

Washburn County Forest 2022 Annual Report



Totogatic River – High Falls, 2022 Drone Imagery

Forest Administrator

Mike Peterson

Department Employees

Buck Pettingill

Mark Heil

Duran Bjorklund

Jeremy Erickson

Brandon Shutt

Matt Graham

Barb Hinkfuss/Shauga Lindstrom

Sam Clair

WDNR Liaison Forester

Amy Morales/Adam Nelson

Park Ranger / Deputy Sheriff

Brian Jilek

Forestry Parks and Recreation Committee

January – April

Sandy Johnson - Chair

Hank Graber – Vice Chair

Jerry Smith

Mark Radzak

Paul Johnson

May –December

Sandy Johnson - Chair

Hank Graber – Vice Chair

Jerry Smith

Mark Radzak

Brian Melton

2022 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 2022.

TIMBER MANAGEMENT

The timber sale program generated \$4,029,838 which was the highest gross revenue on record. Aspen markets were very strong, hardwood products seemed to be moving well despite the closure of Verso in 2020. Pine products continued to move despite poor markets and complaints of lack of contract at the market.

Our shift in red pine management to applying final harvest in plantations over 80 years old resulted in 192 acres of high value products available for market in 2022. Some of these were harvested during the calendar year, contributing to the higher than normal revenue. A significant number of "backlogged" timber sale under contract extension were harvested during 2022. Harvest of these older contracts also contributed to the high revenue.

Our Department began reducing the amount of aspen acres offered per year. All allowable harvest calculations show a need of more than 900 acres per year, but many of the second rotation stands coming due for management have average diameters slightly smaller than needed to optimize wood volumes.

Aspen bid rates increased substantially; mixed hardwood increased slightly; and oak pulp was much higher than normal. Hardwood. Red pine stumpage rates increased dramatically, but this was due primarily to the final harvest timber sales that were offered. Sawlog prices were somewhat variable but generally about average.

The Committee and County Board support an investment into a mill cooperative aimed at purchasing and restoring operations of the Verso paper mill in Wisconsin Rapids. \$100,000 in ARPA funds were dedicated but the cooperative project did not come to fruition and the funds were not invested.

RECREATION

Washburn County Forest recreation facilities continue to be in high demand with increasing number of users on the forest. Staff continue to make significant efforts in maintaining these facilities to provide for public use.

Of particular interest in 2022 was the sudden and immediate resignation of Assistant Recreation Administrator, Mark Heil, during Memorial Weekend. While Mark's expertise was missed, his departure was not unexpected. We were able to promote from within and advance Brandon Shutt into the vacant position. Later in 2022, we hired Sam Clair to replace Brandon as the Natural Resources Technician.

We also restructured recreation staff structure and created the position of Totogatic Park Campground Manager. This position is seasonal, with a professional level salary. Cheryl Jardine was promoted from Campground Host into this position. Having this position operate as an on-site manager was a tremendous asset to the Department and help with the transition to the new Assistant Recreation Administrator.

ATV

Traffic on the Washburn County ATV Trail continues to be very heavy, likely a result of people picking up the sport during Covid.

We continue to manage the system with 116.4 miles of summer ATV/UTV trails and 18.1 miles of hybrid (Troute) trails, and 146.3 miles of winter ATV 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). Hybrid trails are County Forest Roads designated as connecting routes and are funded at a rate of approximately \$264 per mile (annually funded at \$600 less the pro-rated per mile gas tax rate collected). These funds are critical to maintain our trail systems.

In 2022, \$95,120 were awarded for summer ATV; \$14,360 for winter ATV; and \$4,500 for hybrid (TROUTE) trails. A majority of the \$113,980 in total maintenance program funding was distributed to local ATV clubs for equipment and material reimbursement.

