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June 8, 2023

Whatcom County Council
311 Grand Avenue, Suite 105
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Chair Buchanan and Council Members:

We have closely followed your deliberations regarding the management of Department of Natural Resources (DNR) state trust lands in Whatcom County, including state forest transfer lands that provide critical revenue for the Mount Baker School District (MBSD). We are writing in response to the Council's [May 9, 2023 letter](#) regarding DNR's proposed Brokedown Palace timber sale.

As you know, the MBSD has repeatedly raised concerns about requests from the Council to withdraw or delay local DNR timber sales due to the financial impacts to our district, including in an [April 10, 2023 letter](#) to the Council regarding a proposal to delay the Brokedown Palace timber sale. We were disappointed by the Council's vote to send a letter requesting a delay, which creates financial uncertainty for our district and other junior taxing districts.

However, we appreciate the Council's commitment in its May 9, 2023 letter to "offset any potential negative impacts to our local beneficiaries, including the Mount Baker School District" associated with its request that DNR pause the Brokedown Palace timber sale and considered for possible inclusion in a new program funded by the Legislature through the Climate Commitment Act (CCA). Your letter also recognized that this new program "may delay funding or our local beneficiaries for years or decades."

The Council also recently pressed DNR to withdraw two other planned timber sales that include state forest transfer lands within the boundaries of the MBSD – Bessie Sorts and Upper Rutsatz. Taken together, the loss of revenue from these three planned timber sales will have a significant financial impact on our capital projects and enrichment funding. All three sales also include federal grant state trust lands, for which Whatcom County is not a beneficiary. The largest federally granted trust, the Common School Trust, supports K-12 school construction for school districts like the MBSD.

Consistent with the Council's commitment to offset lost revenues from DNR timber sales, we respectfully ask the Council to provide the MBSD with the estimated revenue associated with state forest transfer lands in the Brokedown Palace timber sale and the Bessie Sorts timber sale, which was paused following a [January 25, 2022 letter](#) from the Council. We ask that these funds be provided no later than January 1, 2024. If DNR ultimately proceeds with these timber sales, Whatcom County would recover the funds from the share of proceeds distributed to the MBSD.

Enclosed you will find detailed estimates of the value of the Brokedown Palace and Bessie Sorts timber sales based on DNR appraisals and recent timber auction prices. We have also included information for the Upper Rutsatz timber sale, which may also be withdrawn under



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the new CCA program or DNR's Carbon Project, which is expected to have a similar negative impact on beneficiary revenues. Based on a chart provided by DNR Northwest Region staff, we estimate that Brokedown Palace would have generated nearly \$150,000 for MBSD. The Whatcom County Treasurer should be asked to work with DNR to confirm this estimate and provide similar estimates for Bessie Sorts and Upper Rutsatz.

State Forest revenue is important to MBSD. Our district has a \$3 million revenue shortfall for 2023-24, which is causing us to lay off 10% of our staff, impacting students and families. Following up on the Council's commitment to offset negative impacts to MBSD will be valuable as we face budget challenges. Thank you for your consideration of this request.


Sincerely,




Superintendent Mary Sewright




Director Russ Pfeiffer-Hoyt



Director Brenna Reaugh



Director Annie Elder



Director Edward Fox



Director Danielle Gray

Cc: Hilary Franz, Commissioner of Public Lands
Board of Natural Resources
Jay Guthrie, NW Region Manager, DNR
Laurie Bergvall, Assistant Region Manager, DNR
Chris Hankey, Baker District Manager, DNR
Steven N. Oliver, Whatcom County Treasurer
Whatcom County Library
Whatcom County EMS
Whatcom County Fire District 14
Whatcom County Fire District 16
Port of Bellingham