

Washburn County Forest 2016 Annual Report



Forest Certification Audit - 2016

Forest Administrator
Mike Peterson

Department Employees
Buck Pettingill
Mark Heil
Duran Bjorklund
Jeremy Erickson
Josh Buckridge
Barb Hinkfuss

WDNR Liaison Forester
Amy Morales

Park Ranger / Deputy Sheriff
Vacant – Re-assigned by Sheriff

Forestry Parks and Recreation Committee
January - March

L.H. "Skip" Fiedler - Chair
James Dohm – Vice Chair
Anthony Baier
Romaine Quinn
Del Stoll

April - December

L.H. "Skip" Fiedler - Chair
James Dohm – Vice Chair
Hank Graber
Romaine Quinn
Del Stoll

2016 ANNUAL REPORT – WASHBURN COUNTY FOREST

TO: The Honorable County Board of Supervisors
Washburn County, Wisconsin

Supervisors:

We submit for your approval and adoption, some of this department's highlights and activities during 2016.

TIMBER MANAGEMENT

The timber sale program generated a record gross revenue of \$2,887,244. The Department still had a significant backlog of unharvested wood under contract and some of the receipts were from older sales. Harvesting conditions were poor throughout the summer months due to wet weather, but frozen ground conditions were fairly good through the winter months.

Wood markets appeared to be variable depending on species and product, but generally were improved from 2015. Pine pulp continued to be a slow market due primarily to imports from Canada and from other parts of the United States.

Hardwood and aspen prices on Washburn County timber were down slightly from 2015, while pine prices increased. Sawlog rates remained stable. Higher bid rates on pine were due partially to the harvest of older classes and also possibly to an improving market.

Salvage efforts continued on tracts damaged by the September 2014 windstorm. Almost all of the remaining wind damage sales were completed in 2016, with the exception of additional areas identified that were impacted by hail. Several hail damaged pine plantations showed significant mortality, well after the storm itself. These tracts were harvested in 2016. The annual allowable returned to normal acreage after adjustments in 2014 and 2015 to account for damage salvage.

Oak wilt was discovered on two sites on the Washburn County Forest in 2016. A large area was found to be infested in the Birchwood area off of County Highway D. It is suspected that the fungus originated at the Long Lake disposal site where infested brush was dropped off and spread into surrounding oak trees. This site was treated by girdling and chemically treating oak trees within a buffer area of each infected tree. Approximately 800 trees were killed and salvaged in an effort to prevent further spread. A second area was discovered in Sawmill Park where 6 trees were treated and removed.

The Forestry Department has been researching growth and yield on older red pine plantations for several years. Plantations in excess of 80 years have been showing significant decline in growth rates compared to historically accepted models. In many cases, mortality has been exceeding growth on these older stands. We identified numerous sites where this is occurring and have elected to harvest these stands early and will replant to new pine plantations. 3 sites were established for rotation harvest in 2016.

RECREATION

The recreation program grew and expanded with several projects and funding sources. We continue to see increases in the number of people using the forest for numerous activities. Much

of the growth of our recreation program is due to a concerted effort to provide more outdoor recreational opportunities for the public.

ATV

Washburn County's ATV Trail system consisted of 106.9 miles of funded summer trails and 139.3 miles of winter trails. Annual maintenance contracts are awarded to the Forestry Department in the form of grants and are funded at a rate of \$600/mile for summer ATV trails and \$100/mile for winter use ATV Trails. Since 2014, the ATV fund also allocates an additional \$100/mile to provide for use by side by sides (UTV's). These funds are critical to maintain our trail systems.

In 2016, \$76,830 were awarded for summer ATV; \$13,930 for winter ATV; and \$1,913 for hybrid (TROUTE) trails. A majority of the \$92,673 in total maintenance program funding was distributed to local ATV clubs for equipment and material reimbursement.

In addition to annual maintenance funding, Washburn County had numerous trail rehabilitation and development grants that were awarded in 2014 and 2015, which were scheduled as work projects for 2016 and 2017. These grants, and progress towards completion, at the end of 2016, are itemized below;

<u>Project Name</u>	<u>Type</u>	<u>Grant Award</u>	<u>Percentage Complete in 2016</u>
Thayer Road	Rehabilitation	\$31,000	75%
Berry Road	Rehabilitation	\$40,500	10%
Wild River 1	Rehabilitation	\$65,300	Complete
Crystal Point	Relocation	\$26,000	50%
Storm Damage	Rehabilitation	\$53,300	Complete
Trail 25	Rehabilitation	\$75,360	30%
Whalen	Development	\$111,840	50%
Wild River 2	Rehabilitation	\$68,500	25%

A majority of these projects were planned for completion in 2016, but due to the July flooding event, staff resources were reallocated to storm repair. These projects are likely to be pushed into 2017 and 2018 before final completion.

