

Trumbull Creek Times

"Winter Edition"

F.H. STOLTZE LAND & LUMBER CO.

Manager's Message

This Issue

NEWS FROM THE PLANT

-PAGE 2-

SALES OFFICE

-PAGE 2-

LOGGING AND FORESTRY

-PAGE 3 & 6-

POWER PLANT

-PAGE 5-

HR

-PAGE 5-

EDITOR'S MESSAGE

-PAGE 7-



This past year of 2020 has been an unusual year, to say the least, for us at Stoltze, for the forest products industry, for all of Americans, and actually for most of the world. We have been experiencing a global wide COVID virus pandemic since March, an incredible number of devastating natural disasters from hurricanes in the Southern US, to intensely destructive wildfires in multiple states of the West, and recently one of the most memorable closely contested national election processes in our country's history. Throughout all of these events, F.H. Stoltze Land & Lumber Company has persevered, remained on course, and in many instances enhanced our business opportunities.

We saw the lumber market take a deep drop at the start of the pandemic in March and April. It then worked its way upward to record levels in July- September; then back down again, hopefully to stabilize in October and November. The lumber market has always been cyclic, quite similar to a roller-coaster ride, but never to such extremes within such a short period. Due to the hard work of our employees and a good proactive health due diligence program, Stoltze (to date) has been able to work continuously through the virus pandemic and take advantage of the market opportunities when they were at their best. The forecasts over the last year of pent-up demand for lumber, wood products, and housing across the country has certainly proven to be true.

It is with very mixed emotions that I transition into retirement from Stoltze at the end of 2020. I will retire from all day to day operations of the company on December 31, 2020, turning those reins over to the very capable hands of Paul McKenzie. While I am really looking forward to having more time to play with my grandkids, more free time to hunt, and to "leisurely" practice forestry on our own family timberlands, I am going to sincerely miss the daily interaction with all the fine people that I work with and have come to know within this industry. My 44-year career in the forest products industry has been incredibly rewarding and I have enjoyed the opportunities and challenges that it presented me along the way. As I said in my message to our employees, my tenure over the last 17 years with F.H. Stoltze Land & Lumber Company has definitely been the highlight of my professional life.

I see a very bright future for Stoltze as we move forward taking advantage of new technology, new ideas, and a workforce of dedicated, intelligent, and hard-working people who know how to get things done. I wish everyone the best of luck into the future and thank you all for the great ride I have had with Stoltze. Have a MERRY CHRISTMAS & HAPPY NEW YEAR and enjoy your families.

Chuck Roady
General Manager



F.H. Stoltze Land & Lumber Co.
Lumber Manufacturers

P.O. Box 1429
Columbia Falls, MT 59912
Phone: 406-892-7000
Fax: 406-892-1612
info@stoltzelumber.com
www.stoltzelumber.com



News From the Plant

"FILL THE TILL!"

News from the

Sales Office



As 2020 is comes to an end, I'm sure most of us are thinking it can't come soon enough. Which is really weird as most of us wish time would slow down. People are feeling a little uneasy entering 2021; because of uncertainty, because of change, because of fear. For me, 2021 can't come soon enough. I am so over 2020. I'm ready to turn the calendar, dig in and hit 2021 running. 2020 wasn't completely bad. Markets were surprisingly strong, our production levels were really good, and we were able to do a few upgrades around the plant site.

One of the upgrades we were able to do was put in new controls and computer system in our headrig, which has been long overdue. This system will help our operators decide cutting solutions and also increase uptime. The start-up of this project went very well. A big thank you goes out to our Electrical Department. They worked some long hours to get this system up and going on time. We also purchased a new chipper for the sawmill and installed this in late fall. The Maintenance Department did an exceptional job preparing for this project and installed this in a four day weekend.

Our little debarker, at the sawmill, also got some attention this year. A technician from Nicholson Manufacturing made a couple trips to our site. The technician helped and trained our Maintenance Department. They rebuilt the air seals, checked tolerances, and replaced parts that were showing wear. Staying on the little side of the sawmill; we purchased a leveling infeed conveyor from West Coast Industrial. This conveyor was installed by our Electrical and Maintenance Departments and has proven very beneficial. It has decreased the amount of log breakage and log damage. Decreasing these log damages has giving us better choices for log/board lengths coming out of the sawmill. The dry kilns also got some attention this year during the spring and fall shutdowns for the power plant.

The big project was a new roof on Dry Kiln #1. We had an outside contractor come in and complete this job.

What a year it has been! While I can't explain what the lumber market did this past year, I can at least try to describe it. Prices moved steadily up from April and peaked at an all-time high from August through September. September to October saw prices drop 300 dollars, which is known in the industry as a "hard drop." Even with this drop, prices are still above where they were a year ago.

