

## Protecting our rural environment by promoting citizen participation in sustainable land use planning since 2006

The Community Action Project (CAP) administers the Calaveras Planning Coalition (CPC), which is comprised of regional and local organizations, community groups, and concerned individuals who promote public participation in land use and resource planning to ensure a healthy human, natural, and economic environment now and in the future.

#### **Learn more at** <u>www.calaverascap.com</u>

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#### Join Us!

Get a glimpse into what CPC membership is like by attending a meeting. There is no commitment, just show up and listen in!

Next Calaveras Planning Coalition Meeting
July 5, 2021 3 P.M. - 5 P.M.
New Members Welcome at CPC Meetings

Organizations, groups, and individuals (known as associate members) may join the

Calaveras Planning Coalition (CPC). Prospective members may attend two consecutive meetings before making a final decision on membership in the Coalition. The membership form is a pledge to support and advocate for the Coalition's eleven Land Use and Development Principles, which you will find on our website:

<u>www.calaverascap.com.</u>

There is no membership fee. However, members are encouraged to donate to the Community Action Project/Calaveras Planning Coalition. <u>Visitors and prospective members will, by necessity, be excluded from attorney/client privileged discussions.</u>

If you are interested in membership, please email CPC Facilitator Tom Infusino, tomi@volcano.net, to receive a membership form, agenda, and the Zoom meeting connection.

To help prevent the spread of Covid-19 in our county, all CAP and CPC meetings will be held online via Zoom until restrictions are lifted by the Public Health Department.

#### **CPC Member Spotlight**

#### Ralph Copeland

District 4 - Copperoplis



Ralph retired after 35 years in the waterworks industry as a pipeline material supplier and project manager. He supplied pipe, valves, and fittings for various SFPUC Hetch Hetchy projects including a 96" Crystal Springs pipeline expansion. He supplied the 108" sluice gate and associated piping at Woodward Reservoir. Ralph also supplied the water, fire, sewer, and storm piping material for the Town Square in Copperopolis.

He has been valuable in addressing water system issues, particularly in Copperopolis where Ralph lives. He has become our go-to person for most things Calaveras County Water District (CCWD) related. Ralph has been a phenomenal "watchdog," keeping up with all the CCWD meetings and project proposals. The comment letter CPC submitted regarding the Urban Water Management Plan was a collaborative effort, but Ralph's

expertise and in-depth knowledge of the CCWD system informed many of the substantive aspects of the letter.

### We cannot thank Ralph enough for his dedication and involvement with CCWD and the CPC!

**BOS Regular Meeting Tuesday, June 22, 2021** 

**Agenda** 

Planning Commission Meeting June 24, 2021

Cancelled

#### **Local News**

# Calaveras County judge dissolves 2021 civil grand jury

by Dakota Morlan / The Calaveras Enterprise / Jun 15, 2021

Calaveras County's 2021 civil grand jury has been dissolved by the presiding judge.

Two of the dismissed jurors say Calaveras County Superior Court Judge Timothy Healy, who oversees the civil grand jury, sent letters of dismissal in early May to eight jurors who had submitted their resignations due to problems with leadership within the jury.

The former jurors said that their resignation letters expressed a willingness to return if the current foreperson was dismissed. It remains unclear why the majority were dismissed instead of the foreperson, they said.

In response to an inquiry from the Enterprise, Healy stated in a June 15 press release, "As of May 5, 2021, and due to limited participation by county residents from its inception, resignations, and other considerations due to the COVID -19 pandemic, the 2021 Calaveras County Grand Jury has been ordered discharged pursuant to Penal Code section 915. We look forward to seating a grand jury in 2022 and encourage all interested Calaveras County residents to consider seeking appointment."

Yet the dismissed jurors claim there were sufficient remaining jurors and willing candidates to continue with the 2021 grand jury.

"We sent numerous detailed letters to the judge. He never acknowledged them. The final (letter) was all of us resigning with the indication that we would come back if the person was removed," one former juror, who did not wish to be identified, told the Enterprise.

With her previous experience of serving on a grand jury, she said she was aware that the 2021 grand jury was floundering due to poor leadership, causing "utter chaos." In mid-April, when the coalition against the foreperson resigned, the jury "hadn't accomplished anything" since they first convened on Jan. 1.

"What would make (Healy) choose the one person over all of us? It's just mind-boggling. I can't wrap my mind around his reasoning," she said. "It's kind of like he just washed his hands and was done with us. It's very sad."

Since the dismissal, rumors have spread on social media that the grand jury was defunded, which is false, she added.

