0	8,981
Grazing and other	5,211	3,648	0	1,563
Aquatic lands	0	0	0	0
Special use	12,167	8,517	0	3,650
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	3,087	1,542	620	926
Rights-of-way	2,191	0	1,534	657
Communication sites	0	0	0	0
Special forest products	5,525	3,868	0	1,657
	\$89,479	\$60,482	\$2,153	\$26,844
Other Revenue				
Interest income ¹⁶	\$11,383	\$1,732	\$0	\$9,651
Non-trust revenue ¹⁵	74,059	0	0	74,059
Operating transfer ¹	(27,490)	0	0	(27,490)
Permits, fees and miscellaneous ¹	300	0	0	300
	\$58,252	\$1,732	\$0	\$56,520
Totals	\$5,735,532	\$62,214	\$4,018,980	\$1,654,338

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction at Eastern Washington University, Central Washington University and Western Washington University (regional universities). These three universities were originally called 'normal schools.' The Evergreen State College (TESC) was added to this trust by the legislature to begin receiving revenue after July 1, 1995.

The beneficiary's share of income is distributed to the Normal School Permanent Account and capital project accounts for each university. This distribution varies by activity and is governed by law.

Scientific School Grant (WSU)

Source	REVENUE	DISTRIBUTION		
	Total Funds	WSU Bond Retirement	Scientific Permanent	Resource Management Cost Account ¹⁴
Sales				
Timber sales	\$7,288,549	\$0	\$5,115,967	\$2,172,583
Timber sales-related activities ¹	1,310	0	893	417
Land sales (includes land bank)	0	0	0	0
	\$7,289,859	\$0	\$5,116,859	\$2,173,000
Leases				
Agriculture				
Dryland	\$139,537	\$0	\$97,676	\$41,861
Irrigated	285,917	0	200,142	85,775
Grazing and other	1,592	0	1,114	478
Aquatic lands	0	0	0	0
Special use	228,603	0	160,024	68,579
Commercial real estate	0	0	0	0
Mineral and hydrocarbon	12,889	0	9,022	3,867
Rights-of-way	7,818	0	5,472	2,345
Communication sites	601,117	0	420,782	180,335
Special forest products	22,299	0	15,609	6,690
	\$1,299,773	\$0	\$909,842	\$389,930
Other Revenue				
Interest income	\$43,689	\$3,766	\$16,750	\$23,173
Non-trust revenue ¹⁵	121,303	0	0	121,303
Operating transfer ¹¹	0	935,239	(935,239)	0
Permits, fees and miscellaneous ¹	2,482	0	0	2,482
	\$167,474	\$939,005	\$(918,489)	\$146,958
Totals	\$8,757,106	\$939,005	\$5,108,213	\$2,709,888

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of buildings at Washington State University. The beneficiary's share of income is distributed to the Scientific School Permanent and the WSU Bond Retirement accounts. This distribution varies by activity and is governed by law.

Agricultural College Trust Management Account (ACTMA)

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	EXPENDITURES	REVENUE
Source		
Trust Balance (July 1, 2009)		\$463,921
Revenue		
Operating revenue *		2,258
Interfund transfer from general fund		1,355,000
Total Revenue		1,357,258
Less Expenditures ²		
Agricultural resources	27,909	
Asset management & protection	38,265	
Product sales & leasing	308,117	
Land management	179,956	
Correctional camps	13,845	
Administration	15,586	
Interagency payments	76,044	
Agency support	59,072	
Engineering services	55,732	
Total operating expenditures	774,526	
Total capital expenditures	0	
Total expenditures and other charges	774,526	
ACTMA Fund Balance (June 30, 2010)		\$1,046,654

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

● This account funds DNR's management of the Agricultural College trust lands. The ACTMA is funded through an appropriation from the state General Fund. (As of July 1, 1999, Agricultural College trust lands do not contribute to the RMCA, which supports DNR's management of other state grant lands.)

*Includes treasurer's interest. See accompanying notes on pages 40-43.

Agricultural School Grant (WSU)

Source	REVENUE	DISTRIBUTION	
	Total Funds	WSU Bond Retirement	Agricultural College Permanent
Sales			
Timber sales	\$6,036,936	\$0	\$6,036,936
Timber sales-related activities ¹	18,805	0	18,805
Asset transfer/loan repayment	0	0	0
Land sales (includes land bank)	0	0	0
	\$6,055,742	\$0	\$6,055,742
Leases			
Agriculture			
Dryland	\$70,200	\$0	\$70,200
Irrigated	80,233	0	80,233
Grazing and other	10,155	0	10,155
Aquatic lands	0	0	0
Special use	500	0	500
Commercial real estate	5,352	0	5,352
Mineral and hydrocarbon	8,473	0	8,473
Rights-of-way	3,942	0	3,942
Communication sites	125,285	0	125,285
Special forest products	878	0	878
	\$305,019	\$0	\$305,019
Other Revenue			
Interest income	\$2,754	\$1,940	\$814
Non-trust revenue	0	0	0
Operating transfer ¹¹	0	303,303	(303,303)
Permits, fees and miscellaneous ¹	0	0	0
	\$2,754	\$305,243	\$(302,490)
Totals	\$6,363,514	\$305,243	\$6,058,270

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Income from these state grant lands supports construction of Washington State University's buildings. All revenue from these lands is income for the trust, and is divided between the Agricultural College Permanent Account and the WSU Bond Retirement Account. This distribution varies by activity and is governed by law.

Aquatic Resources

Source	REVENUE	DISTRIBUTION	
	Total Funds	Aquatic Lands Enhancement	Resource Management Cost Account
Aquatic Resources Activities			
Leases	\$29,621,623	\$16,229,407	\$13,392,216
Mineral and hydrocarbon	748,225	375,597	372,628
Rights-of-way	291,571	173,981	117,590
Interest income ¹	277,019	49,493	227,526
Non-trust revenue ¹⁵	658,533	1,227	657,306
Miscellaneous ¹	38,317	2,572	35,745
Total Revenue	\$31,635,288	\$16,832,277	\$14,803,011

RMCA | AQUATIC

Source	EXPENDITURES	REVENUE
Trust Balance (July 1, 2009)		\$6,213,305
Aquatic Revenue		
Total Revenue		14,803,010
Less Expenditures ²		
Aquatic resources	6,038,213	
Administration	194,609	
Interagency payments	1,353,461	
Agency support	948,977	
Total operating expenditures	8,535,260	
Total capital expenditures	64,208	
Total expenditures and other charges	8,599,468	
Trust balance (June 30, 2010)		\$12,416,847

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

IAN ADAMS / FOSS WATERWAY SEAPORT



▲ Several facilities of the **Foss Waterway Seaport**, a maritime education and recreation center in Tacoma, are located on state-owned aquatic lands leased by DNR. The facility provides the community a place to learn about Tacoma’s maritime heritage. In addition to a museum and public meeting space, the Foss Waterway Seaport provides educational events and views of Thea Foss Waterway. As part of its lease with DNR, the center also supplies vital public access to Puget Sound, including a waterfront esplanade and 1,200 lineal feet of moorage for public rental.

ABOUT THIS PAGE

● State-owned aquatic lands (tidelands, shorelands and beds of navigable waters) are a “public trust”— managed to benefit the public as a whole. Revenue from these granted state lands is divided between two accounts:

The RMCA-aquatic supports DNR’s management of state aquatic lands and resources, and the ALEA provides for the purchase, improvement and protection of aquatic lands, largely through grants to public entities. Distribution varies according to activity and land classification, and is governed by law.