In addition to annual maintenance funding, Washburn County completed one trail rehabilitation project on the Wild River Trail. There were numerous outstanding grants outstanding that were not completed, primarily due to other work needs associated with Covid. These grants, and progress towards completion at the end of 2022, are itemized below;

<u>Project Name</u>	<u>Type</u>	<u>Grant Award</u>	<u>Percentage Complete in 2022</u>
Hay Creek Bridge	Rehabilitation	\$30,634	0%
Fenander Rest Stop	Development	\$38,790	100%
Hay Creek Bridge	Rehabilitation	\$61,268	0%*
Wild River Trail	Relocation	\$63,115	40%
Tranus Lake	Rehabilitation	\$166,430	90%
Bypass Gates	Rehabilitation	\$24,689	90%

*The Hay Creek Bridge deck is a complicated project. There are 3 inch thick dimensional treated pine cross members beneath the decking that are integral to the structure's stability. It has been difficult to locate replacement material for this bridge and late in 2022 we decided to reconsider this project. The bridge piers and abutments are stable and we are seeking quotes for new, prefabricated bridge sections to replace the bridge itself with a more efficient design.

The Trego interchange construction projected obliterated Trail 7, including the recreation trail bridge over potato creek. Despite repeated assurances from DOT that a trail segment would be accommodated (they even designed it in the final plan) nothing was done to accommodate the trail. In 2022, a grant in the amount of \$255,000 was awarded for the purpose of building a bridge adjacent to the Mackie Creek Road Bridge to accommodate snowmobile and ATV traffic.

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.

Snowmobile

All snowmobile trails were open as of January 1, 2022 and trail closed in late February, 2022. Trail conditions were good to excellent through the winter. A severe winter storm hit the region on December 15, dumping rain and extremely heavy snow. There was widespread tree damage and trails were impassable through the remainder of 2022. Clean up efforts continued into 2023 before trails were opened.

Washburn County allocated \$50,000 in funds from timber revenue to use for storm damage cleanup. The Wisconsin Snowmobile Council, which makes grant funding decisions, had numerous members expressing an opinion that the December storm as "normal Wisconsin winter" and were reluctant to offer surplus snowmobile funds for the purpose

of cleanup. The County “fronted” this money to assure that the clubs did not go broke trying to restore trail systems. This issue had not been resolved by the end of 2022.

Annual maintenance contracts are awarded to the Forestry Department. In 2022, maintenance was awarded at a rate of \$300/mile for snowmobile trail maintenance. \$72,990 was awarded and used to maintain trails. Snowmobile trail maintenance costs exceeded contract values and supplement funds of \$32,884.32 were awarded by the State of Wisconsin for overages.

Campgrounds

Campground were again very busy throughout the year. Totogatic Park, including the expansion area was fully open for use and in high demand. Washburn County, again, saw a record recreation program revenue.

Revenues from Totogatic were approximately \$243,084, which is about \$4,000 than in 2021. The campground was full nearly the entire summer, although we do see some vacancies in the new loop. Sawmill Campground revenues were \$10,152, which is about the same a prior year.

2022 was the 10th season using the web based reservation system and the first year of an upgraded system that provided for user cancellations, user edits as well as providing for 100% of sites as reservable. 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.

The Totogatic Park expansion project utilizing \$811,490 in grant funds (50/50 cost share) awarded in 2018, was almost completed. The only remaining component was the maintenance building, which was bid out in 2022. In addition, we were able to replace the aging dock at the boat landing with an additional Stewardship grant and cost share from timber revenues.

The well serving the older shower building in Totogatic Park tested extremely high in nitrates in mid-2022. Tests continued to run high throughout the remainder of the year and the well was permanently shut down on October 1. A test for pharmaceutical and personal hygiene products turned out positive, which indicated modern sewage had contaminated the well. Staff will be investigating potential problems with the septic system and work towards drilling a new well in 2023.

The Parks program, excluding grant funded systems, took in a total revenue of \$283,545 (\$279,380 in 2021).

Other trails and facilities

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. Club members began grooming the single track trails for winter fat tire bike use late in 2015.

Both ski trails had good snow conditions from January 1 through late February and no grooming conducted late in the year due to the December winter storm.

The Leisure Lake Youth Camp remained shut down and staff began working on engineering plans to upgrade the facility and secure a campground license.

A volunteer who was operating the Minong Rifle Range trap shooting facility suddenly quit working the facility. The trap range has a very expensive remote control thrower that remained idle through most of 2022. We will be looking for alternative ways to handle the trap range or to donate the equipment to another facility.

FACILITIES/ EQUIPMENT/ACQUISITIONS

The Department entered the last year of a 4-year lease on a Noram Compact Road Grader. A balloon payment was made and the machine is now owned outright by the County. We will use this for a trade in the future. We continue to use ATV, and other grants, to reimburse use of the machine at the DOT hourly rate.

