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COMMISSIONER OF PUBLIC LANDS

THURSTON COUNTY
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DEPARTMENT OF
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January 12, 2018

RESOURCE STEWARDSHIP

Allison Osterberg
Senior Planner
Thurston County Community Planning & Economic Development
2000 Lakeridge Drive SW
Olympia, WA 98502

Dear Ms. Osterberg:

Thank you for the opportunity to respond early in the Mineral Lands Designation process associated with Thurston County's Comprehensive Plan.

Summary Comments:

DNR Proprietary requests that all State Lands, State Forestlands and DNR-managed lands with Sub-surface Mineral Rights be designated mineral lands under Thurston County's Comprehensive Plan.

In light of other regulatory requirements and considering the uniqueness of each mining proposal, DNR Proprietary requests the deletion of the 1,000 foot buffer around public resources.

DNR Proprietary requests the deletion of the 1,000 foot buffer around urban growth areas and rural residential areas for State Lands, State Forestlands and Sub-surface Mineral Rights.

Background: The State of Washington Department of Natural Resources (DNR) agency responsibilities include the management of certain state owned lands, surface mining regulation and forest practices regulation. This letter pertains to DNR's management of three different types of lands in Thurston County in its proprietary role (DNR Proprietary): State Lands and State Forestlands as defined under RCW 79.02.010 and lands where the State does not own the surface rights, but has reserved the subsurface mineral rights. Other interests of DNR, such as the Natural Areas Program, the Surface Mining Program or Forest Practices, may comment separately.

Land Classification	Approximate Acres in Thurston County
State Lands	18,000
State Forestlands	36,000
Sub-surface Mineral Rights w/o Surface Ownership	13,500

State Lands were granted to the State at statehood and are managed to provide revenue for numerous public institutions including the common school construction fund and state universities. State Forestlands are managed for revenue to benefit counties and their junior taxing districts. In 2016, State Forestlands returned \$10 million dollars to Thurston County and its junior taxing districts. Revenue from State Lands and State Forestlands in Thurston County is mostly obtained through the sale of timber, sale of special forest products and leasing for communication sites. These lands also provide significant recreation opportunities for state residents.

Under the Growth Management Act, "minerals" include gravel, sand, and valuable metallic substances. DNR's authorizing statutes differentiate between rock, sand and gravel as valuable materials and address minerals, coal, oil and gas separately (Title 79 RCW). For the purposes of this letter; rock, sand and gravel are differentiated from minerals.

Use of Rock, Sand and Gravel on State Lands and State Forestlands: Rock, sand and gravel are essential products for the management of state lands. They are used to build and maintain roads and trails as well as to construct and maintain improvements. DNR Proprietary has access to these products on its State Lands and State Forestlands to ensure the future productivity of these lands. To obtain rock, sand and gravel from offsite sources is prohibitively expensive and adequate sources are increasingly difficult to find.

To continue to manage State Lands and State Forestlands for the fiscal benefit of DNR's trusts, we must be able to operate in existing aggregate sources and open new sources. There are 25 existing rock pits on DNR managed lands in Thurston County that provide aggregate to maintain 396 miles of gravel surface roads and are used for construction of new forest roads. All 25 pits are located in the Thurston County GIS mineral lands layer and two of the pits (Countyline and Delphi) are not within the designation_map1 layer. In addition, one pit has a Surface Mine Reclamation Permit (Mima Mounds). DNR needs to continue to operate in existing pits, expand these pits and create new pits as needed to ensure land management needs are met.

Commercial Use: DNR Proprietary does not currently have any commercial contracts for rock, sand, gravel or minerals in place on lands in Thurston County. However, DNR Proprietary has authority to enter into commercial contracts for all of these purposes and obtains significant revenue for DNR's trust beneficiaries in other counties from these activities. Due to the

increasing scarcity of rock, sand, gravel and minerals; State Lands and State Forestlands should be considered of long-term commercial significance.

Sub-surface Mineral Rights: DNR Proprietary manages Sub-surface Mineral rights for the State on lands granted at statehood which are still held as State Lands and has acquired State Forestlands which also have Sub-surface Mineral Rights. DNR Proprietary also manages Sub-surface Mineral Rights without surface ownership throughout Thurston County. These rights have been reserved as required by RCW 79.11.210.

DNR's sub-surface rights include oil, gases, coal, ores, minerals, and fossils. The Growth Management Act defines minerals as only gravel, sand, and valuable metallic substances. This letter addresses mineral sub-surface rights.

DNR Proprietary is not currently extracting Sub-surface Minerals from lands in Thurston County. However, these do represent potential future sources of minerals and are of long-term commercial significance. Since before statehood, the State has viewed Sub-surface Mineral Rights as an important State right to be held by the citizens of the State. This is evidenced by references to ownership and management of those resources in the State's Enabling Act, Constitution and laws. To avoid conflicts with surface owners when mineral rights are owned separately, there are legal and regulatory restrictions on accessing these sub-surface rights to protect the surface owner's use of the land.

Public Resource Buffers: Thurston County has also proposed criteria for mineral designation. These include a 1,000 foot buffer around public preserves. A 1,000 foot buffer around public resources impacts DNR Proprietary's ability to develop new rock, sand, gravel and mineral sources and expand existing sources. DNR State Lands and State Forestlands are subject to Forest Practices Act and Rules, the State Environmental Policy Act (SEPA), an Endangered Species Act Section 10 Habitat Conservation Plan, Surface Mining regulations, county conditional use permitting and numerous other permitting requirements. These requirements restrict uses, ensure public resource protection, and provide for public input into DNR actions.

The distance to a public resource does not relate directly to the impact of a proposed activity on the resource. For instance, DNR Proprietary operates a rock pit located next to the Mima Mounds Natural Area Preserve for use on Capitol Forest roads and lands. The pit does not conflict with the Natural Area's functioning or preservation goals.

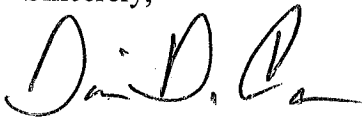
Urban Growth and Rural Residential Area Buffers: DNR Proprietary has a number of critical rock pits adjacent to urban growth and rural residential areas. Curtailment of their current use or expansion in the future would have significant negative effects on DNR's ability to maintain the Capitol Forest and other lands.

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Urban growth and residential areas are often the places most in need of rock, sand and gravel resources. Each rock, sand and gravel source is mined differently with different equipment and at different intervals. DNR Proprietary believes it is more appropriate, and provides the most flexibility in providing these products, to consider a mining operation on a site specific basis. This is accomplished on State Lands, State Forestlands and for Sub-surface Minerals through the SEPA process coupled with other state and federal regulatory processes.

I appreciate your efforts to balance the needs of county residents with the societal need for mineral resources. Thank you for the opportunity to comment. My staff will coordinate with you to provide GIS layers for DNR-managed uplands and also for sub-surface mineral rights. Please contact Janet Ballew of my staff with any questions at 360-902-1685 or by e-mail at janet.ballew@dnr.wa.gov.

Sincerely,

A handwritten signature in black ink, appearing to read "Darin D. Cramer". The signature is fluid and cursive, with the first name "Darin" being the most prominent.

Darin D. Cramer
Product Sales & Leasing Division Manager