General Distribution of Revenue from State-Owned Aquatic Lands*

ABOUT THIS PAGE

By law, revenue from state-owned Aquatic lands goes to the ALEA for aquatic resource enhancement and to the RMCA to fund DNR's management of state aquatic lands. Distribution differs for different types of aquatic land — see the small pie charts.

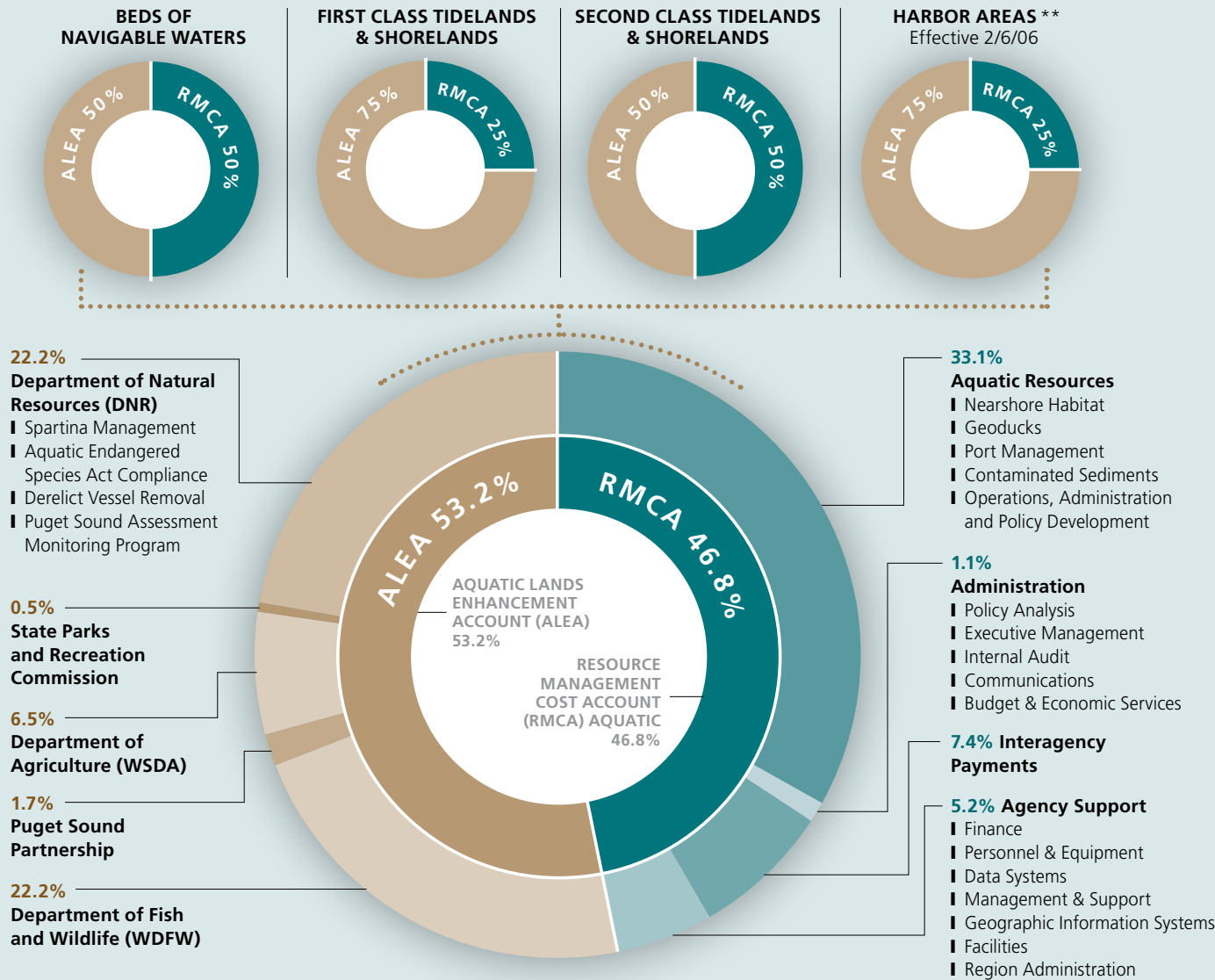
The large pie chart shows the combined total distribution, with the ALEA share divided among state agency expenditures from that account, and the RMCA share divided among DNR's expenditures from the RMCA. Expenditures are appropriated by the Legislature and are ongoing investments to keep the submerged lands productive.

* This chart is based on statewide averages. Detailed breakdown of DNR programs contains examples only, not a complete listing.

** The ALEA portion of revenue from harbor areas in fourth class towns is redistributed to those towns twice per year. See fiscal note #7, page 40.

Department of Health (DOH) and Recreation and Conservation Office (RCO) spent a very small amount of ALEA funds (see footnote 7, figure 2 on pages 40, 41), which represents less than 0.5 percent of total ALEA expenditures.

Totals may not add, due to rounding. See fiscal notes, pages 40-43.



Forest Development Account (FDA)

	EXPENDITURES	REVENUE
Source		
Trust Balance (July 1, 2009)		\$13,094,481
Revenue		
Operating revenue		25,934,727
Total revenue		25,934,727
Less Expenditures ²		
Agricultural resources	16	
Asset management & protection	419,403	
Product sales & leasing	7,689,888	
Land management	4,896,945	
Law enforcement	324,182	
Correctional camps	226,386	
Administration	488,234	
Interagency payments	2,063,242	
Agency support	1,913,489	
Engineering services	1,311,827	
Total operating expenditures	19,333,612	
Total capital expenditures	123,995	
Total expenditures and other charges	19,457,607	
FDA Fund Balance (June 30, 2010)		\$19,571,600

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

● The FDA funds DNR's land management activities on State Forest Lands (formerly known as Forest Board Lands) in 21 counties. DNR deposits a portion of the revenue it generates from these lands into the FDA, and the legislature appropriates funds from the account to DNR for expenditures. The FDA is used for trust land management expenses (e.g., reforestation, preparing timber sales) on State Forest Lands.

State Forest Lands formerly known as Forest Board Lands

Source	REVENUE	CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands
Sales			
Timber sales	\$95,348,296	\$80,528,067	\$14,820,229
Timber sales-related activities ¹	1,283,635	1,280,910	2,724
	\$96,631,931	\$81,808,978	\$14,822,953
Leases			
Agriculture/minor forest products	\$387,513	\$336,561	\$50,951
Commercial/special use	87,334	67,364	19,971
Mineral and hydrocarbon	133,010	133,010	0
Rights-of-way	87,558	87,198	360
Communication sites	1,412,565	973,114	439,451
	\$2,107,981	\$1,597,247	\$510,733
Other Revenue			
Interest income ^{1, 16}	\$6,441	\$(5,978)	\$12,419
Permits, fees and miscellaneous ¹	(4,360)	(4,360)	0
Treasurer's revenue	31,805	N/A	N/A
FDA non-trust revenue ¹⁵	18,589	N/A	N/A
	\$52,475	\$(10,338)	\$12,419
Totals	\$98,792,387	\$83,395,887	\$15,346,105

See Fiscal Notes, pages 40-43. Totals may not add, due to rounding.