Forestry purchased a replacement ASV RT-75 HD skid steer and a replacement tandem axle gooseneck trailer.

PERSONNEL

Mark Heil, Assistant Recreation Administrator resigned suddenly and immediately during Memorial Weekend of 2022 and was replaced by promoting Brandon Shutt, Natural Resources Technician.

The vacant Natural Resources Technician position was filled by hiring Sam Clair late in the year.

Barb Hinkfuss, Administrative Assistant retired and was replaced with Shauna Lindstrom

The newly created Campground Manager position was filled by recruiting Cheryl Jardine

DNR Liaison Forester, Amy Morales, was promoted and her position was filled by Adam Nelson.

Brian Jilek continued as the Recreation Officer and his efforts have been beneficial and appreciated. Having a law enforcement presence on the forest again was critical to our operations.

CARBON MARKETS

In 2021, Washburn County staff began investigating the feasibility of selling portions of stored carbon on the forest to carbon credit marketing firms. A private consultant was contracted to help guide the process of investigating sale and after hundreds of hours of research and deliberation, the Washburn County Board of Supervisors approve entering into a contract with a carbon marketing firm in 2022.

As part of the contract, carbon inventory was completed by external contractors. The project entered into what is called the verification phase and a great deal of time was spent providing harvest information and re-measuring carbon plots.

The project is well within the proposed timeline and we expect issuance of our credits from the carbon “registry” in mid-2023 and marketing shortly thereafter. It is feasible that carbon revenues could start coming in late in 2023.

OTHER

A new cash handling policy was adopted where 2 staff are required to pick up any checks or cash, reconcile and seal in a tamper proof bag. These bags are now to be delivered, sealed, to the Treasurer’s Office for reconciliation and deposit. As part of this policy, permits fees for firewood, boughs and Christmas trees were dropped to avoid collection of cash at the office. These changes minimizes risk of loss as well as mitigates any accusations of fraudulent activities. These were implemented at the suggestion of auditors.

The Highway Department requested a review of the Wolf Springs Forest property for a possible wetland mitigation bank. The structure on the north flowage (#4) is in poor repair and approval was granted by Committee to remove the structure and restore free flow conditions. The Army Corps. of Engineers has indicated that restoring flowage to its former wetland

stand could be an eligible mitigation project. Despite work throughout 2022, DNR dictated that because the flowage had been de-watered, it was ineligible for credits. This was despite the fact that we could have easily replaced water control boards in the structure and re-flood it.

In July 2022, staff were directed to place gravel on and grade M-Pike Road in the Town of Stinnett. This gas tax road had been neglected for years and the Town did not respond to request to conduct maintenance. A timber sale was delayed due to its condition. The Department of Natural Resources filed a notice of violation against the County claiming that we filled over 10,000 feet of wetland through the course of grading the surface of this public road. The issue has become extremely contentious and a simple resolution does not appear evident but it is clear in the Forestry Department's view that fill did not occur.

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 2022

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	38	acres
E.	Oak regeneration - scarified	49	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	0	acres
J.	Site Prep (mechanical)	136	acres
K.	Site Prep (chemical)	113	acres
L.	Prescribed burning (oak regeneration)	0	acres

II. Timber stand improvement

A.	Red pine release (herbicide):	0	acres
B.	Pine release (prison crew):	84	acres
C.	Invasive – Buckthorn herbicide treatment	0	acres
D.	Oak wilt control	0	acres

III. Timber Sale Statistics

A.	Timber value contracted	\$3,461,110 (\$2,568,146 in 2021)
B.	Acres established:	2,183 acres (3,004 acres in 2021)
C.	Acres sold:	2,145 acres (2,954 acres in 2021)
D.	Acres closed out:	2,634 acres (3,023 acres in 2021)
E.	Volumes removed:	total cord equivalent = 48,473 (52,801 in 2021)
1.	Pulpwood total:	44,659
a.	Aspen pulpwood	16,280 cords
b.	Mixed hardwood pulpwood	12,757 cords
c.	Pine pulpwood	14,738 cords
d.	Spruce/fir pulpwood	884 cords
2.	Sawtimber total:	1,695 mbf (thousand board feet)