Washburn County applied for several ATV grants in 2016. Two projects, in addition to annual maintenance, were awarded during 2016. Grant contracts are generally available near the end of the year in which grant application was made. The Department normally budgets for these projects in the following calendar year. We secured \$204,730 to develop the Casey Loop ATV trail and also \$68,500 to resurface 5 miles of the Wild River Trail. Given the backlogged work load resulting from flood damage in 2016, these projects will not likely start until 2018.

All ATV rehabilitation projects were completed using county equipment and labor; contracted equipment and materials; and a tremendous amount of volunteer work from the local ATV clubs. The Birchwood Bobcats, Rolling Hills, and Minong Clubs invested a great deal of their personal time and club resources to make these projects a success and the Forestry Department and Committee applaud their efforts. All grant funds awarded to these projects are generated from registration stickers on ATV's and an allocation from Wisconsin's gas tax.

The vacancy in the Park Ranger / Deputy Sheriff position has a large impact on our trail systems. We have little direct access to any trail patrol work or enforcement. Law enforcement is a critical factor in protecting trail systems during periods of closure and also to help protect user safety. We have seen several lost ATV trail easements/agreements on private lands with landowners citing lack of enforcement as a primary reason for not allowing trail use to continue.

Snowmobile

The County had good snowmobile trail conditions in January and February of 2016. Portions of the trail system were opened on December 30, 2015 and all trails were open January 6, 2016. Trails remained open through March 7. The County did not receive enough snow to open trails prior to December 31, 2016.

Annual maintenance contracts are awarded to the Forestry Department. In 2016, maintenance was awarded at a rate of \$250/mile for snowmobile trail maintenance. A total of \$62,825 was used to maintain trails and was primarily distributed to local Snowmobile clubs for equipment and material reimbursement.

In 2014, a private landowner cancelled a snowmobile trail use agreement in the Beaverbrook area, which resulted in the closure of Trail 140 from the Highway 70 area north to Trego. Forestry Department staff worked on several re-route options throughout 2015 but we were unable to secure an alternate connection. Several promising options were worked on in 2016. This ten mile section of trail will remain closed until a viable re-route option can be found. Grant funding has been secured to fund the relocation, but as of the end of 2016, we were still attempting to make a final connection around several landowners unwilling to allow trail access.

The Department had one additional open snowmobile project grant for the trail 26 relocation. A landowner forced a trail closure in the Birchwood area in 2014. The trail has been re-routed but several components of the relocation grant remain to be done. This project was scheduled for completion in 2016, but flood damage repair has forced the project into 2017/2018.

Campgrounds

Totogatic Park showed a significant increase in camping and usage in 2016. Revenues from the park were a record of \$163,120, which was \$9,000 higher than revenues received in 2015. The campground was full nearly the entire summer and was operating on what we feel is the maximum capacity at the park.

2016 was the 4th season using the web based reservation system. The service is very popular and has attracted many new customers to our parks systems. The Minong ATV Campground, owned by the Village of Minong and operated by the Minong ATV Club, continues to use the online reservation system.

Sawmill Campground saw an increase in revenue and campers. We suspect the increased use was due to visitors finding the park through the online reservation system.

The Harmon Lake Trailhead and the Dugan Run Equestrian Trail continue to see usage with continual increases in the number of campers. Both trailheads were used fairly frequently and received many favorable comments.

The Parks program, excluding grant funded systems, took in a total revenue of \$181,004.

Other trails

The Dugan Run Equestrian trail continues to have increased use, especially in the fall as insect activity drops and fall colors appear. The Department receives many compliments on this facility. We are still, however, struggling to promote the development of a local club that will help maintain the trail system. There are a few individuals that provide a great deal of help, but a

large portion of the trail inspection and maintenance work is being done by the Forestry Department.

The Wildcat Mountain Bike Trail sees a great deal of use. Local enthusiasts do a tremendous job of monitoring and maintaining the trail and little additional help is needed from the Department. More recently, we have seen increasing requests for winter use of trails by “fat tire” bikes. Initial requests were to be allowed access to winter use snowmobile trails. Given safety concerns, these requests were denied; but we began working with local biking enthusiasts to develop opportunities for winter use on the mountain bike trail system. Club members began grooming the single track trails for winter fat tire bike use late in 2015.