The Foresters had a good plan to start bringing in logs in June, but it started raining and wouldn't stop. Trevor schedules mill cuts based on what is in the log yard. He typically tries to schedule a species run that lasts about two weeks, but he had to continually switch species due to a low log inventory. The constant changes made selling difficult because I was not getting my anticipated volume. When the mill sets a run schedule, I try to start offering product three to four weeks out, based on historical data and experienced based guessing. I need to thank everyone at the mill and the planer who have worked days and nights, and even volunteered to work Saturdays, to keep us in production. They dealt with changing shifts and changing hours but everyone involved with production really stepped up during this time to allow us to take advantage of the best market ever.

The fir/larch dimensional market continued to be strong. If you had it, people bought it almost out of a sense of desperation. I found myself getting inquiries from customers that I hadn't dealt with in years, or ever. It was extremely difficult turning them down, but I felt that it was important to cover the needs of our loyal customers who have stuck with us through good and bad times, and who will continue to be there in the future.

Demand quadrupled for 2 inch spruce, which is something we don't always make. We usually cut 1 inch commons as we have a very loyal customer base for that product. I had 1 inch in inventory...

..... Continued on page 4

..... Continued on page 4



"The trees are still growing!"
Logging & Forestry
Department
Stump Speech

2020 will be a year that goes down in infamy on so many fronts! It has certainly been a memorable year at Stoltze, full of surprise and change. Over 108 years of operation, the Stoltze road has taken many turns, had its ups and downs, yet continues to forge ahead. This can only be attributed to the continual focus on the future and resilience of our owners, managers and employees. Confidence in the concept of stewardship; "Meeting the needs of today while not compromising the ability of future generations to do so," and a long-term vision, has proven a stalwart strategy for addressing the challenges of our society and our industry.

Chuck's retirement at the end of the year will trigger a number of transitions within our management team. I will step into the General Manager position, Cameron Wohlschlegel will move into the Lands and Resource Manager position and our (relatively) new Forester Jeffery Whitlock will fill the void left by Cameron. Some other recent transitions include Rory Buckallew stepping into the Logging Foreman position after Dave Buckallew retired at the end of August. Dave Weyrauch has announced his retirement at the end of January and his position as Shop Foreman will be filled by Beau Orem. I am really pleased with the team we have going ahead. We all have big shoes to fill, but I'm confident we are up to the challenge.

Learn from the past, while not being afraid to explore new ground, has been the general attitude of F.H. Stoltze Land & Lumber Co. for a long time. I have had the luxury of being able to work with, and for, some great leaders in our company and industry. I can't even begin to list them for fear I will forget someone! I like to think I have learned a little from each of my mentors over the years. With humbleness, I approach my new duties, secure in the strong foundation formed before me and optimistic for the opportunities that lie ahead.

We have a great team here, and that gives me confidence for the future of Stoltze. This company is only as strong as our people. Our collective effort is what generates progress. Strengthening the Stoltze "family" is the right thing to do for our employees, our community and our company.

When you say "I work at Stoltze," do so with a sense of pride, because you are part of something big that means a lot to a lot of people. From the folks who buy our lumber, sell us logs, provide equipment and services or just recreate on our land, they would not be able to do what they do without you. Never underestimate your contribution as an individual to the overall successful operation of this company.

We know two things for sure, the trees keep growing and our society continues to demand wood products in all the various forms. Somewhere in that equation is the place for Stoltze to continue to be stewards of our forests, producers of quality wood products and supporters of our community. It is our challenge and opportunity to define that place going ahead. I, for one, am excited!

Paul McKenzie
Resource Manager



"FILL THE TILL!"

News from the
Sales Office



News From the **Plant**

Continued from page 2

The kilns did an excellent job staying caught up and not falling behind during these shutdowns and projects. We will probably need to replace the roofs on the other kilns over the next few years.

The Maintenance Department is also working on building a centralized hydraulic room. It will house hydraulic units for multiple machines which will help with housekeeping, safety, and insurance concerns. This should be completed sometime in the next couple of months. We made some upgrades to our Yates Planer. A different new style of infeed top and bottom rolls were purchased and installed. We also purchased new top/bottom/side heads from Key Knife. These should be on site and installed before the end of the year. All of these purchases and upgrades will give us a better finish, while giving us better throughput. Thank you to everyone that played a part in making these projects happen. Each and every one of these improvements help our departments be more efficient and produce a better product.

Change is inevitable. 2021 will undoubtedly bring change to society, the world, and F.H. Stoltze Land and Lumber Company. Hopefully the change in society and the world will bring back some kind of normalcy, not just to adults but also to our kids. The changes in 2021, at F.H. Stoltze, will allow us to be more competitive in tougher markets, to better utilize our natural resources, and to allow our production lines to be more efficient.