VI. Recreation Facilities

A.	Totogatic Park	
1.	Total Gross Revenue - \$266,909	(\$258,222 in 2021)
2.	Camping Registrations - \$226,835	(\$220,913 in 2021)
3.	Shower revenue from bathhouse - \$2,211	(\$2,470 in 2021)
4.	Firewood revenue – \$9,259	(\$10,160 in 2021)
5.	Ice, Day Use, Dump Station, etc. - \$4,474	(\$5,122 in 2021)
6.	Reservation system fees - \$24,129	(\$19,557 in 2021)
B.	Sawmill Park Revenue - \$10,152	(\$10,156 in 2021)
C.	Harmon / Dugan Equestrian Trails / Other	
1.	Horse Trail/Camping Revenue – \$3,229	(\$3,723 in 2021)
2.	Trail Donations - \$1,274	(\$1,444 in 2021)
D.	Leisure Lake Youth Camp - \$583*	(\$5,475 in 2021)

*Camp shut down in early 2022

WASHBURN COUNTY FOREST: ANNUAL REPORT OF ACCOUNTS 2022

I. RECEIPT AND EXPENDITURE SUMMARY OF FORESTRY AND PARKS ACCOUNTS

A. <u>Timber revenues received by County:</u>		
Gross timber sale receipts		\$4,029,838.62
Damages, interest, other misc. income	\$	4,598.54
Gathering permits (firewood, boughs, Christmas trees)	\$	369.69
<u>TOTAL FOREST PRODUCTS REVENUE - \$4,034,806.85</u>		
 <u>Recreation revenues received by County:</u>		
Totogatic Park	\$	266,908.50
Sawmill Park	\$	10,152.29
Leisure Lake	\$	507.41
Misc. Recreation Revenue	\$	5,976.70
<u>TOTAL RECREATION PROGRAM REVENUE - \$ 283,544.90</u>		
 <u>Misc. revenues received by County</u>		
Forestry Aid Loan from State	\$	74,737.18
Sustainable Forestry Grant	\$	0.00
ATV/Snowmobile Law Enforcement Grants	\$	30,160.99
County Forest Administrator Grant (inc. WCFA dues reimb.)	\$	65,952.35
Private Grants	\$.00
Equipment Sales	\$.00
Misc.	\$	2,310.65
<u>TOTAL MISCELLANEOUS REVENUE - \$ 173,161.20</u>		
 Total Revenues		 \$4,491,513.95
 B. <u>Expenditures by County:</u>		
Firelanes (53410)	\$	6,478.08
Forestry Aid fund (56930)	\$	93,144.52
County Forest Land Development (56100)		\$811,199.80
10% statutory timber sale revenue to towns		\$402,984.42
5% additional timber sale revenue allocated by County		\$201,482.82
Forestry Aid Loan Repayment	\$	74,737.18
Parks Expenditures (55200)		\$204,440.10
<u>TOTAL NON-GRANT EXPENDITURES - \$ 1,794,497.92</u>		
 C. Net Revenue to County		 \$2,697,047.03*
<i>* May not reflect actual audit figure due to adjustments.</i>		

II. Other Segregated Accounts:

	<u>Receipts</u>	<u>Expenditures</u>
A. <u>Fish and Game Projects - 56960</u>	\$ 0.00	\$ 0.00
B. <u>Habitat Development - 56961</u>	\$ 7,007.02	\$ 4,991.29
C. <u>Snow Trails - 55440</u>	\$ 81,326.24	\$ 101,666.28
D. <u>Land Acquisition - 56110</u>	\$ 0.00	\$ 0.00
E. <u>County Forest Roads - 56125</u>	\$ 33,671.43	\$ 123,686.58
F. <u>ATV Trails - 55310</u>	\$ 164,270.56	\$ 159,821.80

III. Fund Balances on non-lapsing accounts as of 12/31/22 **subject to final reconciliation and audit*

A. Forestry Aid (State loan funds)	\$ 3,597
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B. Wildlife Habitat (State grant funds)	\$ 8,370
C. County Forest Roads (State grant fund)	\$ 24,810
D. Land Acquisition	\$ 6,159

IV.