▲ Daybreak Schools, Battle Ground.

(primary and middle), Revenues from DNR-managed State Forest Lands help support services, operations and construction in the Battle Ground School District. Between 2007 and 2010, more than \$8.3 million of DNR-generated forest resource money was distributed to Clark County agencies, including schools. More than \$3.7 million of those funds went into operations and other needs in the Battle Ground, Camas, Green Mountain, Hockinson school districts during fiscal years 2007 through 2010.

ABOUT THIS PAGE

Income from these lands is distributed to the counties in which the lands are located, the state General Fund for the support of common schools, and the Forest Development Account (FDA) for DNR's Land Management expenses on these lands. There are two categories of State Forest Lands (formerly known as Forest Board Lands): Purchase lands and Transfer lands.

Purchase lands were given to the state or purchased by the state at low cost. The FDA receives half the income from these lands. The other half is divided between the respective county and the state General Fund for the support of common schools.

N/A: Not applicable.

State Forest Lands continued

Recipient	REVENUE DISTRIBUTION		CONTRIBUTING LANDS	
	Total Funds	Transfer Lands	Purchase Lands	
County				
Clallam	\$4,151,320	\$4,151,320	\$0	
Clark	7,250,706	7,250,635	70	
Cowlitz	4,450,690	4,449,295	1,395	
Grays Harbor	2,324,967	4,965	2,320,002	
Jefferson	279,591	279,591	0	
King	1,991,766	1,991,766	0	
Kitsap	537,243	507,438	29,805	
Klickitat	840,300	840,300	0	
Lewis	6,431,184	6,106,937	324,247	
Mason	2,465,358	2,464,559	799	
Okanogan	21	21	0	
Pacific	3,327,140	2,794,859	532,281	
Pierce	583,739	583,739	0	
Skagit	5,910,110	5,910,110	0	
Skamania	761,681	754,951	6,730	
Snohomish	13,890,342	13,890,342	0	
Stevens	50,180	50,180	0	
Thurston	7,927,983	6,024,927	1,903,056	
Wahkiakum	1,405,495	1,405,495	0	
Whatcom	3,271,698	3,145,343	126,355	
Treasurer's revenue ¹⁷	31,805	N/A	N/A	
	\$67,883,318	\$62,606,774	\$5,244,739	
Forest Development Account				
Trust activity	\$25,911,744	\$20,790,975	\$5,120,769	
Permits, fees and miscellaneous ¹	4,394	(1,862)	6,256	
Treasurer's revenue	0	N/A	N/A	
FDA non-trust revenue ¹⁵	18,589	N/A	N/A	
	\$25,934,727	\$20,789,114	\$5,127,025	
General Fund - State	\$4,974,342	\$0	\$4,974,342	
Totals	\$98,792,387	\$83,395,887	\$15,346,105	

See fiscal notes, pages 40-43. Totals may not add, due to rounding.

ABOUT THIS PAGE

Transfer lands were forfeited to the counties in which they were located when the private landowners failed to pay property taxes, primarily in the 1920s and 1930s. The counties turned the lands over to the state. DNR now manages these lands and distributes at least 75 percent of the income to the counties and up to 25 percent of the income to the Forest Development Account (FDA).

Effective March 10, 2008, per Board of Natural Resources Resolution No. 1256, the distribution of revenue on State Forest Transfer lands was established at 75 percent to the county and 25 percent to the Forest Development Account (FDA).

N/A: not applicable.

Fiscal Notes

These numbered notes provide context and explanations for data in the tables on the fiscal pages that follow, where they are referred to by numerical superscript. A note may apply to more than one page. Although similar to notes in prior reports, these notes apply only to this report (FY 2010).

ACRONYMS

ACTMA	Agricultural College Trust Management Account
AFRS	Agency Financial Reporting System
ALEA	Aquatic Lands Enhancement Account
CEP&RI	Charitable, Educational, Penal and Reformatory Institutions Trust
COLA	Cost of Living Adjustment
CWU	Central Washington University
EWU	Eastern Washington University
FDA	Forest Development Account
FY10	Fiscal Year 2010 July 1, 2009 – June 30, 2010
K-12	Kindergarten to 12th grade schools
RMCA	Resource Management Cost Account
TESC	The Evergreen State College
UW	University of Washington
WSU	Washington State University
WWU	Western Washington University

1 | REVENUE SOURCES

Timber sales include non-trust activity for contract harvesting sales.

Timber sale-related activities include contract extensions, slash disposal, trespasses, and default settlement payments.

Miscellaneous sales include publications, GIS data, honor camp activities, and surveys and maps.

Miscellaneous leases include special use and special forest products.

Interest income includes interest on contracts, interest assessed for late payments, and interest earned from account (treasurer's interest).

Permits, fees and related charges include surface mining permits, log patrol licenses, aquatic lands dredged material disposal site fees, forest practices damage assessments and permits, survey records recording fees, application/assignment fees, burning permit fees, and local government assessments.

Miscellaneous revenue includes prior period adjustments, recoveries of prior biennium expenditures, treasurer transfers, as well as revenue from the Off-Road Vehicle and Natural Resources Conservation Areas Stewardship accounts.

Operating transfers include transfers attributed to prior period revenue.

2 | EXPENDITURE CATEGORIES

Administration includes Executive Management, Internal Audit, Communications, and Budget & Economics.

Interagency payments are payments made to other state agencies (the Attorney General, State Auditor, General Administration, Dept. of Personnel, Office of Financial Management, Dept. of Information Services, OMWBE, and Secretary of State) for services they provide to the department.

Agency support includes the following programs: Human Resources (personnel, safety, training), Financial Management (accounting, risk management, purchasing), Information Technology, Geographic Information Systems, Facilities, and Region Administration.

Total Expenditures for Fiscal Year 2010 do not include the interfund transfer (sub-object MB) from General Fund to the Agricultural College Trust Management Account in the amount of \$1,355,000 (see footnote #5).

3 | LAND TRANSFERS

Real Property Replacement: During Fiscal Year 2010 a total of \$5,179,478, an amount equivalent to the property value, was received from (1) transfers to other government entities, (2) resolution of trespass violations, or (3) transfers in lieu of condemnation. This money is used to acquire replacement trust lands.

Trust Land Transfer: During Fiscal Year 2010 a total of \$2,233,000 was distributed to the Common School Construction Account from the Trust Land Transfer Program.

4 | LAND BANK

DNR uses the Land Bank Program (RCW 79.19) to reposition trust land assets for better future income production. Through the Land Bank, state trust lands are first auctioned to private buyers. Proceeds of land sales made under this "sell first" process are held in the Resource Management Cost Account (RMCA) until they can be used to purchase replacement trust lands. This revenue from trust property sales should equal or exceed the cost of trust property purchases. However, during any one fiscal year, the transactions may not balance. (e.g., a property has been sold, but property to replace it has not yet been purchased.) Land Bank transactions are accounted for by trust within each of DNR's management funds.

Revenue from Fiscal Year 2010 sales, existing contracts and interest was \$478,354 to the RMCA. A total of \$20,795,487 in the RMCA is reserved to acquire property to replace trust property previously sold through the "sell first" process of the Land Bank Program.