Keep moving forward, keep plugging away, take one day at a time, and remember tomorrow is never promised. Keep a positive attitude, you, and only you, can control your outlook on what lies ahead. Work safe, play safe, hug your loved ones a little tighter, and smile a little longer. I hope your Thanksgiving holiday was a good one and hope your Christmas holiday is even better. Thank you all for all your hard work and dedication!

GOODBYE 2020 and HELLO 2021!

Trevor Kjensrud
Plant Manager

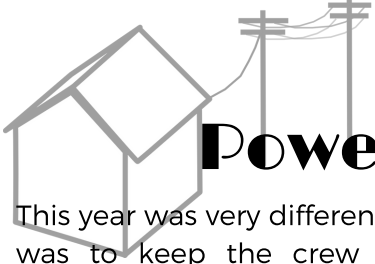
Continued from page 2
and we had a fair amount of spruce and lodgepole logs in the yard. The decision was made to cut 2 inch spruce dimension instead of 1 inch commons to take advantage of that market.

The fir/larch dimension market has stabilized. When we, and a lot of other mills, chose to cut the 2x4 spruce it created a shortage in the 1 inch market. It is hard for all that production to come back online in short order. Fortunately we have the capability to make both dimensional lumber as well as commons, therefore we switched our focus to boards. Now I find myself in the same situation with the 1 inch that I had with the 2 inch fir/larch. We now have a lot of wood on the ground that is sold and ready to go. The current difficulty is finding trucks. There is never an end to the challenges!

As we move into 2021 we will continue to see changes. Here at the mill our Vice President and General Manager, Chuck Rody, is retiring. Chuck has been a pleasure to work with and is one in a long line of great managers that we have had at Stoltze. He will be missed. I look forward to working with his replacement, Paul McKenzie, as well as our new Lands and Resources Manager, Cameron Wohlschlegel. The market will eventually settle down, but I don't believe we will see prices drop as low as they were a year ago. It certainly will be interesting to see what the new "normal" is.

Kris Page
Sales Manager





Power Plant

This year was very different from previous years. Our focus was to keep the crew healthy, and keep the plant running. So far, we have achieved both! It's looking like we will have the least amount of down time for the year since start up in 2013. We will have made the most power in a year, used the least amount of water in doing so, and achieved all with zero accidents or incidents.

Things we have done this year-

1. Fly ash conveyor upgrade. This conveyor gave us fits from day one, causing us plenty of down time. We improved the design of the flights, improved how they are connected to the chain, straightened out the conveyor, and installed newly designed head spools. This improvement has resulted in zero downtime since installation.

2. HMI computer upgrade (computers that interface with the PLC). The old Windows 7 computers were no longer supported by Microsoft and were getting so slow that it would take between ten seconds to a minute for a change to process. When you are running a power plant, you cannot have that long of a wait. The new computer systems were built by Wellons and with Windows 10 operating systems. They are fast! Just what we needed to be able to operate the power plant efficiently.

3. Opacity computer upgrade. Opacity monitor is required by DEQ to measure the amount of particulate that is passing through our stack. This computer was also a Windows 7 operating system and kept track of our opacity 24/7, 365 days a year. Two times a year a report has to be submitted to the DEQ, and with this new upgrade that part of my job becomes a lot easier.

4. Generator protection upgrade. This project was to ensure Stoltze investment in the COGEN would be protected from any abnormalities that could cause damage to our plant. This required us to hand trace all of the control wiring, make new electrical drawings of the plant, and review and make changes to most of the generator protection. A lightning strike from Libby Dam to Hungry Horse Dam, striking a BPA power line, can cause a sudden load change which could result in damage. With the new changes in place our generator is getting off line in 4.5 cycles during a lightning strike/power outage. There are 60 cycles per second. Very fast!

Power Plant Continued....

One of our boilerman, Mark Street has some bragging to do. His daughter Angellica Street, while a junior at Columbia Falls High School, set a state record in the javelin throw. Her senior year of high school track was cancelled because of the Covid-19 pandemic, but Angellica was awarded a full ride scholarship at Texas A&M. Congratulations Mark and Angellica.

As 2020 is coming to an end, we could not have done it without the dedication of the crew and the support of Stoltze management. We look forward to the next challenges as we find ways to get through them and make our plant run more efficiently.

Lee Starkel
Power Plant Manager



Looking back as 2020 comes to an end, I don't think that anyone of us would have thought that we would be working and living our lives in a global pandemic. Regardless of your views on COVID-19, one thing is certain, the change this has brought to our daily lives, both at work and at home, seems endless. During this trying time, F.H. Stoltze management and employees adapted and worked together to implement new operating procedures to help lessen any employee, vendor or contractor exposure at the plant site to COVID-19. We have been fortunate, as an essential business in our community, to continue to work and actively hire new employees at Stoltze. I would like to thank everyone for their diligence in adapting to our new procedures and guidelines as we navigate this pandemic and the effects it has on our lives.

