Erik P. Martin, P.E., District Administrator

351 NW North St Chehalis, WA 98532-1900

June 1, 2021

Washington State Department of Ecology PO Box 47600 Olympia WA 98504

The Department of Natural Resources 1111 Washington St SE Olympia WA 98504

RE: Transfer of Use and Jurisdiction

Please find the included information to inform the SEPA analysis with regards to assumptions for land acquisition and transfer of jurisdiction at the water retention facility site.

TRANSFER OF USE AND JURISDICTION

The area encompassed by the planned reservoir inundation area and an upper limits buffer (RIA) are currently privately owned and are in commercial forestry use. Tree removal within this area is regulated by the Washington State Department of Natural Resources (DNR) under the Forest Practices Act. The change in land use from commercial forest to accommodate the flood control facility will trigger 1) a potential tax event and 2) change in land use classification within the Lewis County Code zoning administration.

The current land use designation with the Lewis County Code zoning administration for the land encompassed by the RIA is Forest Reserve Lands (Lewis County Zoning Map). Commercial forestry is a "Primary Use" in this classification; LCC17.30.450)(1). Permitted accessory uses under this classification include "watershed management facilities, including but not limited to diversion devices, impoundments, dams for flood control, fire control, and stock watering. 17.30.460 (7)." Transfer of use from the current commercial forestry use to use as a flood control facility should not require a change in zoning.

A Forest Practices Permit issued by the DNR will be required for implementation of the Vegetation Management Plan (VMP) where clearing and replanting activities are to occur within the temporary reservoir area. Transfer of ownership of the property and application for a DNR permit by the new owner has the potential to also trigger a tax event or at least a change in classification. Private lands currently used for commercial forest production enjoy property tax deferment in exchange for paying an excise tax on timber at the time of harvest as long as the property remains in commercial forest production. The District however, does not plan to continue commercial forest operations within the RIA and the land would be held by a public entity.



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The District has held briefings and ongoing discussions with the landowner, but a purchase and sale agreement for the RIA has not yet been completed. For the purposes of responding to comments and preparing the Final EISs, the District requests that the following be assumed as the most likely outcome of negotiations with the landowner and the process for conversion to non-commercial forest use.

- 1. The District expects to develop a purchase and sale agreement with the landowner that will include an option to purchase period.
- During the option period the landowner would permit the District to undertake studies and surveys
 to support completion of final design and acquisition of permits for project construction. The option
 period would begin on or about the date that the SEPA and NEPA EISs have been
 certified/completed.
- 3. The District would exercise its option to purchase the property following acquisition of all major permits, acquisition of funding and contracting necessary to begin construction.
- 4. During the option period the District will apply for and obtain necessary permits from the DNR to implement a VMP that will provide for removal of certain trees and vegetation within the temporary reservoir area that are not tolerant of temporary inundation and replacement with alternative vegetation to maintain shade along the watercourses necessary to minimize water temperature effects. This permitting process will also include recognizing the change in status of the land within the RIA from commercial timber operation to non-commercial timber operation.
- 5. Upon purchase of the property, the DNR permit would be implemented, any potential tax consequences recognized and transfer of ownership competed.
- 6. Upon purchase of the property, Lewis County would be notified of the transfer in ownership and change in use.

Execution of these actions will allow the project to have obtained the necessary permits and approvals to allow implementation of the Vegetation Management at the time project construction begins. This will maximize the time available for the establishment and maturation of plant species to be installed along the watercourses for shading and temperature impacts minimization.



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Respectfully yours,

Your Mc Rea on behalf of Crik Martin Erik Martin, District Administrator

Chehalis River Basin Flood Control Zone District

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