5 | AGRICULTURAL COLLEGE TRUST MANAGEMENT ACCOUNT

Per RCW 79.64.090 the revenue on Agricultural College trust lands is distributed

100 percent to the Agricultural College Permanent Fund or WSU Bond Retirement Account. The management of the agricultural college trust lands is funded from the Agricultural College Trust Management Account. This account is dependent on legislative appropriation for funding. Currently the legislature appropriates the money for this purpose from General Fund under a proviso. For Fiscal Year 2010, the total interfund transfer from the General Fund was \$1,355,000.

6 | OFF-ROAD VEHICLE (ORV) ACCOUNT

This fund provides for acquisition, planning, development, maintenance and management of ORV recreation facilities, non-highway roads and non-highway road recreation facilities; education and law enforcement programs related to non-highway vehicles; and construction and maintenance of campgrounds and trail-heads.

DNR, the Department of Fish and Wildlife, and the Parks and Recreation Commission spend from the fund in support of these functions. The Department of Licensing collects revenue for the fund from taxes, licenses, permits and fees. DNR administers the fund according to legislative appropriations.

See Figure 1 for the account's total fiscal activity for Fiscal Year 2010.

7 | AQUATIC LANDS ENHANCEMENT ACCOUNT

This fund provides for the purchase, improvement and protection of aquatic lands for public purposes. DNR, the Department of Fish and Wildlife, the Department of Agriculture, the Parks and Recreation Commission, the Recreation and Conservation Funding Board, the Department of Health, and the Puget Sound Partnership spend from the fund for these purposes. DNR administers this fund and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See Figure 2 for the account's total fiscal activity for Fiscal Year 2010.

8 | DERELICT VESSEL REMOVAL ACCOUNT

This fund provides for costs and reimbursements to authorized public entities for the removal of derelict and abandoned vessels. DNR spends from the fund for these purposes, and the Department of Licensing spends from the account for the purpose of administering the collection of revenue for the fund. DNR administers this fund, and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report.

See Figure 3 for the account's total fiscal activity for Fiscal Year 2010.

9 | FOREST AND FISH SUPPORT ACCOUNT

This account was created in 2007 to provide for activities pursuant to the state's implementation of the Forests and Fish Report, as defined in chapter 76.09 RCW and related activities, including, but not limited to, adaptive management, monitoring, and participation grants to tribes, state and local agencies, and not-for-profit public interest organizations.

DNR spends from the fund for these purposes, and the Department of Revenue spends from the account for the purpose of administering the collection of revenue for the fund. Sources of revenue for this account include surcharge on timber and wood product manufacturers, extractors, and wholesalers, per RCW 82.04.260 (12).

DNR administers this fund, and only the DNR fiscal activity is reported on the Department Administered Funds section of the annual report. See Figure 4 for the account's total fiscal activity for Fiscal Year 2010.

10 | FDA/RMCA LOAN REPAYMENT

The Board of Natural Resources resolution #635 in 1990 and #756 in 1992 authorized settlement of the FDA debt to the RMCA by transferring timber-cutting rights on State Forest Purchase lands to the Common School, Capitol Building, Normal School, and University granted trusts. A one-third interest in assets (timber cut-

ting rights) of the FDA on 35,655 acres was transferred to these trusts. The value of these transfers eliminated the debt between FDA and RMCA.

A total of \$5,301,070 was distributed to the trusts from timber harvested during Fiscal Year 2010. The RMCA received \$1,325,267 from this activity. Since this is repayment of a loan, the transactions are recorded as an operating transfer rather than current period revenue.

The values from the harvest activity by fund, as well as RMCA trust for Fiscal Year 2010 and in total since the adoption of Resolution No. 635 in 1990, are in Figure 5.

11 | OPERATING TRANSFERS

According to the Office of Financial Management's interpretation of generally accepted accounting principles, debt service funds (funds used to pay off debts), such as the UW or WSU Bond Retirement accounts, cannot receive revenue directly. Instead, revenue to these two funds are recorded to the respective permanent funds, and then an operating transfer is made to the appropriate debt service fund.

12 | TRUST FUNDS—CURRENT AND PERMANENT

Trust Current Funds are funds that individual trust beneficiaries can draw from. Trust Permanent Funds are endowments, which generate interest that can be transferred to the Current Funds.

13 | FISCAL ACTIVITY FOR OTHER TYPE FUND(S) ADMINISTERED BY DNR

Natural Resources Equipment Account: Total other fiscal activity does not include funds classified as internal service funds. The Natural Resources Equipment Account is the Department's only internal service fund. This fund is used to maintain, replace and provide equipment to the Department's programs on a rental basis. In Fiscal Year 2010, this fund had revenue of \$14,242,990 and expenses of \$18,488,450.

In Fiscal Year 2010, two new accounts

Figure 1

Off-Road Vehicle Account		
Beginning Balance		\$782,568
Revenue		
Licensing	\$2,366,426	
Natural Resources	1,960	
Parks and Recreation	228	2,368,614
Expenditures		
Natural Resources	\$(2,126,438)	
Parks and Recreation	(132,270)	
Fish and Wildlife	(196,522)	(2,455,229)
Net Fiscal Activity		(86,616)
Ending Balance		\$695,953

Figure 2

Aquatic Lands Enhancement Account		
Beginning Balance		\$9,221,044
Revenue		
Natural Resources	\$16,822,615	
Fish and Wildlife	29,883	
Agriculture	3,000	
Distribution to Fourth-Class Towns	(70,401)	
Treasurer's Transfer*	(8,520,000)	
Treasurer's Deposit Income	9,662	8,274,759
Expenditures		
Natural Resources	(3,146,712)	
Fish and Wildlife	(3,147,610)	
Recreation & Conserv. Funding Board	(1,725)	
Agriculture	(926,701)	
Health	(107)	
Puget Sound Partnership	(241,769)	
Parks and Recreation	(64,845)	(7,529,468)
Net Fiscal Activity		745,290
Ending Balance		\$9,966,334

were added for the Department to manage: Geothermal Account (01E) and Specialized Forest Products Outreach & Education Account (16E). Also in Fiscal Year 2010, the Legislature, per SSB 6572, abolished the School Construction Revolving Fund (744). The remaining balance of this account was transferred to the state General Fund, effective July 1, 2010.

14 | RMCA PORTION OF TRUST LAND REVENUES

The Resource Management Cost Account received 30 percent on most transactions and the trusts received 70 percent of revenue from trust lands during Fiscal Year 2010.

Figure 3

Derelict Vessel Removal Account		
Beginning Balance		\$895,482
Revenue		
Natural Resources	\$14,555	
Licensing	623,153	637,708
Expenditures		
Natural Resources	(1,056,842)	
Licensing	(14,455)	(1,071,297)
Net Fiscal Activity		(433,589)
Ending Balance		\$461,892

Figure 4

Forest and Fish Support Account		
Beginning Balance		\$2,165,127
Revenue		
Natural Resources	513,000	
Dept. of Revenue	3,528,783	4,041,783
Expenditures		
Natural Resources		(3,206,993)
Net Fiscal Activity		834,790
Ending Balance		\$2,999,917

Figure 5

FDA/RMCA Loan Repayment		
	FY 2010	Total-To-Date
Common School Construction Account	\$1,303,392	\$18,982,831
Capitol Building Construction Account	496,853	7,236,256
Normal School Permanent Account	1,590,473	23,263,922
State University Permanent Account	585,084	11,316,158
Total Trust Funds	\$3,975,802	\$60,799,167
Resource Management Cost Account		
Common School Trust	\$434,916	\$6,324,037
Capitol Building Trust	165,919	2,413,051
Normal School Trust	529,404	7,697,721
University School Trust	195,028	3,772,053
Total RMCA	\$1,325,267	\$20,206,861

Also, some revenue transactions are subject to different distribution ratios. These transactions include aquatic resources, miscellaneous non-trust revenue, interest earnings, land sales transactions and inter-fund loan repayment, the latter of which affects the Common School, University, Cap-

itol Building and Normal School trusts.