Snow conditions on the ski trails were good in January through early March. We did not receive enough snow to groom ski trails until after December 31. The Forestry Department continues to undertake grooming duties at both ski trails.

A County Conservation Aids grant was secured for the purpose of upgrading the canoe portage trails and trail signing at the Sawmill and Loyhead Lake canoe trail systems.

FLOOD DAMAGE / FEMA

On July 11, 2016, northern Washburn County was hit with a storm that dumped heavy rains across the region. Widespread flooding caused significant damage to the area, including fire lanes, recreation trails and parks. A disaster declaration was made and damage estimates were submitted to FEMA.

FEMA approved \$766,998 in disaster relief funds to Forestry Department roads, trails and facilities. These grants are issued on a cost share basis, with 75% funding from FEMA, 12.5% funding from Wisconsin Emergency Management and 12.5% sponsor share. Project awards and progress towards completion in 2016 are itemized below:

Project	Grant	2016 % Complete
1) Snowmobile Trails	\$60,962	55%
2) ATV Trails	\$129,546	25%
3) Casey-Chicog Firelanes	\$302,106	45%
4) Gull Lake-Stinnett-Frog Creek Firelanes	\$155,407	20%
5) Springbrook Firelanes	\$87,428	35%
6) Totogatic Park & Minong Range	\$14,049	60%
7) Canadian National Bridge	\$17,500	100%

Flood damage repair was done with a combination of internal staff and equipment, along with contract material hauling done both by the Highway Department and private contractors. Forestry staff resources were diverted away from normal work duties and onto FEMA projects for a majority of the last half of 2016. All projects are expected to be completed in 2017.

FACILITIES/ EQUIPMENT/ACQUISITIONS

The Department leased a Noram Compact Road Grader under a 4 year municipal lease. 2016 was the third year under the lease agreement. Lease payments continue to be paid for using reimbursements under ATV grants and County Forest Road Aids. This grader unit is the ideal size to help with ATV trail maintenance.

In addition, the Department also purchased a new 1 ton regular cab pickup to replace an aging ¾ ton truck used for pulling trailers and plowing. The department also bought a replacement skid steer mower deck and a trailer for hauling atv's and snowmobiles.

A project was initiated to re-align lake lots around Beaver Lake in Bass Lake Township. A strip of county forest land separated the edge of the lake lots and the town road along the south and east side of the lake developments. The Department of Natural Resources approved the withdrawal of these parcels from County Forest Law and we began selling these parcels to the adjacent landowners in early 2015. By year end, 10 of 22 parcels were sold in 2015. An additional 5 were sold in 2016, with a total revenue of \$5,890.

The Forestry, Parks and Recreation Committee, and the Board of Supervisors, made application to the Department of Natural Resources to withdraw 40 acres of county forest surrounding the rock quarry adjacent to Highway 77. This was done to resolve an issue relating to the Highway Department entering into a lease with a private party to operate the quarry site. This lease created a conflict with the County Forest Law. The State of Wisconsin authorized the withdrawal and the parcel was transferred to the jurisdiction of the Highway Department, with a stipulation that it return to Forestry after quarry operations are completed and the site reclaimed.

OTHER

One summer forestry intern was hired, using timber revenues, and the position was used to mark timber and update forest reconnaissance data.

Washburn County secured funds for two Sustainable Forestry Grants. The first grant was awarded in 2015, in the amount of \$20,000 for the purpose of buckthorn control. Buckthorn is an invasive species that shades out native plants and trees. A contractor was hired to hand spray infested areas in 2016. A second grant of \$20,000 was awarded in 2016 to fund the hiring of an LTE to assist with timber sale establishment. This forester was hired to “backfill” lost time from permanent staff working on FEMA projects. The grant was budgeted between 2016 and 2017. \$5,680 was spent during 2016 on this project.

Washburn County Forestry continues forest certification under both the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) certification programs. It appears as though the certification efforts by Washburn County, along with the other county forests and state lands have allowed our wood markets to remain viable through the economic downturn. Other areas of the United States experienced mill closures in areas without reliable supplies of certified forest products.

Washburn County continues to be a strong participant in the Wisconsin County Forest Association. This group does a great deal of work legislatively and with various DNR and other State agencies to protect the integrity of our timber and recreation programs. The County Forest Administrator has been the chair of the WCFA Legislative Committee since 1999.