If a grand jury report is not issued in 2021, it may be a first for Calaveras County. In 2020, the grand jury extended their schedule to follow the calendar year due to COVID-19, delaying the report for the first time in recent history.

Though policies vary within different states, the California Constitution mandates that grand juries "be drawn and summoned at least once a year in each county."

Each year, a panel of citizens convenes to tour local detention facilities, investigate requests for review of public officials and departments submitted by citizens, and produce a report detailing its findings and recommendations to the presiding superior court judge.

Presiding judge and one of two full-time judges for the Calaveras County Superior Court, Healy was elected in November 2014 and sworn into office in January 2015. Prior to his election, he worked as a deputy district attorney in San Joaquin County.

In late April, Calaveras County District Attorney Barbara Yook's office began <u>"papering" Healy with California Code of Civil Procedure (CCP) 170.6 motions</u>, disqualifying the judge from sitting on most criminal cases in the county due to perceived bias.

Those criminal cases have since been reassigned to other judicial officers.

In 2018, Yook's office filed motions to disqualify the judge from approximately 35 cases, citing that he had <u>expressed bias</u> towards a public defense attorney.

Yook has declined to comment regarding the CCP 170.6 motions and the recent dismissal of the grand jury.

This article was updated to include a response from Calaveras County Superior Court Judge Timothy Healy.

## Off Grid launches "food responders" program in Calaveras

Bay Area company brings award-winning disaster relief efforts to Calaveras County, expanding its network with local restaurants, food truck operators, caterers and food purveyors to feed locals when disaster strikes

Off the Grid, the Bay Area's premier food truck and catering experience company, is preparing Calaveras County for wildfire season well before disaster strikes.

The company is bringing its award-winning Food Responders program to Calaveras by partnering with local restaurants, food trucks, catering businesses and food purveyors to feed first responders and locals in the event that their local community is impacted by wildfires or mother natural disasters.

Off the Grid has worked with the state of California and the American Red Cross to identify more than 40 counties that are expected to be the hardest hit locations of wildfire season this year. To help prepare these communities before disaster strikes, Off the Grid is interested in tapping local small businesses with a mission to bring wholesome, delicious meals to those in need.

Off the Grid's Food Responders program encompasses an inclusive releif platform created to not only support communities and individuals in need, but also lift up small local business economies typically impacted by emergencies. In 2020, the programs (helped) not only nearly 1 million people in the Bay Area, but provided more than \$10 million in revenue to restaurants and food truck operators who have been hit hardest during the COVID-19 pandemic and other natural disasters.

In anticipation of wildfire season, Off the Grid is seeking to add more than 200 Food Responders throughout California including Calaveras County, bringing its fleet of small food businesses to more than 400.

Food Responders include restaurants, food truck operators, catering businesses and cottage food purveyors.

More than just a response to wildfire season, Off the Grid's Food Responder program is intended to provide local support in Calaveras for other unknown opportunities or natural disasters in the future.

"We're working with local businesses in Calaveras County now because we want to help each local community be prepared for the worst," said Matt Cohen, founder and CEO of Off the Grid. "When you're in the midst of a crisis, you're in panic mode. We want to help support local businesses to connect as emergency resources well in advance of a developing crisis so that they can deploy quickly to meet any need. Moreover, we're working with these businesses to offer quality, delicious meals that can make someone affected by a natural disaster feel better – both physically and mentally.

The Food Responders program is intended to be efficient and flexible in order to adapt to the ever-changing nature of disaster relief.

By successfully creating and executing these turnkey food relief programs Off the Grod was recently named to Fast Company's "World Changing Ideas" for 2021.

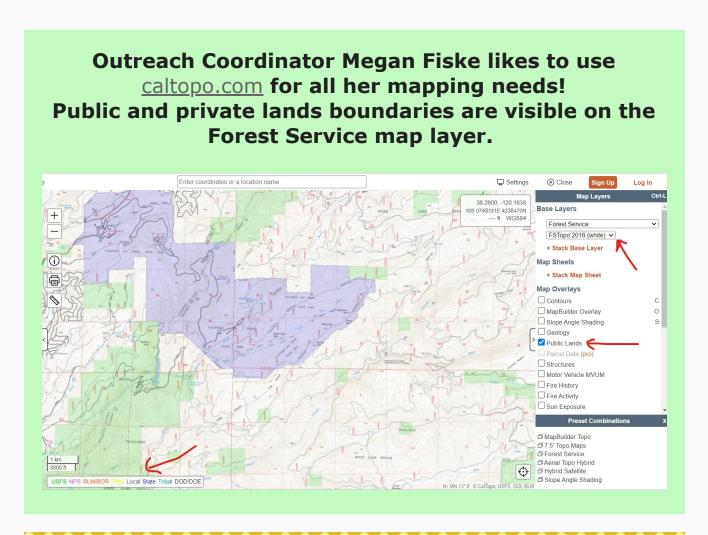
For more information on Off the Grid's Food Responders, visit www.OfftheGrid.com.