Figure 6 reflects trust activity with Forest Board Repayment activity. Refer to footnote #18 for trust activity related to University Trust.

Figure 6

Common School / Escheat Trust				
Trust Activity	Total Revenue	Com. Sch. Construction	Com. Sch. Permanent	RMCA
Timber Sales	\$40,722,968	\$28,504,010	\$0	\$12,218,958
Timber sales-related	736,571	514,456	0	222,115
Leases	25,599,583	17,463,864	438,844	7,696,875
Misc interest income	225,706	158,824	62	66,820
Fees/service charges	29,897	0	0	29,897
Operating transfer-in	1,738,308	1,303,392	0	434,916
Subtotal	\$69,053,033	\$47,944,546	\$438,906	\$20,669,581
Forest Board Repayment				
Sales	\$1,715,766	\$0	\$0	\$1,715,766
Operating transfer-out	(1,738,308)	0	0	(1,738,308)
Total trust activity	\$69,030,491	\$47,944,546	\$438,906	\$20,647,039
Non-trust activity				
STO interest	\$497,523	\$34,168	\$0	\$463,355
Land sales/Trust Land Transfer	2,248,000	2,233,000	0	15,000
Other revenue	1,078,315	0	98,035	980,280
Total Non-trust activity	\$3,823,838	\$2,267,168	\$98,035	\$1,458,635
GRAND TOTAL	\$72,854,329	\$50,211,714	\$536,941	\$22,105,674

15 | NON-TRUST REVENUE

Non-trust revenue cannot be attributed to a specific trust. Activities include forest road assessments, miscellaneous services, manuals & publications, prior period recoveries and adjustments, application fees, and interest income.

16 | NEGATIVE TRUST REVENUE

Any negative revenue reflects accounting adjustments (such as bad-debt write-offs, credit memos) from a prior fiscal year. In Fiscal Year 2010 this includes prior period adjustments in communication sites.

17 | TREASURER'S REVENUE

Due to the schedule for distributing revenue, revenue from State Forest Lands may earn interest before it is distributed to the appropriate county. Interest earnings cannot be attributed specifically to Transfer Lands or Purchase Lands. This revenue is accounted for as treasurer's revenue and is distributed to the appropriate county.

18 | UNIVERSITY TRUST – ORIGINAL, TRANSFERRED, REPAYMENT

The accounting for the University Trust combines activity from original University trust lands, lands which have been transferred to the trust, and the University trust's share of interfund loan repayment as described in footnote #10. See Figure 7 for the breakdown of the different elements contributing to the information for University Grants.

19 | OVERSTATED REVENUE

In Fiscal Year 2007, \$659,676 of revenue to the University Bond Retirement Fund was recorded to the University Permanent Fund but was not transferred to the University Bond Retirement Fund. As a result, the University Bond Retirement Fund was understated by \$659,676, while the University Permanent Fund was overstated by the same amount. Beginning in March 2008, the Department began transferring revenues that otherwise would have gone to the University Permanent Fund to the University Bond fund to reverse the effect on revenues to the two funds. The remaining balance of \$150,000 was corrected in Fiscal Year 2010, therefore, revenues to the University Bond Retirement Fund are \$150,000 higher, while revenues to the University Permanent Fund are \$150,000 lower than they otherwise would have been.

Figure 7

Capitol Building			
Trust Activity	Total Revenue	Cap. Bldg. Construction	RMCA
Timber Sales	\$11,769,952	\$8,237,321	\$3,532,631
Timber sales-related	54,319	37,506	16,813
Leases	159	(1,358)	1,517
Late interest	(104,833)	(73,630)	(31,203)
Fees/service charges	(804)	0	(804)
Operating transfer-in	662,772	496,853	165,919
Subtotal	\$12,381,565	\$8,696,692	\$3,684,873
Forest Board Repayment			
Sales	\$654,178	\$0	\$654,178
Operating transfer-out	(662,772)	0	(662,772)
Total trust activity	\$12,372,971	\$8,696,692	\$3,676,279
Non-trust activity			
STO interest	\$26,261	\$3,372	\$22,889
Other revenue	171,652	0	171,652
Total Non-trust Activity	\$197,913	\$3,372	\$194,541
GRAND TOTAL	\$12,570,884	\$8,700,064	\$3,870,820

Normal School				
Trust Activity	Total Revenue	Capital Projects	Normal Sch. Permanent	RMCA
Timber Sales	\$3,427,529	\$0	\$2,398,340	\$1,029,189
Timber sales-related	40,395	0	28,014	12,381
Leases	89,479	60,482	2,153	26,844
Late interest	37	28	0	9
Fees/service charges	300	0	0	300
Operating transfer-in	2,119,877	0	1,590,473	529,404
Subtotal	\$5,677,617	\$60,510	\$4,018,980	\$1,598,127
Forest Board Repayment				
Sales	\$2,092,387	\$0	\$0	\$2,092,387
Operating transfer-out	(2,119,877)	0	0	(2,119,877)
Total trust activity	\$5,650,127	\$60,510	\$4,018,980	\$1,570,637
Non-trust activity				
STO interest	\$11,346	\$1,704	\$0	\$9,642
Land sales / Trust Land Transfer	0	0	0	0
Other revenue	73,330	0	0	73,330
Total Non-trust Activity	\$84,676	\$1,704	\$0	\$82,972
GRAND TOTAL	\$5,734,803	\$62,214	\$4,018,980	\$1,653,609

Figure 7 (continued)

Common School / Escheat Trust				
Trust Source/Activity	Total	Bond Retirement	University Permanent	RMCA
University-Transferred				
Timber sales	\$2,000,449	\$0	\$1,400,363	\$600,086
Timber sales-related	2,961	0	2,073	888
Leases	208,406	0	145,884	62,522
Misc-Trespass	297	0	70	227
Late interest	19,294	0	13,502	5,792
Sale of property-other	0	0	0	0
Fees/service charges	253	0	0	253
Operating transfer-in*	2,504,880	1,724,768	585,084	195,028
Operating transfer-out*	(1,724,768)	0	(1,724,768)	0
Total	\$3,011,772	\$1,724,768	\$422,208	\$864,796
University-Original				
Timber sales	\$226,894	\$0	\$158,826	\$68,068
Leases	121,994	0	85,396	36,598
Fines & forfeits	122,270	0	85,589	36,681
Late interest	(18,043)	0	(12,703)	(5,340)
Fees/service charges	(970)	0	0	(970)
Operating transfer-in	85,401	85,401	0	0
Operating transfer-out	(85,401)	0	(85,401)	0
Total	\$452,145	\$85,401	\$231,707	\$135,037
University-Repayment				
Timber sales	\$647,211	\$0	\$0	\$647,211
Operating transfer-out	(780,112)	0	0	(780,112)
Total	\$(132,901)	\$0	\$0	\$(132,901)
Non-trust allocation				
STO interest	\$6,798	\$1,221	\$0	\$5,577
Non-trust revenue allocation	40,487	0	0	40,487
Total	\$47,285	\$1,221	\$0	\$46,064
GRAND TOTAL	\$3,378,301	\$1,811,390	\$653,915	\$912,996

*Fiscal Year 2010 University Transferred (trust 05) operating transfer from the Permanent Account (fund 607) to the Bond Retirement Account (fund 348) is overstated by \$150,000. See footnote #19.