COUNTY FOREST ACTIVITY STATISTICS 2016

I. Reforestation

A.	Acres newly planted:	0	acres
B.	Acres replanted:	0	acres
C.	Acres seeded (jack pine):	0	acres
D.	Jack pine regeneration – scarified	0	acres
E.	Oak regeneration - scarified	0	acres
F.	White birch regeneration – scarified	0	acres
G.	Swamp conifer mowing	0	acres
H.	Northern hardwood regeneration – mowing	0	acres
I.	Northern hardwood regeneration – scarified	125	acres
J.	Site Prep (mechanical)	0	acres
K.	Site Prep (chemical)	0	acres
L.	Prescribed burning (oak regeneration)	22	acres

II. Timber stand improvement

A.	Red pine release (herbicide):	0	acres
B.	Pine release (prison crew):	51	acres
C.	Aspen sale residual removal:	0	acres
D.	Invasive – Buckthorn herbicide treatment	116	acres

III. Timber Sale Statistics

A.	Timber value contracted	\$2,651,797 (\$3,153,200 in 2015)
B.	Acres established:	2,362 acres (2,627 acres in 2015)
C.	Acres sold (goal of 3400 acres):	2,713 acres (2,839 acres in 2015)
D.	Acres closed out:	3,655 acres (1,529 acres in 2015)
E.	Volumes removed:	total cord equivalent = 52,070 (46,466 in 2015)
1.	Pulpwood total:	47,138
a.	Aspen pulpwood	14,021 cords
b.	Mixed hardwood pulpwood	27,106 cords
c.	Pine pulpwood	5,182 cords
d.	Spruce/fir pulpwood	829 cords
2.	Sawtimber total:	2,192 mbf (thousand board feet)

VI. Recreation Facilities

A.	Totogatic Park	
1.	Total Gross Revenue - \$163,121	(\$154,011 in 2015)
2.	Camping Registrations - \$139,232	(\$133,171 in 2015)
3.	Shower revenue from bathhouse - \$2,024	(\$1,929 in 2015)
4.	Firewood revenue – \$7,049	(\$7,330 in 2015)
5.	Boat Launch Fee - \$2,179	(\$2,247 in 2015)
6.	Ice, Day Use, Dump Station, etc. - \$2,661	(\$2,529 in 2015)
7.	Reservation system fees - \$9,976	(\$9,400 in 2015)
B.	Sawmill Park Revenue - \$8,971	(\$7,252 in 2015)
C.	Harmon / Dugan Equestrian Trails / Other	
1.	Horse Trail/Camping Revenue – \$2,509	(\$1,785 in 2015)
2.	Dispersed Camping Permits - \$300	(\$290 in 2015)
3.	Trail Donations - \$603	(\$396 in 2015)
D.	Leisure Lake Youth Camp	
1.	Revenue - \$5,500	(\$4,303 in 2015)
2.	Number of Groups = 27	
3.	44% use by youth groups	
4.	22% use by other non-profit groups	

WASHBURN COUNTY FOREST: ANNUAL REPORT OF ACCOUNTS 2016

I. RECEIPT AND EXPENDITURE SUMMARY OF FORESTRY AND PARKS ACCOUNTS

A. <u>Timber revenues received by County:</u>	
Gross timber sale receipts	\$2,879,311.59
Damages and other misc. income	\$ 7,267.21
Gathering permits (firewood, boughs, Christmas trees)	\$ 665.42
<u>TOTAL FOREST PRODUCTS REVENUE - \$2,887,244.22</u>	
 <u>Recreation revenues received by County:</u>	
Totogatic Park	\$ 163,120.52
Sawmill Park	\$ 8,971.00
Leisure Lake	\$ 5,500.00
Misc. Recreation Revenue	\$ 3,412.21
<u>TOTAL RECREATION PROGRAM REVENUE - \$ 181,003.73</u>	
 <u>Misc. revenues received by County</u>	
Forestry Aid Loan from State	\$ 74,632.32
Sustainable Forestry Grant	\$.00
County Forest Administrator Grant (inc. WCFA dues reimb.)	\$ 46,271.40
Private Grants	\$ 1,825.16
Equipment Sales	\$.00
Labor Reimbursement – Snowmobile/ATV Grants	\$ 55,841.61
<u>TOTAL MISCELLANEOUS REVENUE - \$ 178,570.49</u>	
 Total Revenues	 \$3,246,818.44
 B. <u>Expenditures by County:</u>	
Forestry Aid fund (56930)	\$ 61,696.84
County Forest Land Development (56100)	\$502,574.05
10% statutory timber sale revenue to towns	\$290,031.86
5% additional timber sale revenue allocated by County	\$145,015.93
Forestry Aid Loan Repayment	\$ 74,632.32
Project Loan Repayment (Meteor Timber acquisition)	\$457,557.67
Parks Expenditures (55200)	\$142,250.47
 C. Net Revenue to County	 \$1,573,059.30*