#### SPI closing its forest lands due to fire risk

Sonora, CA — Citing the drought and wildfire risk, Sierra Pacific Industries is closing its forestlands to public access and recreation until further notice.

SPI spokesperson Andrea Howell says the company will regularly reassess the situation, but the closure will likely run into the Fall months. She says, "SPI takes its commitment to protecting our forest resources and public safety seriously."

Effective this Monday, June 21, it will be prohibited to walk or drive into SPI's privately owned lands in the forested areas. More information about SPI's rules and policies <u>can be found here.</u>

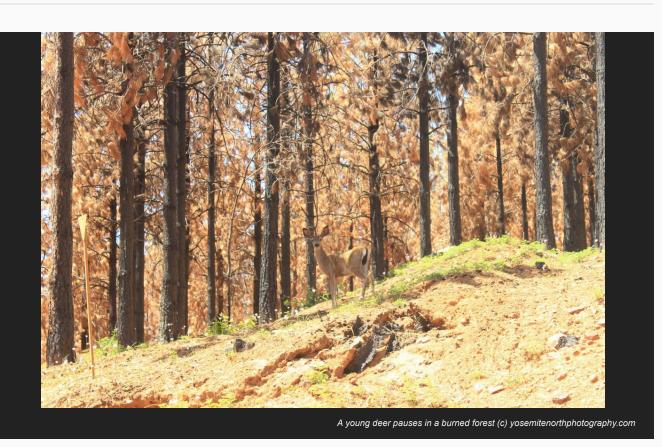


### Did you know ... Sierra Pacific Industries is the largest private landowner in California?

SPI owns more than 1.5 million acres of land in California, making it the single largest private landowner in the State. It is also the

SECOND largest private landowner in the country. They own somewhere around 74,000 acres of timberland in Calaveras County.

Learn more about our forests and SPI logging practices by watching this short video



#### **Fire News**

Why California Is Building New Houses in the Path of Wildfires

The West Coast housing market is metaphorically on fire - with rotting shacks selling for millions. Decades of policies to restrict housing in desirable neighborhoods has pushed prices up - and it has also pushed houses out into more rural, forested areas. As a result, West Coast housing is periodically on fire in the literal sense as well.

A <u>report released Thursday</u> by a group of scholars from the University of <u>California</u>, Berkeley's Center for Community Innovation and the nonprofit think tank, Next 10, found that wildfire now threatens the lives and homes of more than a quarter of California's population, largely due to current housing policies that often make it cheaper to construct homes in at-risk areas.

It's hard to build in California cities because every new home must pass through a <u>permitting odyssey</u>, facing local reviews and the threat of lawsuits from neighbors. As a result, the report found, in recent decades, one in every two new homes built in California was out at the edge of wildlands, down winding roads, or shaded by towering pines. In other words, current policies are pushing half of all new housing into the path of wildfires.

This new housing — everything from inexpensive manufactured homes to mansions perched on hilltops — is always cheaper than the same type of house in a city. As a result, many people seeking more affordable housing have moved into wildfire hazard areas.

"The wildfire issue is intimately coupled with the issue of California's enormous housing problem," Robert Olshansky, a lead author of the new report and Professor Emeritus at the University of Illinois, Urbana-Champaign, told Grist. "There's pressure to build more housing, there's resistance to putting it in the middle of towns, and there's less resistance to putting it out on the edges, so that's where they put it."

Kelly McKenzie is one of the people who moved into California's forests in 2018 in search of less expensive housing. The \$729,000 her family paid for a house in the foothills of the Sierra Nevada wouldn't seem affordable in most parts of the country, but it was much cheaper than anything they could have bought in San Francisco, where they lived before. But as fires ripped through the region, her insurance company informed her that the home had become too risky for them, which left McKenzie's family paying some \$5,000 a year to be part of a high-risk insurance pool — much more than they had ever anticipated paying.

"We can afford to pay for it, but it annoys me greatly," she sighed. "And I know that other people with less money face really difficult decisions."

Wildfire is exacerbating the housing crisis, and the poorest residents feel the pinch most.

"More and more people are only able to afford housing in high-risk places," said Katelyn Roedner Sutter, a climate expert for the Environmental Defense Fund and a member of an insurance reform committee organized by California's Insurance Commissioner. "But housing is not affordable when you can't afford to insure it."