20 | STATE TRUST LANDS MANAGEMENT FUND ACCOUNTING REPORT

Statutory Authority and Requirements

Subject to legislative appropriation, the Department of Natural Resources is authorized by RCW's 76.12.110 and 79.64.030 to use funds from the Resource Management Cost Account (RMCA) and Forest Development Account (FDA) interchangeably in the management of State Grant Lands and State Forest Lands. The law also states, however, that an annual accounting will be kept of payments made by one fund on behalf of another. For example, when RMCA funds are used to pay for activities on State Forest Land, it shall be considered a debt against the FDA. RCW 79.64.030 also requires that the results of the accounting be reported to the legislature at the next regular session.

Accounting Procedures

Beginning with Fiscal Year 1996, the following Cost Allocation System accounting procedures have been used to calculate any debt or loan between the management funds:

- A.** All operating program expenditures that can be determined to benefit a particular land category are directly charged to that land category.
- B.** Expenditures for the majority of the Department's operating programs for which the benefiting land category cannot be determined (indirect expenditures) are allocated to land categories based on staff month percentages derived from personnel time charged directly to those land categories or by Western Washington forested acres.
- C.** Capital outlay expenditures that benefit particular land categories are determined in advance, then charged by land category in the ratio set by appropriations.
- D.** Agency administration and support costs are allocated to land category based on agency work plans for the year as established during the budget process.
- E.** Direct charges and indirect charges are totaled by land category within the Cost Allocation System. Expenditures paid from the RMCA and FDA accounts are compared to these total charges for Grant Lands and State Forest Lands to determine how much of the charges were paid from one account on behalf of the other. If RMCA funds were used to pay State Forest charges, a debt principal is incurred in that amount. If State Forest funds were used to pay RMCA charges, the debt principal is reduced by that amount. Funding adjustments may be made periodically during the fiscal year to align expenditures by fund with total charges for Grant Lands and State Forest Lands to prevent the accumulation of any new debt in the year.
- F.** As required by law, interest is charged on the debt incurred. A full year's interest is charged on cumulative debt carried from the previous year. One half year's interest is calculated on the change in the debt principal occurring during the current year.
- G.** Cumulative debt from the preceding year, plus new principal and interest charges are totaled to determine the new cumulative debt.

RMCA/FDA Debt/Loan Accounting For Fiscal Year 2010		
Beginning Balance	Grant Lands	State Forest Lands
2010 Trust Charges	\$ 42,521,814	\$ 19,457,607
RMCA Expenditures	42,521,814	0
FDA Expenditures	0	19,457,607
Cumulative Debt/Loan	\$0	\$0

Fiscal Year 2010 Management Fund Debt Status

As of June 30, 2010, no debt exists between the State Forest Lands (Forest Development Account) and the Grant Lands (Resource Management Cost Account).

Timber Volume | Sold and Harvested

ABOUT THIS PAGE

- ^a Timber volume sold per acre depends on site-specific conditions and harvest method.
- ^b mbf: thousand board feet
- ^c Volume harvested is estimated for sales partially harvested.
- ^d Includes Water Pollution Control Division data.
- ^e Includes Forest Board repayment. (See Fiscal Section, page 40, note 9.)
- ^f Includes University repayment data.

Notes

- ▶ Timber is sold before it is harvested. Timber sale contracts are up to two years in length, with most timber harvest schedules determined by individual purchasers. Sale and harvest of timber may or may not occur in the same fiscal year. Revenues are generated when timber is harvested.
- ▶ Market conditions can influence number of sales and volume sold.
- ▶ Sales which contain more than one trust and/or beneficiary report estimated acres and volumes for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by value based on percentage of area..
- ▶ Numbers may not add due to rounding.

Source

DNR NaturE System database, Report TSC348; 11/10

Trust / Beneficiaries	Acres	Timber Volume Sold (mbf) ^a Sold (mbf) ^b	Timber Volume Harvested ^c (mbf) ^b
State Forest Transfer (formerly known as Forest Board Transfer lands)			
Ciallam	1,755	52,349	29,121
Clark	1,474	35,400	33,364
Cowlitz	206	7,904	24,827
Grays Harbor	1	35	32
Jefferson	455	14,650	799
King ^d	250	11,831	9,998
Kitsap	140	3,232	3,452
Klickitat	105	2,324	4,465
Lewis	1,030	45,231	24,760
Mason	269	6,279	10,383
Pacific	132	4,300	14,089
Pierce	201	6,943	3,199
Skagit	769	30,967	36,224
Skamania	25	1,253	4,896
Snohomish	1,174	48,455	73,623
Thurston	620	22,292	27,540
Wahkiakum	134	7,000	8,966
Whatcom	340	14,077	16,286
Subtotal Transfer	9,080	314,522	326,024
State Forest Purchase (formerly known as Forest Board Purchase lands)			
Ciallam	22	747	0
Clark	10	428	0
Grays Harbor ^e	997	42,107	35,309
Lewis	590	7,714	7,219
Pacific ^f	100	5,686	10,946
Thurston ^e	626	29,089	22,610
Whatcom	81	94	2,197
Subtotal Purchase	2,426	85,865	78,281
Common School, Indem. & Esch.	10,365	211,118	218,994
Agricultural School	729	20,310	27,560
University Transferred & Orig.	226	5,942	29,194
CEP & RI	687	22,009	19,862
Capitol Building	1,379	35,289	52,404
Normal School	855	8,470	15,509
Scientific School	1,094	38,141	38,118
Statewide Total	26,841	741,666	805,946

Silviculture^a

ABOUT THIS PAGE

- ▶ 2010 Annual report to Trust Beneficiaries per RCW 79.10.010
- ^a Silvicultural activities are forest management practices; implementation of silvicultural practices varies according to site-specific conditions and availability of management funding.
- ^b Acres planted include all planting processes and all tree species.
- ^c Stems per acre planted depend on site-specific conditions and anticipated survival rates.
- ^d Pre-commercially thinned acres increase yield rate per acre by selectively decreasing overcrowding of saplings.
- ▶ Numbers may not add due to rounding.

