

**DRAFT Minutes**  
**Timber Advisory Committee**  
**Thursday, November 9, 2023, Meeting**

The meeting was called to order by Mr. James Dahlen, Chair, at 10:01 a.m.

COMMITTEE MEMBERS IN ATTENDANCE

James Dahlen, Chair  
Leslie Morgan, Vice-Chair/Secretary  
Cynthia Froggatt  
Howard LaHaie  
Craig Kay  
Dan Stapleton  
Marty Olhiser  
Lennart Lindstrand, Jr.

REPRESENTING

CDTFA/Program Compliance Bureau (PCB)  
Assessor, Shasta County  
Assessor, Plumas County  
Assessor, Humboldt County  
Assessor, Siskiyou County  
Board of Forestry  
Large-Scale Timber Owners  
Small-Scale Timber Owners

COMMITTEE MEMBERS NOT ATTENDING

Jennifer Perry

REPRESENTING

Assessor, Del Norte County

OTHERS IN ATTENDANCE

Susanne Buehler, Deputy Director  
Mike Doyich  
Mark Collins  
Charles Holthaus  
Theresa Warshawer  
Debra Cooke Jackson  
Leslie Ang  
Tuan Nguyen  
Rachel Zoe

REPRESENTING

CDTFA, Business Tax and Fee Division (BTFD)  
CDTFA, BTFD/Timber Tax Section  
CDTFA, BTFD/Timber Tax Section  
CDTFA, BTFD/Timber Tax Section  
CDTFA, BTFD/Timber Tax Section  
CDTFA, Legal Division  
CDTFA, Legal Division  
CDTFA, BTFD/PCB  
CDTFA, Program Administration Branch

**1. Call to Order and Opening Comments – Mr. James Dahlen**

Mr. James Dahlen, Committee Chair, called the meeting to order at 10:01 a.m. and welcomed the Committee members.

**2. Roll Call**

Chairman Dahlen called the roll, and with the exception of Ms. Jennifer Perry, who was represented via proxy vote by Mr. Howard LaHaie, all Committee members were present, and the meeting was allowed to proceed.

**3. Review and Approval of Meeting Agenda**

Chairman Dahlen asked if there were any requests for any additional agenda items. Hearing none, the meeting moved on to the next item on the agenda.

#### **4. Discussion and Approval of the Minutes from the May 16, 2023, Meeting**

Chairman Dahlen opened the floor for discussion of the meeting minutes from the May 16, 2023. There were no comments or corrections offered. Ms. Leslie Morgan made a motion to approve the May 16, 2023, meeting minutes as submitted. Mr. Dan Stapleton seconded the motion. The motion passed unanimously.

#### **5. Opening Comments and General Marketing Trends – Mr. Mike Doyich**

Senior Forest Property Appraiser, Mr. Mike Doyich, stated this year's relatively mild fire season only saw 319,000 acres burned and he compared that to the state's most recent 5-year average of over 1,500,000 acres burned per year, which is an 80% reduction in acres burned as compared to the 5-year average. The past two consecutive mild fire seasons have allowed the timber industry to catch up on the huge backlog of fire salvage and the forecast for 2024 is to return to primarily green timber harvesting. In past transition cycles from primarily a salvage to a green market, the trend has generally been reflected in stronger prices for green timber due to increased demand for better quality wood.

The inland salvage markets have continued to depreciate as the quality of wood decays due to insects and decay fungi, especially in size code 3 pine and small white fir. The Western Wood Products Association lumber price index has been quite volatile all year, not fluctuating up or down for more than two consecutive months. Since April, inland pine lumber is down about \$80 per thousand board feet (MBF) and Hem-fir and Douglas-fir are both down around \$20/MBF.

On the coast, Douglas-fir lumber was down \$64/MBF since April and Hem-fir is down around \$17/MBF. The Sierra Pacific Industries pole plant in Anderson, California that closed down at the end of last year due to lack of supply, was purchased by the Bell Lumber and Pole Company. They have plants in both Oregon and Washington, but currently none in California.

Chairman Dahlen opened the floor to comments or questions on the general marketing trends presentation. With no comments or questions, the meeting proceeded to the next agenda item.

#### **6. Suggested Immediate Harvest Values for the Period of January 1, 2024 – June 30, 2024**

##### **a) Table G – Green Timber Harvest Values**

Mr. Doyich began the discussion by directing the Committee members to pages 8, 10 and 11 of the Timber Advisory Committee (TAC) *Appraisal Summary*, where the green timber appraisal information and green timber suggested values are found. Overall, the suggested values on the coast are up, specifically on the north coast in Timber Value Areas (TVA) 1 and 2. In the inland region the suggested values are mostly flat with only some minor changes, with the largest changes being in Douglas-fir in some TVAs.

Mr. Doyich then opened the floor to discussion on Table G, Green Timber Harvest Values. No discussion or comments were made. Mr. Lennart Lindstrand made a motion to approve Table G as proposed, and Mr. Howard LaHaie seconded the motion. The motion passed unanimously.