*Other recreation program costs not included in this figure. *May not reflect actual audit figure due to adjustments.*

II. Other Segregated Accounts:

	<u>Receipts</u>	<u>Expenditures</u>
A. <u>Fish and Game Projects - 56960</u>	\$ 3,706.60	\$ 5,087.88
B. <u>Habitat Development - 56961</u>	\$ 7,874.12	\$ 847.99
C. <u>Snow Trails - 55440</u>	\$ 199,863.38	\$ 230,968.92
D. <u>Land Acquisition - 56110</u>	\$ 7,040.00	\$ 957.66
E. <u>County Forest Roads - 56125</u>	\$ 30,119.88	\$ 1,125.46
F. <u>ATV Trails - 55310</u>	\$ 583,232.04	\$ 558,079.86

III. Fund Balances on non-lapsing accounts as of 12/31/16 *subject to final reconciliation and audit

A. Forestry Aid (State loan funds)	\$ 28,509
B. Wildlife Habitat (State grant funds)	\$ 10,762
C. County Forest Roads (State grant fund)	\$ 76,521
D. Land Acquisition	\$ 33,776

IV.

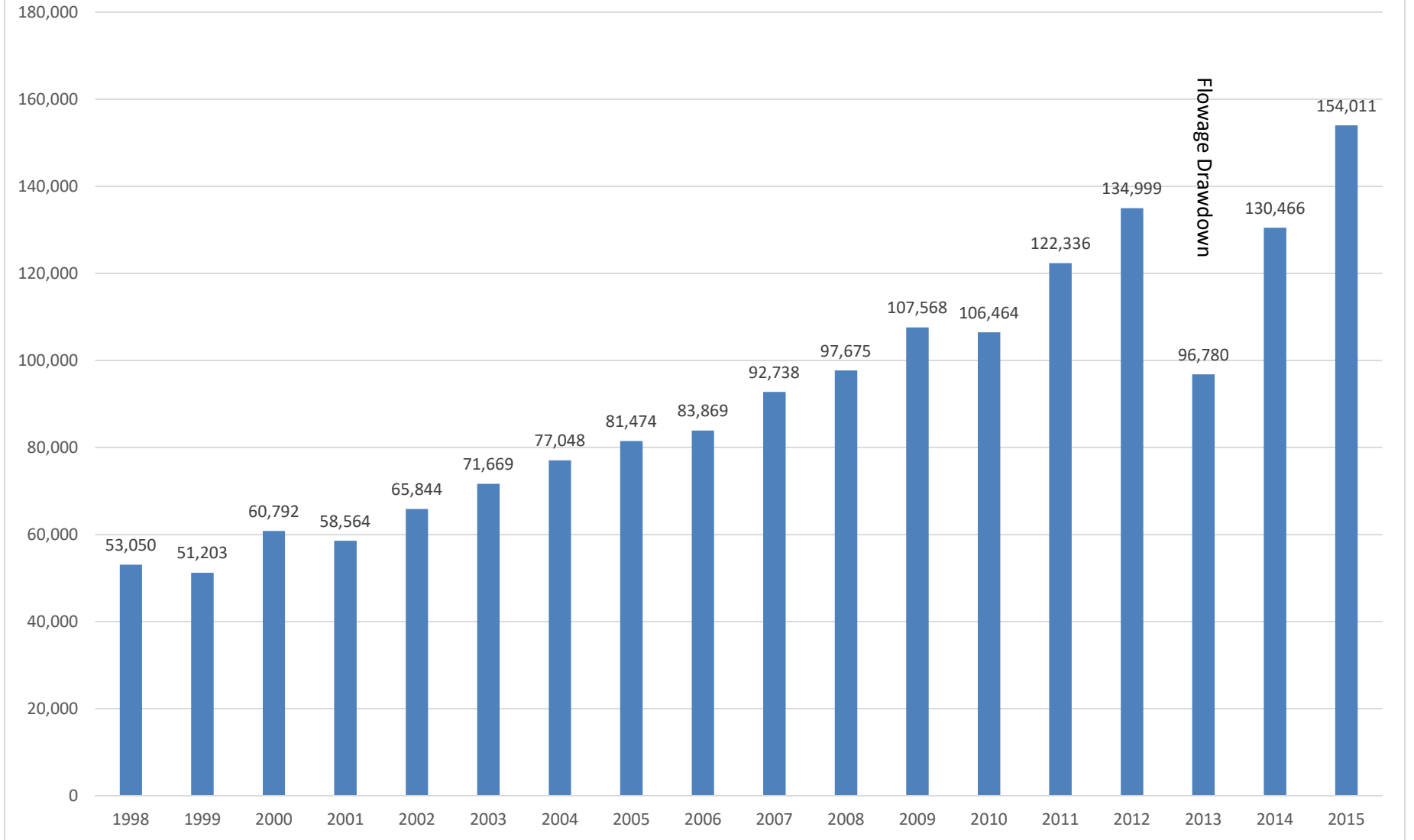
Money received by Towns:

