

**PACIFIC LUMBER INSPECTION BUREAU
DIRECTORS' MEETING**

June 26, 2020

Via Microsoft Teams and conference call
Federal Way, Washington

The Pacific Lumber Inspection Bureau (PLIB) Board of Directors held a virtual meeting via Microsoft Teams in Federal Way, Washington on Friday, June 26, 2020 commencing at 9:40 a.m. Chairman Ken Thorlakson presided with the following Directors present:

Terri Adair	Tom Barclay	Dale Bartsch
Ryan Beaver	John Blodgett	Kelly White
Clement Frank	Kyle Freres	Eric Fritch
Karl Hallstrom	Tyrone Konecny	Rod Lucas
Tom Parks	Christof Richter	Sam Sanders
Greg Smith	Ross Stock	Craig Van Cott

Directors Paul Beltgens, Jeff Brigge, Michael Kirkelie, Scott Manke, Gerry Millman, Jason Smith, and Brent Saunders were unable to attend. Frank Turnbull, Alternate Director, Tim Riegel, PLIB member representative, and staff members Jeff Fantozzi, President, Hannah Petersen, Secretary, and Skeet Rominger were also present.

1. Opening Remarks – Chairman Thorlakson opened the meeting by welcoming the Board of Directors.
2. Anti-Trust Statement – Chairman Thorlakson reviewed the anti-trust statement included in the meeting book.
3. Roll Call – The Secretary read the roster and noted the absent directors. A quorum was met with 69.2 % of the Directors present in person or by conference call. The officers of the organization were noted as well.
4. Approval of the Agenda – The agenda was approved as presented. One new item was added to the agenda as new business.
5. Approval of the Minutes – The minutes of the December 5, 2019 Directors' Meeting was reviewed. *Upon motion duly made and seconded, the minutes of the December 5, 2019 Board of Directors' Meeting was unanimously approved as distributed in the meeting book.*
6. Matters arising from Previous Meetings – Staff reviewed items from previous meetings and their resolutions as presented in the book.
 - i. NO. 1 & Better Test Program – Staff gave an update on the NO. 1 & BTR testing study. Staff is collecting data on the amount of Select Structural grade in No. 1&Btr as part of a two-year ALS study involving all Western agencies. The information is collected during regular grade surveys and results will be reviewed at the end of the year.
 - ii. NO. 2 Design Value Monitoring – Testing is ongoing in both Canada and the U.S. All results indicate no significant changes to design values. Staff will continue to report on this issue.

- iii. Sale of the Tigard Office Building – Staff reported that the Tigard office building sale had been delayed at the request of the buyer. The delays in closing have resulted in additional earnest money and penalty fees collected. The new expected closing date is July 16, 2020.
- iv. ALSC Approval of Paragraphs 130 and 131 Interpretations – Staff reported that the interpretations for WCLIB Standard #17 paragraphs 130 and 131 were presented and approved at the ALSC Board of Review meeting in April 2020. The next step is to publish them.

7. Committee and Task Group Report

- i. Executive Committee Report – Chairman Thorlakson reported that the Executive Committee met twice since the December 5, 2019 Board meeting to review the operations of the Bureau, the financials, and the sale of the Tigard office building. The meeting minutes for the April 4, 2020 meeting were presented in the meeting book. Minutes for the June 9, 2020 meeting were not yet available. He stated that EC recommendations would be presented during the discussion of the agenda items.
- ii. Grade and Technical Committee Report – The Grade and Technical Committee met by teleconference/webcast on May 20, 2020. Minutes of the meeting were presented in the meeting book. The committee reviewed a wide range of grade rule interpretations, most of which were old interpretations that had been in place, but not formally published, for many years. The Grade and Technical Committee requested approval from the Board of Directors to publish the interpretations as a companion booklet to the WCLIB Rules #17 and recommended several changes to the rules. *Upon motion duly made and seconded, The Board of Directors unanimously approved the changes to the 2018 Standard Grading Rules No. 17 and the Interpretations for publication as presented in the meeting book.* The rule changes and interpretations will be presented to the ALS Board of Review for approval.

The Grade and Technical Committee also approved a draft policy for measuring moisture content in dry timbers. The policy developed was based on guidance provided in ASTM D7438-13 and required using a meter with insulated pins long enough to measure the moisture at 1/4 to 1/5 the total depth of the timber to determine average moisture content. While a motion to approve the policy was called, after some discussion, the motion was withdrawn in favor of further review of the policy. The Board directed staff to return to the committee and reexamine the policy to determine if it would be practical in practice and to have further clarification in the policy on the depth required.

The committee also covered the new Master Grader certification program. Staff noted that the program is nearly complete, and the draft program was presented in the meeting book.