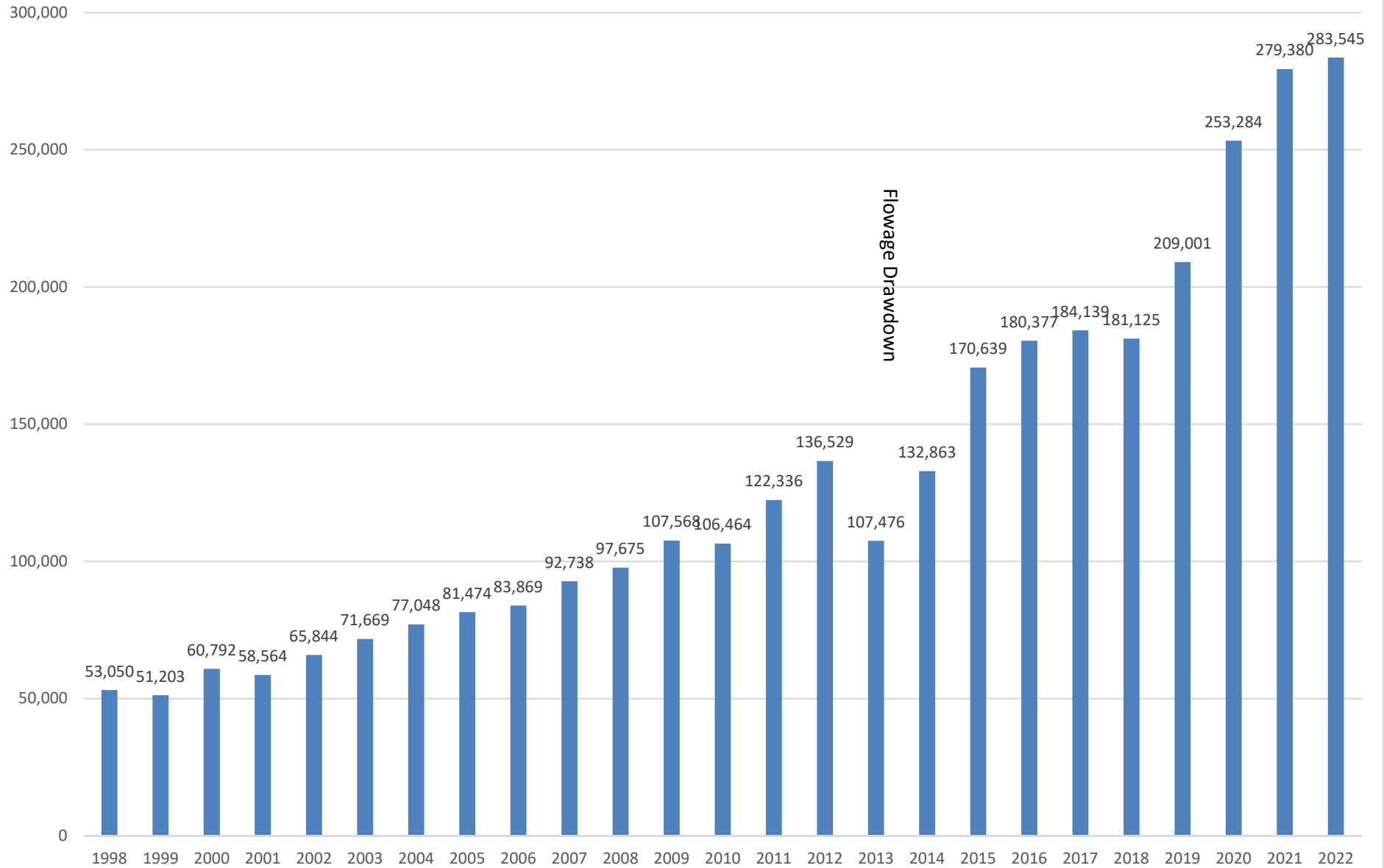
Money received by Towns:

State payment (\$.63/acre on 150,196.03 acres)	\$ 94,623.50
10% timber sale revenue (statutory requirement)	\$ 402,984.42
5% timber sale revenue (additional paid by Washburn County)	\$ 201,482.82
TOTAL	\$ 699,090.74