Switching gears, we once again are coming to the end of the calendar year and that means insurance open enrollment time. This is the time for you to review your current benefit plans and identify any changes that may need to be made for 2021.

Happy Holidays!

Leah Michael
Personnel Manager





Forester Ramblings



Hello to everyone at F.H. Stoltze Land and Lumber, contractors, and affiliates. If you are lucky enough to be reading this article, I want you to know that the trees are still growing! But, I am not Paul McKenzie! I should probably start out with a brief introduction of myself and what I've been busy with for the last five years at Stoltze. My name is Cameron Wohlschlegel; I'm the guy in the white truck with all the Labradors hanging out. However, I have now upgraded to a dog box for the safety of my pups and to instill a more professional image. For those of you who are new to Stoltze, or haven't had a chance to meet me, at the current time of writing this I am a Forester. I have been fortunate enough since October 16th, 2015 to manage roughly half of our company lands. This has involved timber harvest, road construction, tree planting, weed spraying, bridge building, special use license agreements, pre-commercial thinning, the list goes on and on. On top of all that, I have also been administering Forest Service, MT DNRC, and GNA Timber sales we purchased and non-industrial private timberlands from Lake, Lincoln, and Flathead counties. Needless to say they have kept me busy.

Last fall one of our long time Foresters, Mark Boardman, decided to make a career change. Mark was a great forester and teacher. He taught me Stoltze's philosophy on growing trees, logging, and overall company lands management. I appreciate the time he took in training me, not always an easy thing to do. This got the ball rolling in regards to long term planning within our Resource Department, and I was approached by Paul McKenzie. Paul graciously asked me to step in as Resource Manager as he took on the General Manager position when Chuck retired at the end of 2020. It was a lot to think about and a huge commitment and responsibility, but I humbly accepted. I look forward to leading our Resource Department and working with all the fine folks here at Stoltze.

I guess we should probably talk about 2020 quick. What a year. I felt as an industry we were lucky to be considered essential workers. This kept people working and our company moving forward in uncertain times. For me, aside from the pandemic, 2020 was characterized by wind. Yup, I said wind. We had two major blowdown events that took place on our company lands. These winds blew down over 1MMBF of timber from our Whitefish area holdings down through to Swan Lake. Some of the trees that succumbed to these gusts were over four feet in diameter and 400 years old. Those old trees had survived multiple fires only to get blown over by an invisible force. The lesson I took from those trees is that we haven't had winds of that nature in a very long time. Can you say 500 year wind storm? Between cutting out roads and salvaging timber, wind became my enemy in 2020. It took some really good logging and hard work, and destroyed it. But that's life, not the outcome you always expect, plan for, or want, but in the end we pushed forward for the better of the land and company and salvaged those trees. Kudos to our company logging crew, Makin' the Grade, and Newton Logging for helping us out with this endeavor.

I said to myself when I sat down to write this that I won't talk or write as much as Paul. So this is going to be my last paragraph; short and to the point. I am proud and honored to accept the position and role of Resource Manager at Stoltze. I look forward to continuing the legacy of those who have come before me in regards to the quality and reputation of our company and our land management. Also, I will strive to lead our Resource Department in sourcing logs for our mill to chart forward on a path of success. I can't control the weather, but I can control the relationships I plan to build and maintain to ensure the success of our company.

With that I look forward to bending your eyes in the next Trumbull Creek Times.

Cameron Wohlschlegel





Welcome 2021. I can't say that 2020 was a horrible year, but it definitely was a strange year. Hopefully 2021 will be more normal than 2020, but who is to say that this isn't the new normal? I sure hope not!

As I sit here and try to decide what to write, I want to take a moment to say congratulations to Chuck on his retirement and thank him for his dedication ensuring that this company is ready and prepared for now and the future. You will be missed.

As I said above, what a strange year. 2020, a global pandemic, lockdowns, rioting, protesting and all with record markets, during an election year that has yet to wrap up. Again, I sure hope this is not the new normal. Here at Stoltze, I believe we have taken it in stride, adapting as needed to ensure the safety of our employees, vendors and customers. We have continued to plan for the future, not allowing what is happening in the present to stall our long term outlook, plans and goals. As Paul said in his article, "when you say I work at Stoltze do so with a sense of pride." That being said, I am going to keep this short. Goodbye 2020, welcome 2021, Merry Christmas and Happy New Year.

Be sure to check out our website, www.stoltzelumber.com and our Facebook page, which can be found via the Facebook icon on our website. Matt has been doing a great job of learning how to use our drone and occasionally puts new videos on the Facebook page. If you would prefer to receive our newsletter electronically or have questions or comments, please email info@stoltzelumber.com.

Merry Christmas and Happy New Year.

Josef Kuchera
Editor

**Welcome
2021!**
*Merry Christmas
and
Happy New Year!*