The fix seems simple: The report suggests that California should make it easier to build inside cities, while making it harder to build in hazardous wildfire areas. So far, the politics of making such a fix have proven to be complicated. In 2019, California Governor <u>Gavin Newsom vetoed a bill</u> that would have made it harder to build in the most dangerous fire zones, because he worried it would worsen the housing crisis. And

many <u>cities have campaigned fiercely</u> against measures that would force them to allow developers to build new homes within their borders.

Still, the wildfires have proven to be such a massive ongoing disaster that lawmakers have no choice but to connect the dots between wildfires in the foothills and zoning ordinances restricting the number of apartment buildings in cities. "There are just so many bills in front of the California legislature now that recognize that all these things are related to each other," Olshansky said. "Three years ago this wasn't happening. I sense the political winds — the hot dry political winds, maybe we can say — have changed."

Last Friday, for example, a working group organized by California Insurance Commissioner Ricardo Lara <u>released a set of proposals to cope with climate risks</u>, including policies that could stop new construction in the most hazardous areas. There's a clear need to update insurance practices to reflect the reality of climate change. For most of the last half century, the report notes, the insurance industry paid out an average of \$100 million per year in fire insurance claims in California. From 2011 to 2018, however, that figure jumped forty-fold to \$4 billion per year — due to more intense fires.

Another solution suggested by the report would be for fire-prone communities and nonprofits to buy up vulnerable residential areas and turn them into soccer fields, wetland habitat, or some other form of parkland that would serve as a fire break. At first, that seemed impossible to Olshansky: "When I first heard this I thought, that's the kind of crazy idea that we come up with at a university but it can't happen in real life," he admitted. But the strategy is actually under consideration in the town of Paradise, which burned to the ground in 2018, where local government has a plan to buy lots where houses once stood and create exactly this sort of irrigated parkland buffer.

Put into practice, a mix of these policies would spur building in cities, while creating the possibility of retreat from the most dangerous wildfire areas. It's not a relocation program Olshansky said, more of a persistent nudge for the coming scores of people likely to lose their homes to fire: "At the moment they get burned, while we are showing compassion and trying to help them rebuild, we should provide them with opportunities to relocate to safer places where they won't be traumatized by these fires anymore," he said.

# California dramatically underestimating costs from future wildfires as housing shortage and existing policies incentivize rebuilding in high risk zones

Researchers call for policy overhaul to transform how state rebuilds after fires as report finds current efforts are increasing future safety, economic and climate risks amid record drought

SAN FRANCISCO—California must comprehensively reshape how we rebuild after wildfires—or risk an unthinkable surge in costs and major setbacks to the state's housing supply amidst a record housing crisis. That's the finding of Rebuilding for a Resilient Recovery: Planning in California's Wildland Urban Interface, released today from researchers at the UC Berkeley Center for Community Innovation and non-partisan, non-profit think tank Next 10.

Researchers studied three communities recently affected by wildfires and found that state and local land use policies—coupled with the state's housing shortage—are ratcheting up the economic and human cost of wildfire by incentivizing rebuilding in the high risk-wildland urban interface (WUI), instead of redirecting development away from fire-prone areas.

This is intensifying untenable safety, economic, and climate risks as the state prepares for another harrowing wildfire season in the midst of record drought.

"Wildfire threatens the lives and homes of more than one-quarter of California's population," said F. Noel Perry, founder of Next 10, which commissioned the report. "We must overhaul local and state policies and planning procedures to ensure that we are not incentivizing actions that elevate wildfire risks."

Rather than directing development away from high-fire risk areas in the WUI, state and local policies primarily emphasize strategies that maintain development in risky areas but minimize fire damage, including updating building codes, retrofitting existing homes, and developing emergency management plans. Researchers found that the lack of incentives to avoid building in fire-prone areas is contributing to the persistent and increasing risk of significant economic and human costs associated with wildfires. The report finds that, conservatively, it would cost at least \$610 billion in replacement costs just for residential structures currently located in the high- and very high-fire hazard risk zone within the WUI. And researchers say this is just the tip of the iceberg when it comes to potential costs from wildfires.

"The more we researched the risks of wildfires in California, the more we realized that the state is underestimating just how costly and cross-cutting this issue is," said Robert Olshansky, one of the lead report authors and Professor Emeritus at the University of Illinois, Urbana-Champaign. "Right now, we're making a bad problem worse after wildfires occur. If the status quo continues, we risk insurmountable costs for insuring and addressing risk down the line. Instead, we should pursue land use conservation and urban infill strategies that reduce disaster risk, promote housing supply and mitigate climate change impacts."

