

**APPROVED MINUTES
TIMBER ADVISORY COMMITTEE
May 6, 2009 MEETING**

The meeting was called to order by David J. Gau, Chairman, at 9:30 a.m., Room 122, State Board of Equalization (BOE), 450 N Street, Sacramento, California, with the following in attendance. A quorum was present.

TIMBER ADVISORY
COMMITTEE (TAC) MEMBER

David J. Gau, Chair
Linda Hill
Susan Ranochak
Charles Leonhardt
Leslie Morgan
Mike Mallory
Marty Olhiser
George Belden

REPRESENTING

BOE
Assessor, Humboldt County
Assessor, Mendocino County
Assessor, Plumas County
Assessor, Shasta County
Assessor, Siskiyou County
Large-Scale Timber Owners
Small-Scale Timber Owners

OTHERS IN ATTENDANCE

Daniel Paul
Sue Blake
Mitchell Cari
Peter Murphy
Mike Doyich
George Felix
Art Tenneson
Angela Wong

REPRESENTING

BOE, Legal Department
Board Member Leonard's office
BOE, CAPD, Timber Tax Section
BOE, CAPD, Timber Tax Section

1. Oath of office

Mr. Ramon Hirsig administered the oath of office to Timber Advisory Committee members present. Mr. Chris Zimny will be sworn in later.

2. Nomination of Timber Advisory Committee Secretary

Charles Leonhardt nominated Linda Hill as Timber Advisory Committee Secretary. Susan Ranochak seconded the motion, which passed without objection.

3. Approval of the November 10, 2008 Meeting Minutes

Marty Olhiser moved to approve the minutes from the November 10, 2008 meeting. Linda Hill seconded the motion, which then passed without objection.

4. Harvest Value Discussion for Period July 1, 2009 – December 31, 2009

a. Tables G & S — Green and Salvage Values Schedules

Mitchell Cari presented opening comments about the current general state of the timber industry in California and nation wide. Marty Olhiser also commented on the current inventory levels of logs and lumber. Mitchell Cari presented representative samples of sales and staff suggested values for Table G. George Belden questioned values in TVA 6. Peter Murphy responded to Mr. Belden's concerns.

Mitchell Cari discussed Table S suggested values.

Mike Mallory moved to approve the suggested values for Tables G & S. Chuck Leonhardt seconded the motion, which then passed without objection.

b. Table 1, Miscellaneous Forest Products Harvest Values

Mitchell Cari discussed suggested values for Table 1.

Linda Hill moved to approve the suggested values for Table 1. Susan Ranochak seconded the motion, which then passed without objection.

5. Other Business

a. Modified Values Schedule Discussion

Mitchell Cari advised the TAC that staff is recommending a modified values schedule for timber harvested in the second quarter 2009 for TVA 4 and TVA 7.

b. Assembly Bill 1504, Skinner

Mitchell Cari discussed a provision of AB 1504 that would add some undetermined amount to the Timber Yield Tax rate to cover the cost to CDF&F to administer the Forest Practices Act. Mr. Gau asked if BOE staff would be doing analysis of the bill. Mitchell Cari responded that he was not aware of an analysis at this time.

c. Timber Value Areas boundary study

Art Tenneson discussed staff study of current Timber Value Area (TVA) boundaries. Staff analyzed current growing, harvesting and marketing conditions and compared current conditions to conditions prevailing in 1976 when the original boundaries were drawn. Staff recommended adjustments to all current TVA boundaries. Staff believes adjusted boundaries will present more homogeneous sales and values which better represent current market conditions.

Marty Olhiser moved to request the Board proceed with revision to Rule 1020 of the Timber Yield Tax law. George Belden seconded the motion, which then passed without objection.

d. Date for Next Meeting

The date for the next TAC meeting was tentatively set for November 10, 2009 at 9:30 a.m.

6. New Business

Mitchell Cari discussed the opportunity to teleconference TAC meetings. He advised the committee that teleconferencing was permissible, but that each remote site would have to be publicized in the agenda and would have to be open and available to any member of the public that desired to attend at the remote location. The committee members chose to not pursue teleconferencing.

7. Adjournment

David J. Gau adjourned the meeting at 11:00 a.m.