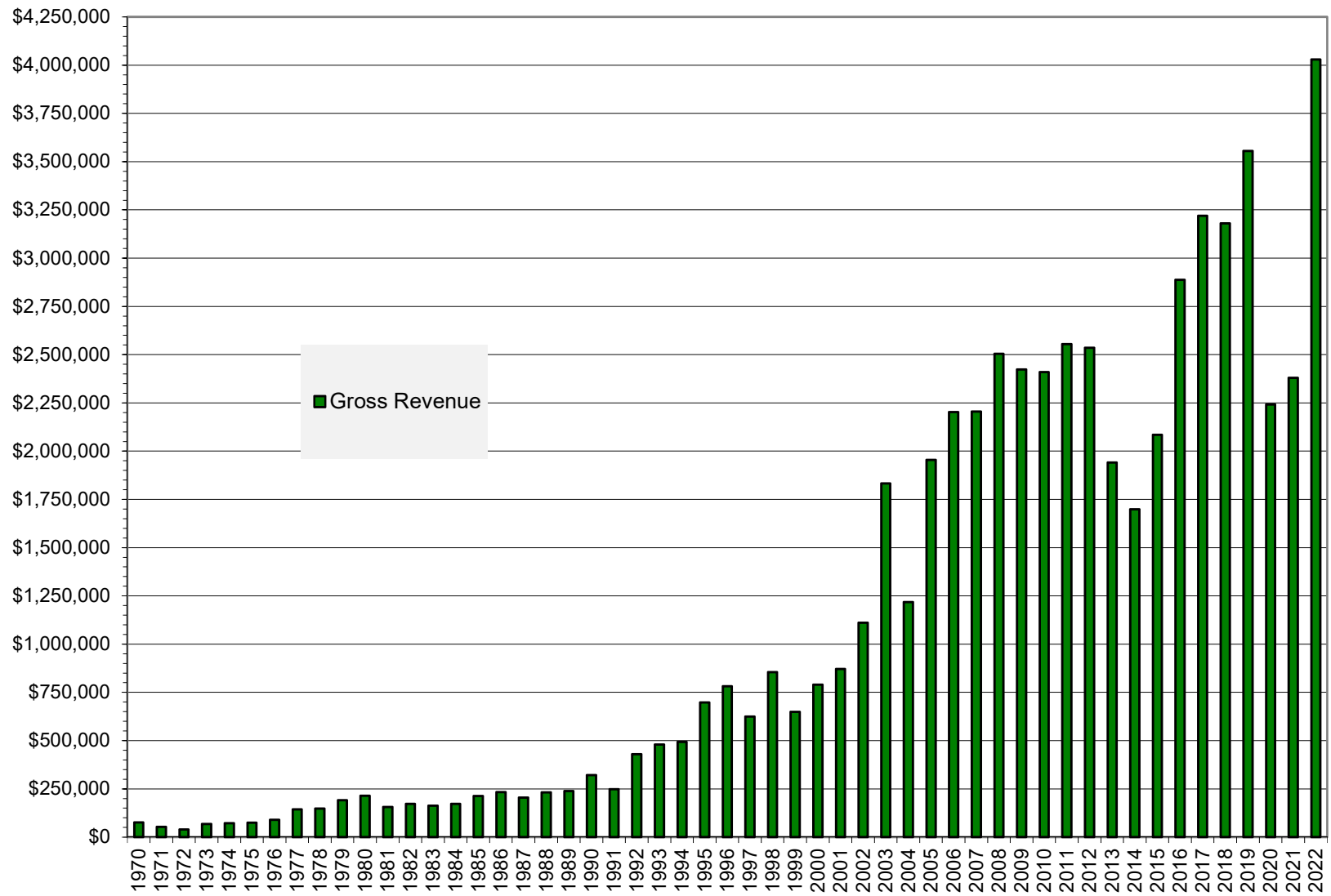
Total monies received by Towns – 2022 (paid in 2023):

Barronett	\$20,203.44	(5,020 ac)	Frog Creek	\$142,000.17	(35,283 ac)
Bass Lake	\$12,487.29	(3,103 ac)	Gull Lake	\$56,873.45	(14,431 ac)
Beaverbrook	\$12,009.16	(2,984 ac)	Madge	\$14,283.19	(3,549 ac)
Birchwood	\$79,975.36	(19,872 ac)	Minong	\$32,349.20	(8,038 ac)
Brooklyn	\$23,196.81	(5,764 ac)	Sarona	\$8,514.67	(2,116 ac)
Casey	\$34,473.94	(8,566 ac)	Springbrook	\$31,486.59	(7,823 ac)
Chicog	\$36,937.79	(9,178 ac)	Stinnett	\$58,078.78	(14,431 ac)
Crystal	\$14,947.51	(3,714 ac)	Stone Lake	\$24,751.53	(6,150 ac)
			Trego	\$1,911.36	(475 ac)