Keep Reading: Costs may be underestimated; Insurance crisis likely

Continue reading the full press release from Next10 here

#### **Regional News**

#### Climate Change Batters the West Before Summer Even Begins

Brad Plumer, Jack Healy, Winston Choi-Schagrin and Henry Fountain / The New York Times

June 17, 2021

A heat dome is baking Arizona and Nevada, where temperatures have soared past 115 degrees this week and doctors are warning that people can get third-degree burns from the sizzling asphalt.

At Lake Mead, which supplies water for 25 million people in three southwestern states and Mexico, water levels have plunged to their lowest point since the reservoir was filled in the 1930s. In California, farmers

are abandoning their thirstiest crops to save others, and communities are debating whether to ration tap water.

In Texas, electricity grids are under strain as residents crank their air-conditioners, with utilities begging customers to turn off appliances to help avert blackouts. In Arizona, Montana and Utah, wildfires are blazing.

And it's not even summer yet.

"We're still a long way out from the peak of the wildfire season and the peak of the dry season," said Daniel Swain, a climate scientist at the University of California, Los Angeles. "Things are likely to get worse before they get better."

Global warming, driven by the burning of fossil fuels, has been heating up and drying out the American West for years. Now the region is broiling under a combination of a drought that is the worst in two decades and a record-breaking heat wave.

"The Southwest is getting hammered by climate change harder than almost any other part of the country, apart from perhaps coastal cities," said Jonathan Overpeck, a climate scientist at the University of Michigan. "And as bad as it might seem today, this is about as good as it's going to get if we don't get global warming under control."

With temperatures expected to keep rising as nations struggle to rein in their planet-warming emissions, the Western United States will need to take difficult and costly measures to adapt. That includes redesigning cities to endure punishing heat, conserving water and engineering grids that don't fail during extreme weather.

This month has offered glimpses of whether states and cities are up to that task and has shown they still have far to go.

From Montana to Southern California, much of the West is suffering from unusually high temperatures. Some 50 million Americans face heat-related warnings. Records have been tied or broken in places like Palm Springs, California, Salt Lake City and Billings, Montana.

As 115-degree temperatures cooked Phoenix's Roosevelt Row Arts District on Tuesday, Timothy Medina, 58, was perched on a black metal platform 12 feet above the sidewalk, finishing the blue lettering of a sign for a coffee shop. "It's brutal — that heat against the wall," he said. "Let me take a quick swig of water."

Construction workers, landscapers and outdoor painters like Medina have few options but to bear the heat. He wore jeans to avoid burning his skin, along with a long sleeve fluorescent yellow shirt and a \$2 woven hat. But soon the heat was winning.

"I start feeling out of breath, fatigued," he said.

Extreme heat is the clearest signal of global warming, and the most deadly. Last year, heat killed at least 323 people in Maricopa County, which includes Phoenix, a record by far.

Outdoor workers are particularly at risk, along with older people and anyone without adequate shelter or access to air conditioning.

Across the country, heat waves are becoming more frequent, lasting longer and occurring earlier in the year, according to the Environmental Protection Agency. Severe heat early in the spring can be especially

dangerous because it catches people off guard, experts say.

Cities like Phoenix are struggling to keep up. While the city runs air-conditioned cooling centers, many were shut down last year amid the pandemic. And ensuring that the centers are accessible to everyone is a challenge.

Kayla and Richard Contreras, who sleep in a blue tent on a baking sidewalk in a homeless encampment near downtown Phoenix, said the cooling centers were not an option because they have a dog and they worried about leaving their belongings unattended in their tent.

They said they knew 10 homeless people who died in the heat last year.

Richard Contreras, 47, fills water bottles from the spigots of homes he walks by. Kayla Contreras, 56, said she saves food stamps to buy ice pops on the hottest days. "This is what keeps us alive," she said, as she handed an orange pop to a friend. "I feel like I'm in hell."

Sundown brings no relief. In Las Vegas, where the National Hockey League playoffs are taking place, forecasters expected the mercury to push past 100 degrees when the puck dropped Wednesday evening.

Last month, the Phoenix City Council approved \$2.8 million in new climate spending, including creating a four-person Office of Heat Response and Mitigation.

"That's a good start, but we're clearly not doing enough yet," said David Hondula, an Arizona State University scientist who studies heat's consequences. Drastically reducing heat deaths would require adding trees and shade in underserved neighborhoods and increasing funding to help residents who need help with energy bills or who lack air conditioning, among other things, he said.