Source

Planning and Tracking Database 8/11/10

Trust / Beneficiaries	Acres Planted ^b	Stems per Acre ^c	Pre-commercially Thinned Acres ^d
State Forest Transfer (formerly known as Forest Board Transfer lands)			
Clallam	864	372	0
Clark	44	355	0
Cowlitz	252	388	0
Jefferson	74	377	0
King	137	373	0
Kitsap	7	329	0
Klickitat	398	333	0
Lewis	349	273	0
Mason	465	302	0
Pacific	288	310	0
Pierce	67	318	0
Skagit	540	320	0
Snohomish	688	328	0
Thurston	132	342	0
Wahkiakum	164	532	0
Whatcom	308	349	0
Subtotal Transfer	4,777		0
State Forest Purchase (formerly known as Forest Board Purchase lands)			
Grays-Harbor	74	421	0
Lewis	160	415	0
Pacific	120	374	0
Thurston	85	152	0
Subtotal Purchase	439		0
Comm. School, Indemnity	6596	279	429
Agricultural School	330	331	0
University, Orig. & Transf.	1010	326	0
CEP&RI	446	329	49
Capitol Building	741	360	0
Normal School	501	363	33
Scientific School	429	275	0
Community College Forest Reserve	30	308	0
Water Pollution Control Div. Trust Land	76	327	0
Total - All TRUSTS	15,375		462

Timber Acres Harvested^a

ABOUT THIS PAGE

- ^a The Department tracks harvest method information in ten categories; for purposes of this report, per RCW 79.10.010, the data are aggregated into three harvest methods.
- ^b Commercial thinning/small wood generates revenue, promotes growth of the remaining trees, and creates desired future forest conditions.
- ^c Partial cuts/older stand thinnings generate revenue and help achieve desired future forest conditions.
- ^d Total acres include total of all harvest activities.
- ^e Includes Forest Board repayment
- ^f Includes University repayment
- ^g Includes Water Pollution Control Division data.

Notes

- ^h Harvested acres shown are Fiscal Year 2010 activities only; acres are reported again in the future if additional harvest activities occur.
- ⁱ Acres harvested are estimated for sales partially harvested. Timber volume harvested per acre depends on site-specific conditions and harvest method.
- ^j Sales which contain more than one trust beneficiary report estimated acres harvested for each specific trust. Sales which benefit more than one trust distribute revenues proportionally by value based on percentage of area.
- ^k Numbers may not add due to rounding.

Source

DNR NaturE System database, Report TSC348; 11/10

Trust / Beneficiaries	Acres Commerc. Thinned Small Wood ^b	Acres Partially Cut/Older Stand Thinning ^c	Acres Regenerat. Harvest ^b	Total Acres ^d	Average Year of Regen. Cut Stand
State Forest Transfer (formerly known as Forest Board Transfer lands)					
Clallam	0	0	797	797	1937
Clark	66	63	1,043	1,172	1948
Cowlitz	54	0	668	722	1940
Grays Harbor	0	0	1	1	1942
Jefferson	0	102	15	117	1941
King ⁷	0	0	295	295	1931
Kitsap	0	0	140	140	1928
Klickitat	10	330	108	448	1923
Lewis	1	0	627	628	1942
Mason	0	79	447	526	1940
Pacific	0	33	357	390	1943
Pierce	92	6	86	184	1933
Skagit	242	6	951	1,199	1936
Skamania	64	0	147	211	1942
Snohomish	160	75	1,628	1,863	1932
Thurston	0	119	610	729	1953
Wahkiakum	0	0	184	184	1930
Whatcom	0	2	400	402	1936
Sub-Total Transfer	689	815	8,449	9,953	1940
State Forest Purchase (formerly known as Forest Board Purchase lands)					
Grays Harbor ^e	0	0	789	789	1951
Lewis	327	0	160	487	1952
Pacific ^f	0	6	167	173	1959
Thurston ^e	0	0	496	496	1935
Whatcom	0	0	51	51	1943
Sub-Total Purchase	327	6	520	853	1944
Common School, Indem. & Esch.	1,548	892	8,324	10,791	1938
Agricultural School	115	73	638	826	1940
University Transferred & Orig.	0	0	998	998	1944
CEP & RI	99	137	517	753	1936
Capitol Building	191	276	1,352	1,819	1940
Normal School	55	7	569	631	1935
Scientific School	379	55	934	1,368	1943
Subtotal-Granted Trusts	2,387	1,440	13,332	17,186	
Total - All TRUSTS	3,455	2,261	23,532	29,248	

Deferrals formerly known as Acres Off-Base for Harvest

ABOUT THIS PAGE

- ▶ With the adoption of the 2004 Sustainable Harvest Level, DNR no longer classifies lands as “off-base” or “on-base,” but instead designates deferral status.
 - ▶ Long-term deferral approximates “off-base.”
 - ▶ 2010 Annual Report to Trust Beneficiaries per RCW 79.10.010.
 - ▶ Deferral status is determined by whether the silviculture and land management activities, including harvest, are permitted or deferred for a period of time. Short-term deferrals represent forestlands anticipated to be deferred from harvest in the next 10 years. Long-term deferrals represent forestlands anticipated to be deferred from harvest beyond 10 years and forestlands managed for non-timber harvest revenue objectives.
 - ▶ Acres are designated as deferrals because they are inoperable, are low site, contain permanent research plots, are upland wildlife management areas, are timber gene pool reserves, are on unstable slopes in riparian buffers, are located in a northern spotted owl nest patch, contain a northern spotted owl site center, are identified as marbled murrelet habitat, are included in the Olympic Experimental State Forest deferral areas, or are the result of the Settlement Agreement reached in 2006, the 2006 Riparian Restoration Strategy or the 2006 Policy for Sustainable Forests Old-Growth Policy (all of these decisions were included in the 2007 sustainable harvest adjustment for Western Washington State Trust forestlands). A site can be deferred due to one or more factors.
 - ▶ Deferral classifications are not permanent designations. DNR may change the classification as specific forest stands or sites are re-evaluated. Acreage updates and changes can occur over time due to technological refinements in data gathering and analysis.
 - ▶ Numbers may not add due to rounding or potential double counting.
- * Includes Land Bank, Natural Resources Conservation Areas, Natural Area Preserves, administrative sites, TIDE-2nd, UC-Private, and Water Pollution Control trust data.
- Source:** Deferral Status of State Forestlands, DNR Forest Resources and Conservation Division 2010