State payment (\$.30/acre on 149,986.30 acres)	\$ 44,995.89
10% timber sale revenue (statutory requirement)	\$ 290,031.86
5% timber sale revenue (additional paid by Washburn County)	\$ 145,015.93
TOTAL	\$ 480,043.68

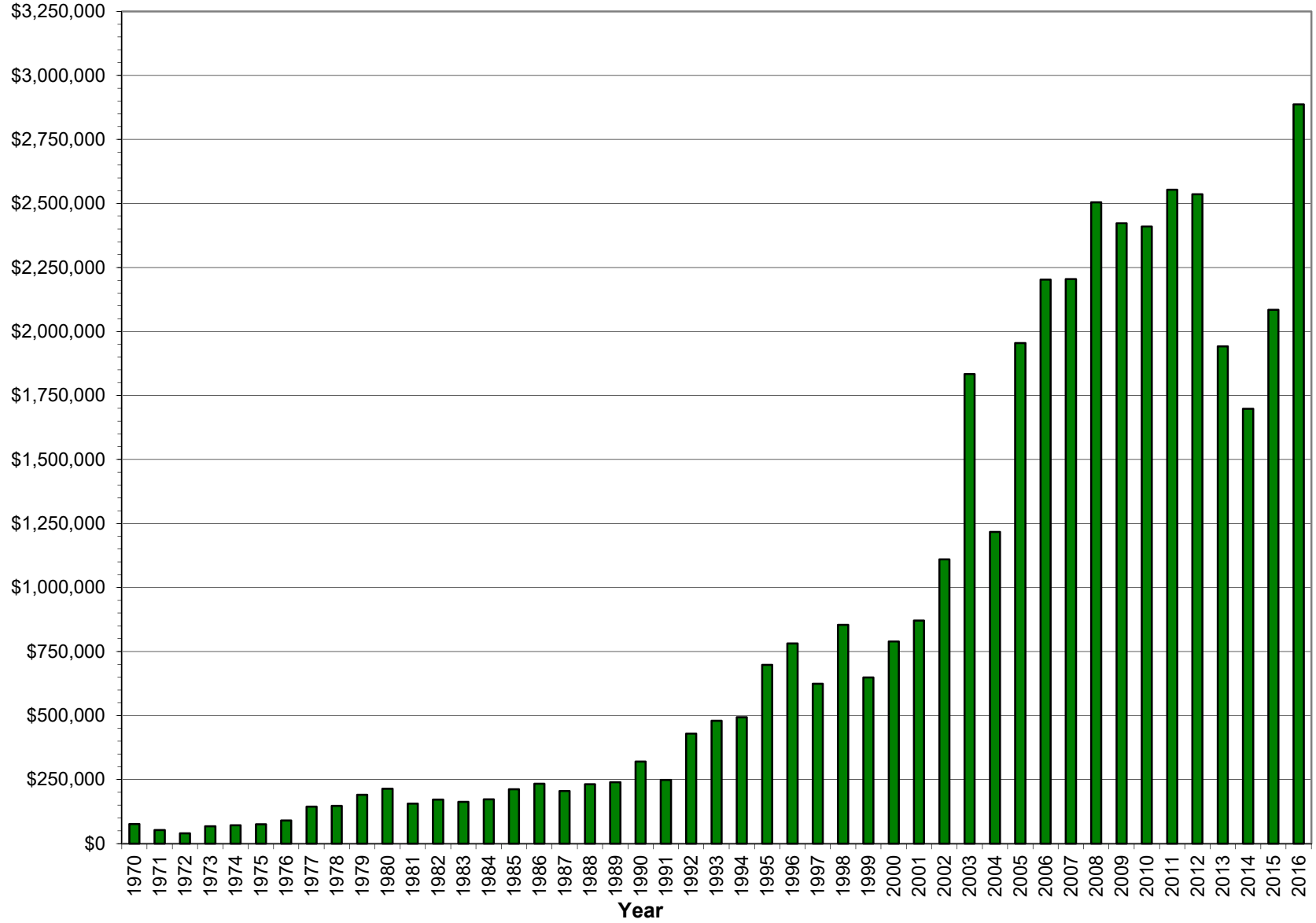
Total monies received by Towns – 2016 (paid in 2017):