"Every one of these heat deaths should be preventable," he said. "But it's not just an engineering problem. It means tackling tough issues like poverty or homelessness. And the numbers suggest we're moving in the wrong direction. Right now, heat deaths are increasing faster than population growth and aging."

Severe heat waves also pose a challenge for power grids, particularly if operators don't plan for them. Rising temperatures can reduce the efficiency of fossil-fuel generators, transmission lines and even solar panels at precisely the moment that demand soars.

This week, the Texas power grid was stretched near its limit as electricity demand set a June record just as several power plants were offline for repairs. Grid operators asked Texans to keep their thermostats at 78 degrees to conserve power.

Victor Puente, 47, stood Tuesday under the shade of the porch on his blue wooden home in Pueblo de Palmas, outside the border city of McAllen, Texas. He said he tries to shut off his air conditioner during the day to conserve energy, so that it might be available for sleeping.

"The last thing we need is to lose electricity for long stretches," he said.

In California, where temperatures have hit 110 degrees, the grid operator has warned it may face challenges this summer, in part because droughts have reduced the capacity of the state's hydroelectric dams.

Andrew Dessler, a climate scientist at Texas A&M University, noted that strains on the grid illustrate the nonlinear effects of climate change. "Most people might not notice that it's getting a bit hotter each year," he

said. "But then the temperature reaches a certain threshold and all of the sudden the grid goes down. There are a whole bunch of these thresholds built into our infrastructure."

This spring, the American West has been in the grips of a severe drought that has been more widespread than at any point in at least 20 years, stretching from the Pacific Coast, across the Great Basin and desert Southwest, and up through the Rockies to the Northern Plains.

Droughts have long been a feature of the West. But global warming is making things worse, with rising temperatures drying out soils and depleting mountain snowpack that normally supply water during the spring and summer. Those parched soils, in turn, are amplifying this week's heat wave, creating a blast more severe than it otherwise would be.

"It's a vicious cycle," said Swain of UCLA.

Dry conditions also suggest a potentially devastating fire season, coming a year after California, Oregon and Colorado saw unusually destructive blazes.

The drought has strained water supplies throughout the West, shriveling reservoirs. In one California lake, the water became so shallow that officials identified the wreckage of a plane that had crashed into the lake in 1986.

The Inverness Public Utility District in Marin County, California, will vote next week on whether to impose rationing for 1,100 customers, assigning each household a set amount of water. It would be a first for the town, which this past July asked residents to stop washing cars and filling swimming pools.

The drought has forced farmers to take drastic measures. Sheep and cattle ranchers are selling this year's stock months early, and some dairy farmers are selling their cows rather than come up with the 50 gallons of water each animal needs per day. Farmers are planting fractions of their usual amount, or leaving part of their land fallow.

"We've been through droughts. This is one of the driest we can remember," said Dan Errotabere, 66, whose family has grown fruits, vegetables and nuts near Fresno, California, for a century. He is keeping 1,800 acres fallow and cut back on garlic and tomatoes to divert water to almond and pistachio trees.

The effect on farms could cause supply issues and higher prices nationwide, said Mike Wade, executive director of the California Farm Water Coalition. California produces two-thirds of the country's fruit and one-third of its vegetables.

Many California farmers are already using micro-irrigation, drip hoses and other water conservation methods. "We've stretched every drop," said Bill Diedrich, a fourth-generation farmer in Fresno County.

Agricultural communities are in peril if the crops and trees die without water.

"When you are operating a long-standing family farm, you don't want to be the one to lose it," said Eric Bream, the third generation in his family to run a citrus farm in California's Central Valley. Today he still has enough water. But "tomorrow everything could change on a dime."

Elsewhere in the West, states are bracing for the prospect of further cutbacks.

Lake Mead, which was created when the Hoover Dam was finished in 1935, is at 36% capacity, as flows from the Colorado River have declined more quickly than expected. The federal government is expected to declare

a shortage this summer, which would trigger a cut of about one-fifth of water deliveries to Arizona, and a much smaller reduction for Nevada, beginning next year.

Experts have long predicted this. The Colorado Basin has suffered through years of drought coupled with ever-increasing consumption, a result of population and economic growth as well as the expansion of agriculture, by far the largest user of water in the West.

"We need to stop thinking of drought as a temporary thing to get through," said Felicia Marcus, a visiting fellow at Stanford University's Water in the West program, noting that global warming is expected to reduce the Colorado River's flow even further.

Many cities have been preparing. Tucson, Arizona, is among the nation's leaders in recycling wastewater, treating more than 30 million gallons per day for irrigation or firefighting. Cities and water districts in California are investing billions in infrastructure to store water during wet years to save for droughts.