- iii. AITC Technical Advisory Committee (TAC) – The AITC TAC met on May 13, 2020. Staff gave an update on the topics discussed at the meeting including several AITC policies and Tech Notes that were in the process of being updated. Minutes of the meeting were presented in the book for review. There were no action items brought forward at this time.

8. Membership and Subscriber Report – Chairman Thorlaxson called the Board's attention to the changes in the membership. Four new members was placed before the Board for approval. *After some discussion and upon motion duly made and seconded, the following members were approved:*

<u>Mill</u>	<u>Location</u>	<u>Mill ID#</u>	<u>Effective Date</u>
Vöcklamarkter Holzindustrie GmbH	Vöcklamarkt, AT	704	Jan. 1, 2020
Binderholz GmbH Glulam Factory	Jenbach, AT	706	April 1, 2020
Rettenmeier Holzindustrie GmbH	Ramstein-Miesenbach, DE	707	May 1, 2020
Better Built Truss	Ripon, CA	C-308	May 1, 2020

Six U.S. mills and one European mill terminated service.

Four new WPM subscribers were also recognized:

<u>New WPM Subscriber</u>	<u>Location</u>	<u>WPM ID#</u>	<u>Effective Date</u>
Geo Martin Co.	Emeryville, CA	109176	Jan. 1, 2020
Electric Mirror	Everett, WA	109177	Jan. 1, 2020
Precision Machining	San Fernando, CA	109179	Feb. 1, 2020
Nefab Packaging	Tucson, AZ	109171	Feb. 1, 2020

9. Report on Core Business Activities – The report on the 2020 year-to-date activities and inspection results of the Grade Stamp Licensing Program, HT Program, WPM Program, and Glulam Program were presented in the meeting book and discussed. Staff noted the need to address the pending retirement of Glulam inspectors. The reports were accepted as presented.
10. Financial Review – Staff reviewed the Bureau's financial position regarding the following:
- i. Review of the Financial Statement – A copy of the draft first quarter 2020 financial statement was provided in the meeting book, with a final copy presented at the meeting. Staff reviewed the financial statements, noting that the Bureau's net income was positive and better than anticipated. Staff also reviewed the profit and loss by region and program. The statement was accepted as presented.
 - ii. Accounts Receivable – Staff reviewed the changes in accounts receivable and noted the reduction of past due balances and outstanding accounts. It was noted that several staff helped in the effort to clean up accounts receivable and that a concerted effort was made to clear up the past due balances. Staff will continue to work on the clean-up effort and expects severely past due accounts to continue to improve.
11. Proposed Change to Fees – Staff requested the Board of Directors approve a reduction in the Inactive Inkjet rate from \$450 per month to \$250 per month. After careful review, staff determined the rate could be reduced and still cover costs. No other changes to the fee structure were proposed. *After some discussion, and upon motion duly made and seconded, the Board of Directors unanimously approved the revised 2020 Fee structure as presented at the meeting.*

12. New Business – one item was brought forth as new business.

- i. Bergs Timber sale – Director Smith requested a discussion regarding the sale of three member mills belonging to Bergs Timber. Staff noted they were aware of the sale and that it is anticipated to happen in August 2020. CANFOR/Vida is purchasing the locations. It is anticipated that the locations will terminate service and go to another agency once the sale is complete; however, PLIB will bid to keep the mills as members and will reach out to staff at CANFOR.

13. Next Meeting – The Board agreed to hold its next meeting at the Cedarbrook Lodge in SeaTac, Washington on December 3, 2020 with the Conference Center at the SeaTac Airport as a backup location. A conference call/web cast option will be made available for those unable to make the face-to-face meeting. Staff will provide the Board with details as soon as possible.

There being no further business to come before the Board, the meeting was adjourned at 11:05 a.m. No Executive Session was held.

Respectfully Submitted,

Hannah Petersen
Secretary

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ACTION ITEMS RESULTING FROM THE MEETING

- Complete sale of Tigard office building.
- Publish interpretations for Standard Grading and Dressing Rules #17 paragraphs 130 and 131 as well as the other grade interpretations once approved.
- Grade and Technical Committee to review proposed policy for depth criteria when monitoring moisture content in timbers.
- Finalize the Master Grader certification program.
- Reach out to CANFOR executives regarding retaining the Bergs mills once the sale to VIDA is complete.
- (Previous item) Executive Committee to develop plan for reserves and a trigger/action point to prevent unacceptable losses.
- (Previous item) Staff to develop vehicle policy (Roseburg to provide example).
- (Previous item) Executive Committee to review formation of an ethics and compliance task group.