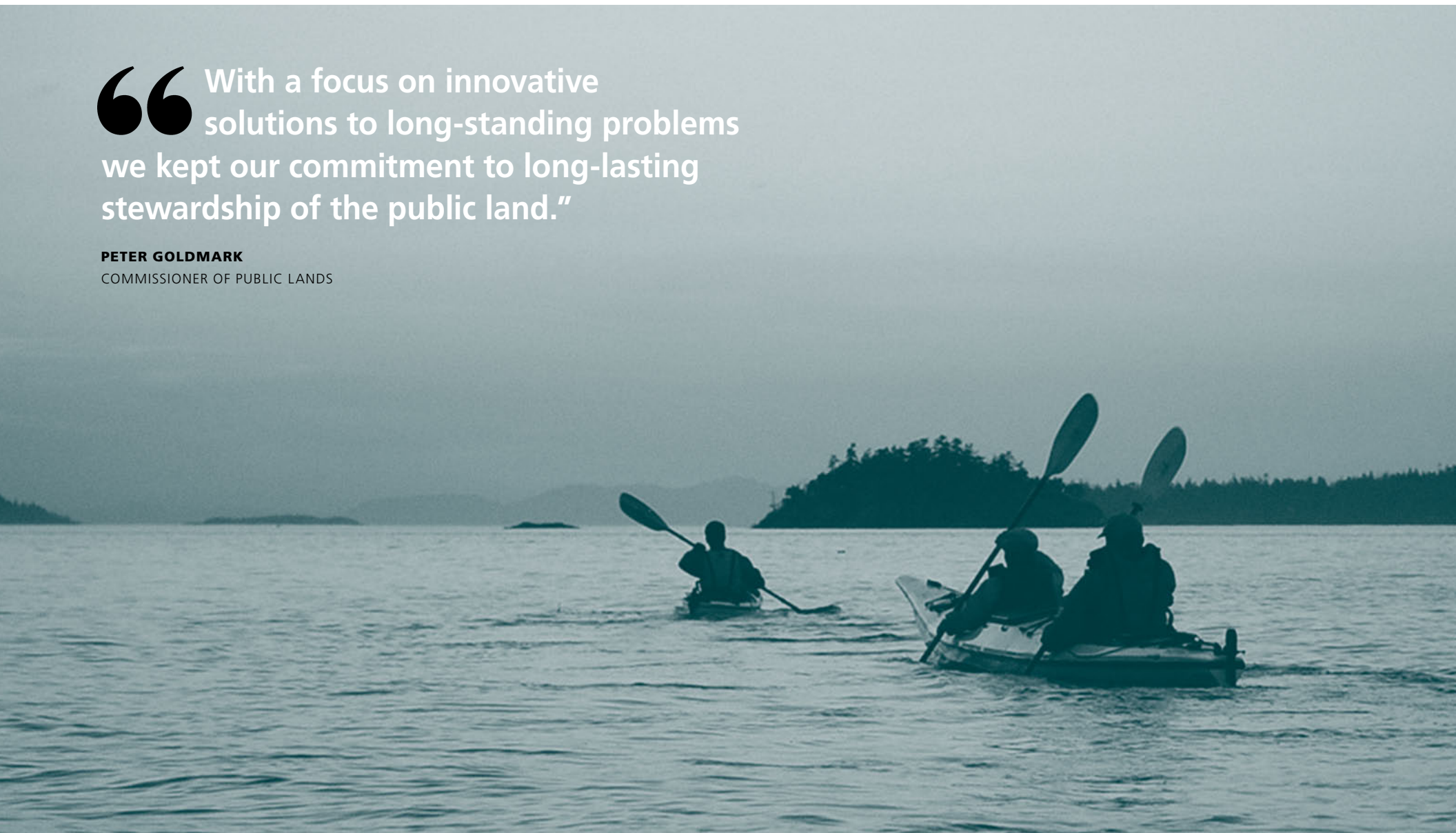
Trust / Beneficiaries	No Deferral Acres	Short-Term Def. Acres	Long-Term Def. Acres
State Forest Transfer (formerly known as Forest Board Transfer lands)			
Clallam	71,115	0	16,697
Clark	20,424	0	4,870
Cowlitz	9,720	0	693
Grays-Harbor	1,869	0	327
Jefferson	12,879	0	358
King	17,107	583	4,803
Kitsap	6,803	0	663
Klickitat	16,297	0	2,493
Lewis	35,878	0	1,643
Mason	23,619	389	2,652
Okanogan	9	0	0
Pacific	8,958	86	5,511
Pierce	7,931	0	571
Skagit	60,797	0	17,638
Skamania	25,505	0	11,367
Snohomish	52,130	82	7,313
Stevens	124	0	7
Thurston	16,749	0	1,682
Wahkiakum	8,699	0	3,709
Whatcom	25,105	0	10,660
Subtotal Transfer	421,719	1,141	93,656
State Forest Purchase			
Clallam	184	0	49
Clark	2,364	0	1,315
Cowlitz	248	0	20
Grays-Harbor	24,561	0	3,039
Jefferson	18	0	0
Kitsap	77	0	0
Klickitat	40	0	0
Lewis	2,857	0	47
Mason	402	0	105
Pacific	5,560	167	2,134
Pierce	3,179	0	64
Skamania	3,167	0	1,118
Snohomish	1,631	0	5
Stevens	40	0	0
Thurston	20,214	3	2,145
Whatcom	669	0	267
Subtotal Purchase	65,210	170	10,307
Comm. School, Ind. & Esch.	868,471	2,743	139,675
Agricultural School	48,064	1	4,887
CEP&RI	35,388	62	4,191
University, Orig. & Transf.	44,942	915	10,313
Capitol Building	76,445	790	21,054
Normal School	42,546	20	9,572
Scientific School	53,745	150	9,650
Comm. & Technical College	3,286	0	64
Other lands*	0	0	96,697
Total - All TRUSTS	1,659,817	5,991	400,067

* Other lands include: Administrative Site, Land-Bank, Natural Area Preserve, Natural Resources Conservation Area, Trust Status Not Applicable or Unknown, Tidelands 2nd-Class, Under Contract to Private Party, Water Pollution Control Division Trust Land.

“ With a focus on innovative solutions to long-standing problems we kept our commitment to long-lasting stewardship of the public land.”

PETER GOLDMARK

COMMISSIONER OF PUBLIC LANDS





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SOUTH PUGET SOUND REGION

950 Farman Ave. N.
 Enumclaw, WA 98022-9282
 (360) 825-1631

SOUTHEAST REGION

713 Bowers Rd.
 Ellensburg, WA 98926-9301
 (509) 925-8510

**AQUATIC RESOURCES
 DISTRICT OFFICES**

Shoreline District

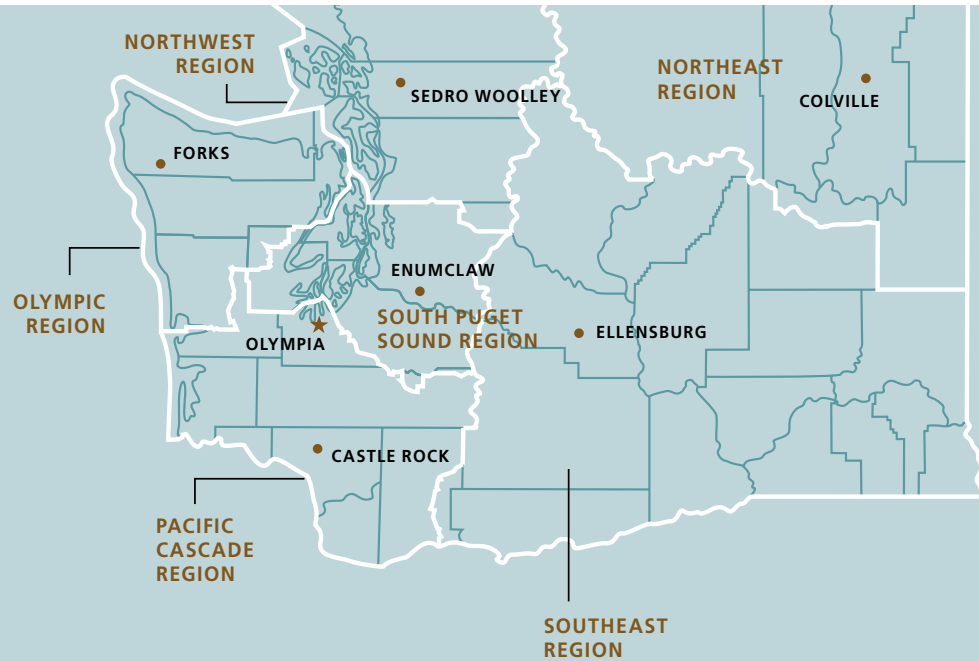
950 Farman Ave. N.
 Enumclaw, WA 98022-9282
 (360) 825-1631

Rivers District

601 Bond Rd.
 PO Box 280
 Castle Rock, WA 98611-0280
 (360) 577-2025

Orca Straits District

919 N. Township St.
 Sedro-Woolley, WA 98284-9384
 (360) 856-3500



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