Still, experts said, there's a lot more that can be done, and it's likely to be costly.

"The Colorado River basin is ground zero for climate-change impacts on water supplies in the U.S.," said Kevin Moran at the Environmental Defense Fund. "We have to plan for the river that climate scientists tell us we're probably gong to have, not the one we want."

# Southern loggers are pushing wood production to a 13-year high. So why is the price of lumber up 288%?

Lance Lambert / Fortune / June 10, 2021

Exorbitant <u>lumber prices</u> mean money, in a sense, does grow on trees. It's why loggers are racing to cut down more Southern yellow pine—a plentiful species that dots the Deep South. On Tuesday, British Columbia–based <u>lumber giant Canfor announced</u> its plan to invest \$160 million to build its first-ever sawmill in Louisiana. That comes after BC-based <u>West Fraser Timber announced in May</u> that it will spend \$150 million to expand five sawmills in the South. Interfor, another BC-based lumber producer, is also in the midst of expanding some of its Georgia sawmills.

While new sawmills won't churn out two-by-fours anytime soon, increased production at existing mills is already pushing wood production in the U.S. to a 13-year high. In April, the U.S. industrial wood production index hit 134.2, its highest level since the 135.3 struck in December 2007—the first month of the Great Recession, after which homebuilding and lumber production screeched to a halt.

This increase in wood production looks like simple economics at work: With lumber at historic prices, producers should be incentivized to boost supply while buyers presumably would rethink purchasing at those levels. Except this uptick in wood production hasn't coincided with a reversal to pre-pandemic lumber prices. On Tuesday, the cash price per thousand board feet of lumber was at \$1,391, according to industry trade publication Random Lengths. While that's down a bit from its \$1,515 all-time high set on May 28, it's up a staggering 288% since April 2020. Prior to the pandemic, the price usually floated between \$350 and \$500.

So if wood production is at a 13-year high, why aren't lumber prices falling faster? Simply put, demand is still through the roof. In April, <u>new housing starts</u> backed off 8% from a 14-year high set in March 2021; however, that level of construction is up 67% from its bottom in April 2020 and up 22% from April 2019. Home construction remains red-hot. Additionally, do-it-yourselfers aren't slowing down: In April, <u>home improvement sales</u> hit an all-time high—up 31% from pre-pandemic levels.

"The backlog is just too strong. There are too many places to put wood," says Chip Setzer, director of trading and growth for Mickey Group, a commodity trading platform. "I got customers in the Caribbean screaming for more; I got China customers screaming for more. Everybody is under a squeeze."

As Fortune has previously explained, this historic lumber shortage was spurred by a perfect storm of factors set off during the pandemic. When COVID-19 broke out in spring 2020, sawmills cut production and unloaded inventory in fears of a looming housing crash. The crash didn't happen—instead, the opposite occurred. Americans rushed to <a href="Home Depot">Home Depot</a> and Lowe's to buy up materials for do-it-yourself projects, while recession-induced interest rates helped spur a housing boom. That boom, which was exacerbated by a large cohort of millennials starting to hit their peak homebuying years, dried up housing inventory and sent buyers in search of new construction. Home improvements and construction require a lot of lumber, and mills couldn't keep up.

While the shortage has improved in recent weeks, the bigger macro dynamic still remains. That high demand means that lumberyards still can't build up inventory, and the entire supply chain remains under stress.

"That inventory correction is going to take time to sort out: Mills are not only producing to meet existing demand from construction and manufacturing, but also to fill that inventory hole that we dug in 2020 as demand outpaced production," Dustin Jalbert, a senior economist at Fastmarkets RISI, where he covers the lumber market, tells Fortune. "So even though buyers sense the market turning in their favor, they cannot throttle buying as much as they'd like to, as demand from builders and contractors is still there, even if slowing a bit, and so it forces them to keep placing orders to meet immediate needs."

Rising domestic wood production alone can't dig the country out of the lumber shortage. According to Fastmarkets, around 30% of lumber consumed in the U.S. comes from Canada. Supply of Canadian softwood, a favorite among U.S. homebuilders, hasn't recovered as quickly. Canadian timber supply is limited by its own perfect storm: British Columbia's forest fires, beetle infestations, and the slow growth rate of spruce trees.

That limited Canadian timber supply is also why Canadian forestry giants like <u>Canfor</u>, <u>Interfor</u>, and <u>West Fraser Timber</u> are upping production in the U.S. South.