Barronett	\$14,561.05	(5,020 ac)	Frog Creek	\$101,748.56	(35,078 ac)
Bass Lake	\$8,999.83	(3,103 ac)	Gull Lake	\$40,989.33	(14,431 ac)
Beaverbrook	\$8655.28	(2,984 ac)	Madge	\$10,294.10	(3,549 ac)
Birchwood	\$57,639.48	(19,872 ac)	Minong	\$23,299.42	(8,033 ac)
Brooklyn	\$16,718.02	(5,764 ac)	Sarona	\$6,136.78	(2,116 ac)
Casey	\$24,846.01	(8,566 ac)	Springbrook	\$22,690.79	(7,823 ac)
Chicog	\$26,621.44	(9,178 ac)	Stinnett	\$41,858.56	(14,431 ac)
Crystal	\$10,772.65	(3,714 ac)	Stone Lake	\$17,839.13	(6,150 ac)
			Trego	\$1,377.36	(475 ac)

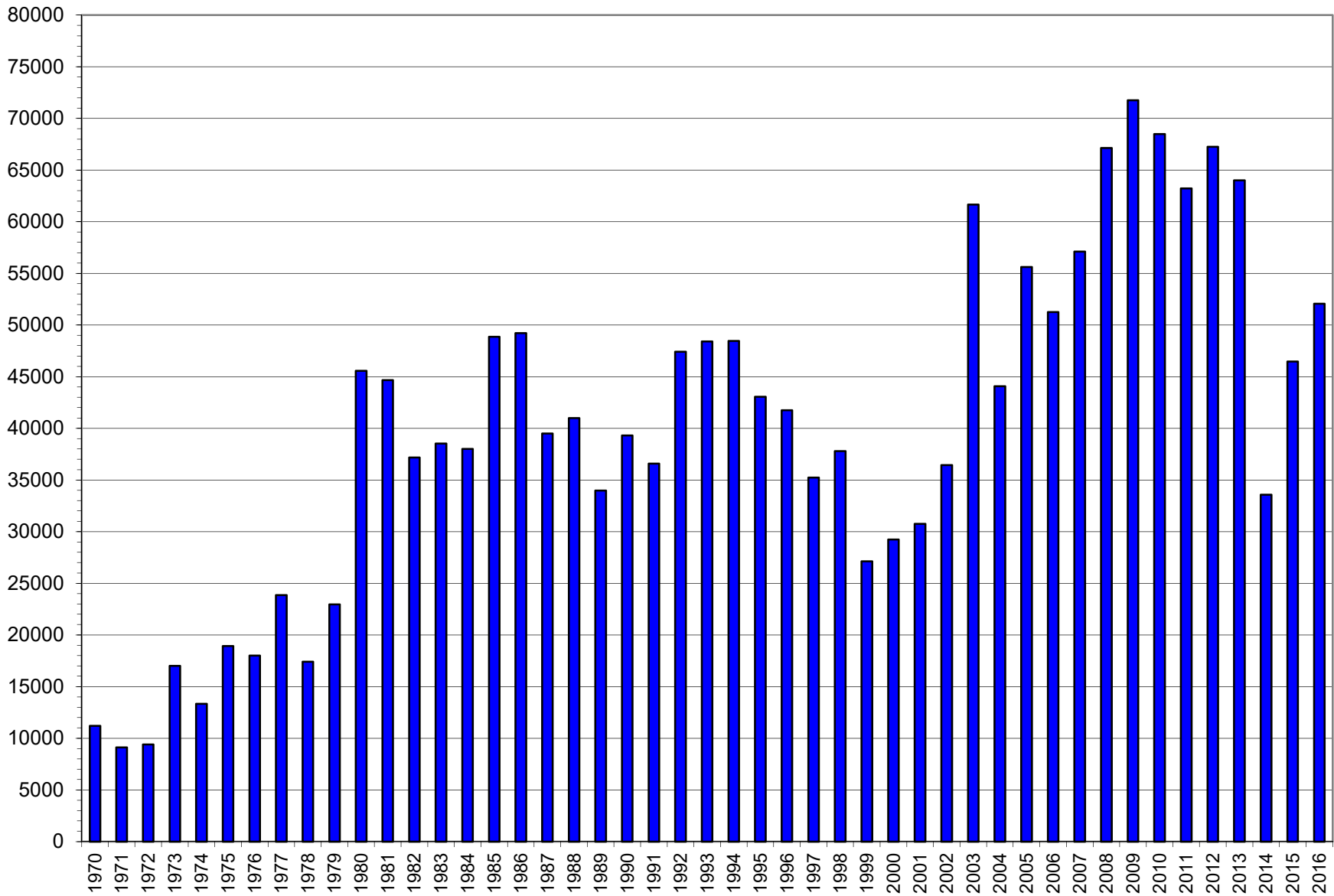
Campground Revenues Totogatic, Sawmill, Dugan, Leisure Lake