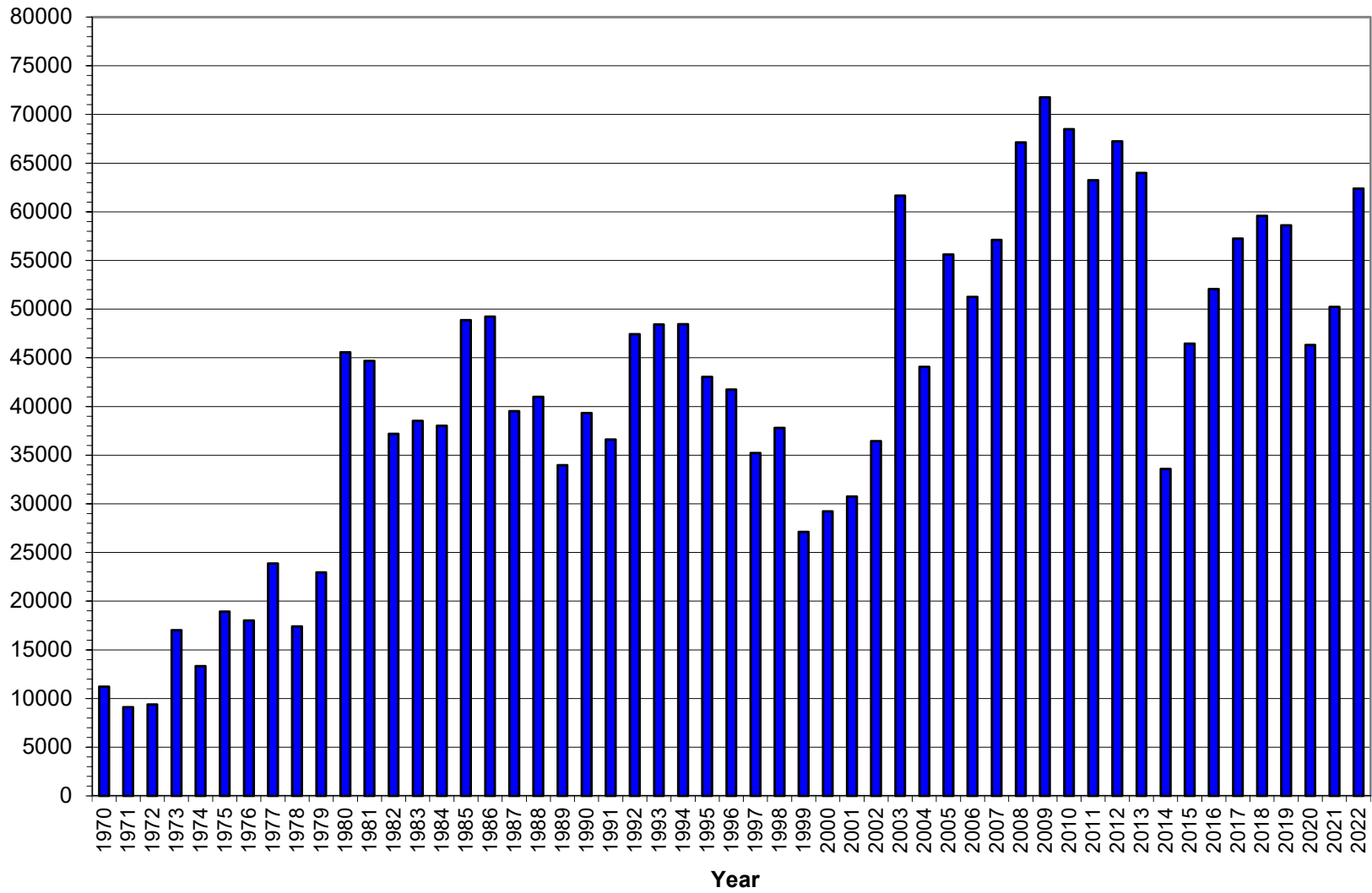
Recreation Program Revenues (Excluding Grant Funded Programs)