"The North American lumber supply chain is in the middle of a rebalancing act, with Canadian supply declining and U.S. supply increasing," Andy Goodman, CEO of Sherwood Lumber, tells Fortune. "For the last 50 years, the majority of the lumber that has been used to build a home in the U.S. was shipped from the U.S. Pacific Northwest or Canada, not from the U.S. South, where the most bountiful forests and the cheapest fiber in the world is located. Lumber produced in the U.S. South has been heavily used to supply the treated lumber markets for the Eastern, Southeastern, and Gulf Coast markets and not expansively used for residential construction. With demand increasing, and legacy supply static or decreasing, Southern yellow pine from the U.S. South has to fill that supply gap."

This expansion in the U.S. South, industry insiders say, is a bullish sign for the lumber industry. Unfortunately for DIYers, it suggests we aren't going back to pre-coronavirus lumber prices. Setzer says the price per thousand board feet is more likely to hover in the \$600 to \$1,000 range long term. It boils down to the fact that demographics and the lack of available homes for sale should keep builders busy.

The 2008 housing crash and subsequent foreclosure crisis dealt homebuilders and sawmills a blow. That's putting it mildly. The financial and psychological damage caused by those rough years is why even as housing demand rebounded, builders and sawmills were careful to not overextend themselves. That decadelong period of conservative building explains our current nationwide housing shortage—something sawmills don't see going away anytime soon. It's why they're expanding.

in its latest earnings report soon after announcing its U.S. sawmill expansion. "An aging housing stock and increased repair and renovation spending should also continue to drive strong lumber, plywood, and OSB demand." West Fraser Timber wrote "Low mortgage rates, low volumes of homes available for resale, favorable demographics, increasing acceptance of remote working, and the underlying housing construction deficit due to several years of under-building appear to be positively influencing the demand for new housing in North America,"

## How many more candles, slippers, potted plants, or power drills do you need?



When your next birthday rolls around, ask your friends and family to make a donation in your name to the Community Action Project/Calaveras Planning Coalition instead of giving you a toaster or a set of socket wrenches. Celebrate your birthday and a great cause at the same time. It's easy. Here are some tips.

- 1. Tell people about CAP/CPC and why our mission is important to you. Tell your story. That's what they want to hear.
- 2. Spread the word with Facebook, Twitter, or whatever platform you prefer. Reach out with personal emails, notes, texts, or let your birthday wishes be known in person.
- 3. Make your birthday the deadline for gift giving.
- 4. Ask everyone to be generous, but let them know that no gift is too small and all gifts will be greatly appreciated. You may also ask for a specific amount, \$5, \$10, \$25, \$50, \$100 or whatever is appropriate. You know your audience.
- 5. Please direct your birthday well-wishers to <a href="www.calaverascap.com">www.calaverascap.com</a>. Ask them to click on "donate" or mail their birthday donation to CAP/CPC, PO Box 935, San Andreas, CA 95249.
- 6. Ask your birthday buddies to let CAP/CPC know they are donating in your honor.
- 7. Another option is to just ask guests to bring your gift to the big birthday bash you can't wait to have now that you've been vaccinated against Covid-19.

CAP/CPC will feature the most compelling stories in the ReCAP and on our website. And many happy returns of the day!

Sierra Nevada
Conservancy
Funding
Opportunities
Newsletter for
June/July



This is an electronic newsletter published every two months containing information on upcoming grant and funding opportunities for the Sierra Nevada region. The newsletter includes federal, state, and private foundation funders as well as additional resources and information related to grant funding. The Sierra Nevada Conservancy provides the Funding Opportunities Newsletter as a free resource under its Sierra Nevada Watershed Improvement Program.



#### The Fields

by Michelle Castleberry

Delta fields in winter, blank sheets of land

waiting to be drawn with lines of timothy, cotton, rice.

The ground wears a caul of mist the color

of a sharecropper's daughter's hand-me-down veil.

The bowl of sky is the tint of a cataracted eye.

Visitors from tree-hemmed places, from the hills

search the long plane of horizon, past the ivory pastures

for a scrimshaw etching of tree line, a serpentine scroll

of rice levee, any place to latch their vision.

Some place to remedy the feeling of vertigo without the vertical.

It takes decades, or lifetimes, to gain the patience needed

to see so much nothing. Or the land plays a ground note

of longing under stars that throb like the singing

from the church flanked by cotton stubble.

A young girl just walked the aisle and she shakes with music

and the fear of hell. After the service, she steps out

to watch her own breath make a cloud that will rise

through the mist and get caught in the wing-draft

of ducks heading somewhere she will never see.

Flycatcher Journal no. 5/ Juneteenth 2015: <a href="https://www.flycatcherjournal.org/005-castleberry-fields.php">www.flycatcherjournal.org/005-castleberry-fields.php</a>







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