**b) Table S – Salvage Timber Harvest Values**

Mr. Doyich began the discussion by directing the Committee members to pages 9, 10 and 12 of the TAC *Appraisal Summary*, where the salvage timber appraisal information and the salvage timber suggested values are found. The table found on Page 14 of the TAC *Appraisal Summary* indicates whether the proposed salvage values were based on actual sales data or if the percent of green factor value method was used. The salvage study was recently updated, and the salvage percent of green factors were revised. On the coast, the percent green factors were unchanged, with the exception of Incense Cedar which declined from 70% to 50%. In the inland region, the percent of green factor for pine remained the same at 30%, while the Douglas-fir and Hemlock-fir both changed from 60% to 50%. The Incense Cedar went from 70% to 50%. Mr. Doyich then opened the floor to discussion on Table S.

Ms. Leslie Morgan asked what process is used to develop the percent of green factors. Mr. Doyich explained that timber tax staff has developed a spreadsheet that creates a ratio of the 24-month weighted average salvage timber values to the 24-month weighted average green timber values. This produces a salvage percent of green factor for each species in each TVA, then the percent of green factors are weighted by volume from each TVA to generate a region wide weighted average percent of green factor for each species that is based on the actual sale data. Mr. Doyich explained that in the past timber tax used a generic 75% of green factor for all species and over time it became apparent that as markets changed there was a need to generate percent of green factors for each individual species, and this led to the creation of our current spreadsheet. It should be noted that the percent of green factors are only used in the absence of reliable sales data and a decision every value cycle is made based on appraisers' judgement whether to use sales or the percent factors.

Lacking any comments or discussion from Committee members, Mr. Lindstrand made a motion to approve Table S as proposed, and Mr. Marty Olhiser seconded the motion. The motion passed unanimously.

**c) Table 1 – Miscellaneous Forest Products Harvest Values**

Mr. Doyich began the discussion by directing the Committee members to pages 7 and 13 of the TAC *Appraisal Summary* where the Table 1 timber appraisal information and suggested values are found. The large and small Douglas-fir poles (PLD and PSD) are down \$40/MBF, the pine and true fir poles (PFP) are down \$20/MBF, the Small Sawlog Miscellaneous (SSM) category is down \$20/MBF, and the Conifer Miscellaneous (CM) category is up by \$10/MBF. All other Table 1 values remained unchanged.

With the pole processing plant in Anderson, California, shut down and no longer operational, Mr. Lindstrand inquired if any pole harvests are currently being reported to CDTFA. Mr. Doyich replied that limited pole harvesting is still occurring in California, but the logs now must be shipped to processing facilities in other states, albeit the volume reported is significantly lower than in past years. He provided some reporting statistics and said that since the trees are harvested in California, the state's yield tax still applies. It is possible that the pole market may improve and become more robust in California in the future, so it is a commodity still worth tracking. We will just have to wait and see what develops as time goes on.

With no further comments or discussion on Table 1, Mr. Stapleton made the motion to approve Table 1 as proposed, and Ms. Morgan seconded the motion. The motion passed unanimously.

## **7. Old Business**

### **a) No Old Business**

## **8. New Business**

### **a) Senate Bill (SB)-544 Bagley-Keene Open Meeting Act: Teleconferencing**

Ms. Debra Cooke Jackson, of CDTFA's Legal Division, took the floor with a presentation about the recent changes to the requirements in the Bagley-Keene Open Meeting Act. Senate Bill (SB) 544 extends the provisions in the governor's March 2020 executive order by enacting an additional alternative set of provisions under which a state body may hold a meeting by teleconference as an alternative to attending the public meeting at a physical location.

This new bill is temporary, and it will go into effect January 1, 2024, through January 1, 2026. SB-544 eliminates the requirements in Bagley-Keene to post the addresses of all teleconference locations and will require the TAC Committee to post a teleconference telephone number and an internet website or other online platform by which the public can access and participate remotely if they choose not to participate in person at the meeting's physical location site.

SB-544 also removes the roll call vote requirement and the requirement for a quorum of the members of the state advisory body to attend at the primary physical meeting location. Instead, the bill will now require, as of January 1, 2024, at least one staff member of the TAC Committee to be present at the primary physical meeting location to monitor and answer any questions, or to handle any issues that might arise at the physical location.

The bill also requires the members of the TAC Committee to visibly appear on camera during the open session portion of a meeting that is publicly accessible via the internet or other online platform, unless the appearance would be technologically impracticable. The bill further requires a TAC Committee member who does not appear on camera to announce the reason for not having their camera turned on.

Chairman Dahlen added that these requirements will be handled administratively by CDTFA, and the TAC Committee members only need to be aware of the requirement to keep their camera on during meetings or to state the reason for their not appearing on camera.

Ms. Morgan asked if the open camera requirement is specific to only the open comment portion of the meeting. Ms. Jackson clarified that cameras can be turned off during closed session portions of meetings, but cameras must be turned on during any open session portion of the meeting, not just during public comments. It was further clarified that the camera requirements only apply to TAC Committee members, as members of the public attending the TAC Committee meeting are not required to be on camera.

**b) Tentative Date for the Next Timber Advisory Committee Meeting: Wednesday May 15, 2023, at 10:00 a.m., via video conference**

Hearing no objections, the Committee agreed to meet again on May 15, 2023, at 10:00 a.m.

**9. Adjourn**

After some closing comments, Chairman Dahlen adjourned the meeting at 10:41 a.m.