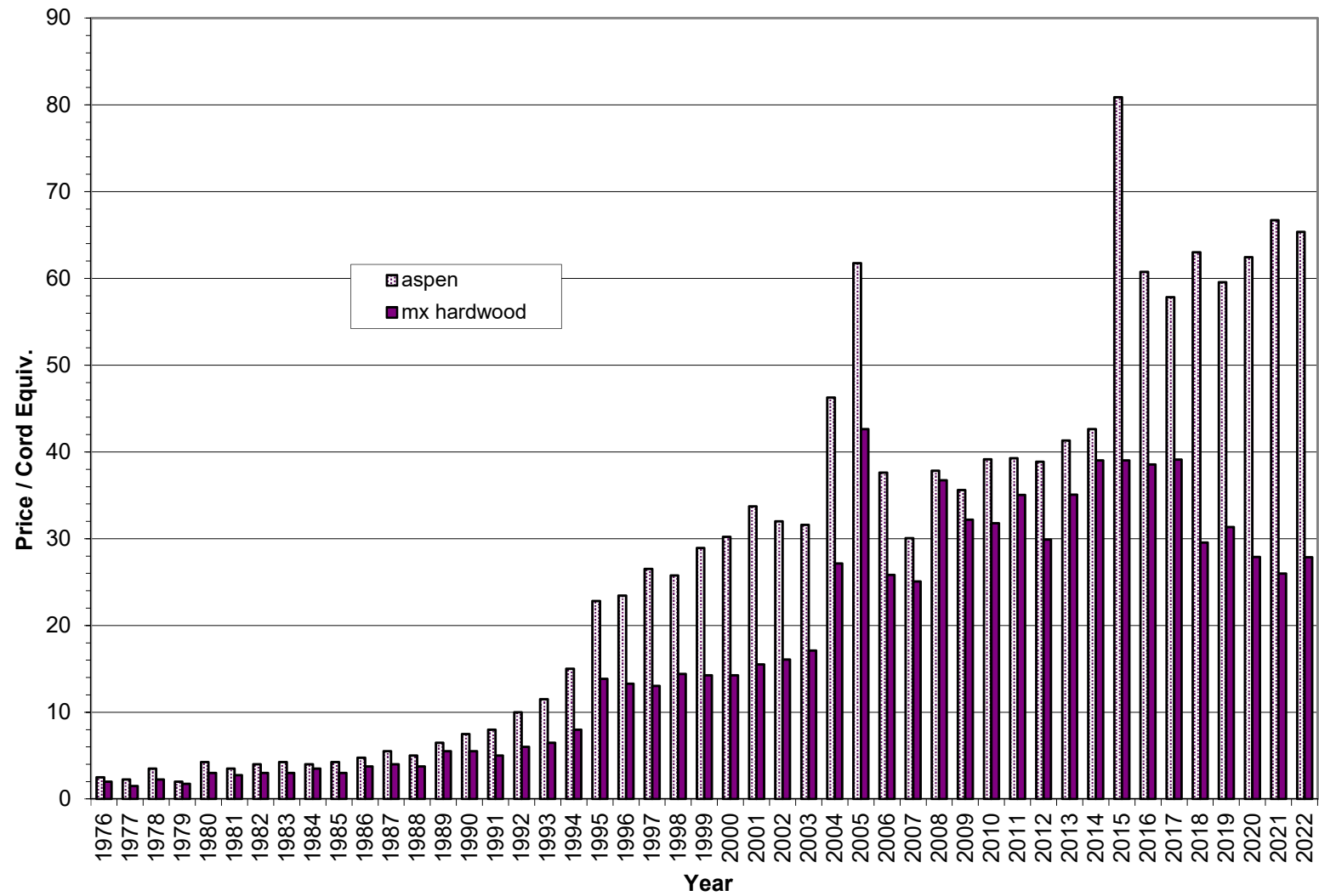
Gross Timber Sale Revenue



Total Cords Removed



Aspen & Mixed Hardwood Average Stumpage Price



Red Pine & Jack Pine Average Stumpage Price