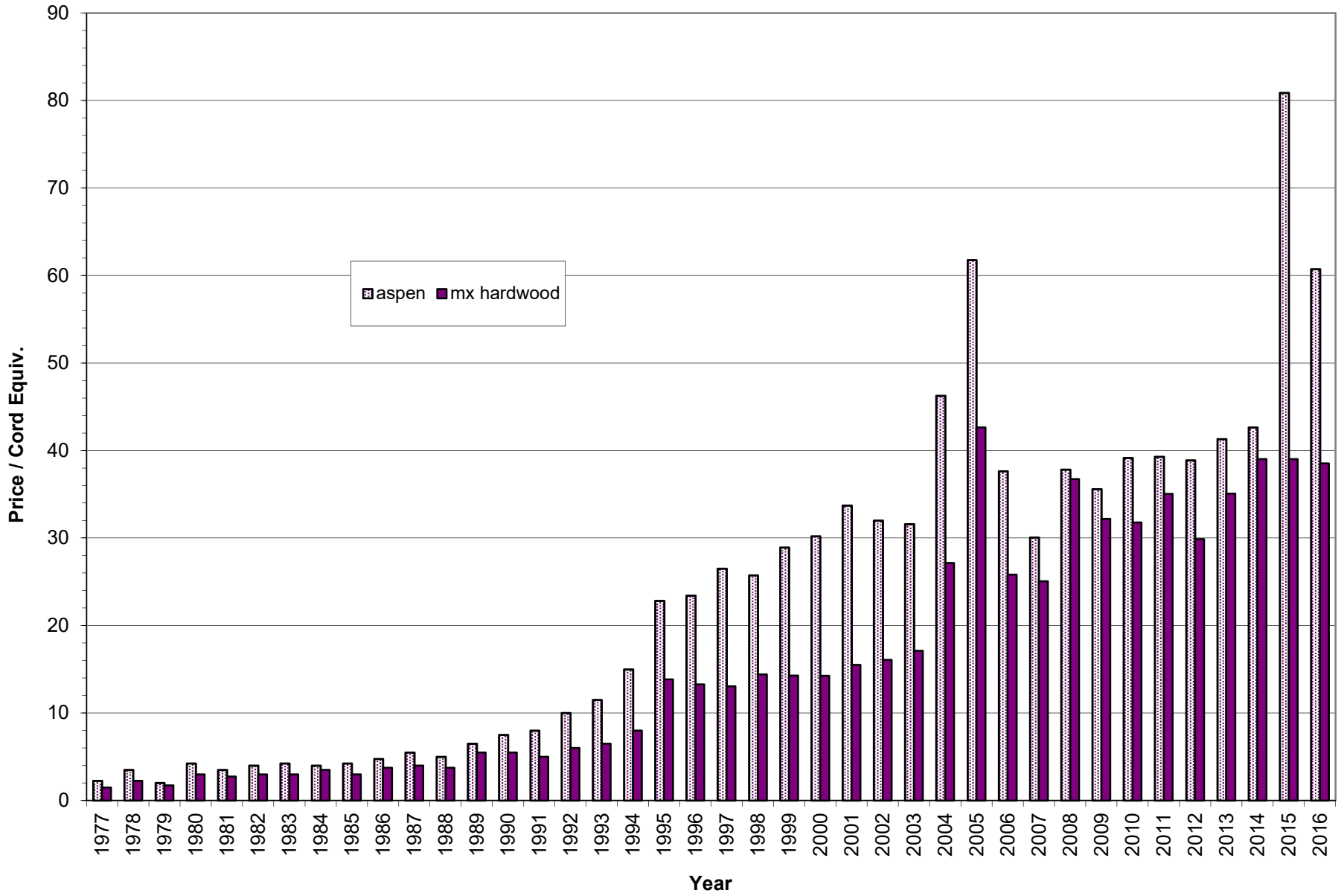
Gross Timber Sale Revenue



Total Cords Removed



Aspen & Mixed Hardwood Average Stumpage Price



Red Pine & Jack Pine Average Stumpage Price

