



The Collins Companies

news

Volume 1, Issue 1

Our Heritage of Responsibility

At The Collins Companies, we provide our customers with the assurances that our products are backed by a legacy as positive as the products themselves. Ours is a heritage of responsibility to the land and to the people. From foresters in the field, through operators in the plants, to sales people in the marketplace, we relentlessly pursue the best utilization and applications of our natural and renewable resources.

- Forests acquired in the 1850s are continuing to yield the highest quality products as we enter the 21st century.
- A focus on stewardship and sustainability ensures that the forests are not only renewable but biologically diverse, and that our communities are enhanced and supported.
- A commitment to independent certification and sustainable management are hallmarks of our core ideology:
 - We were the first privately-owned forest products company in the United States to be independently certified under the Forest Stewardship Council (FSC) principles and criteria.

- We were the first forest products company in the United States to embrace the framework of The Natural Step (our Journey to Sustainability).
- A dedication to expanding our range of composite materials allows us to utilize more of our own by-products, as well as those from other operators, in order to supply our customers with superior quality particleboard and other engineered products.
- We pledge to all our employees to keep them well-informed and create a climate where they can achieve and realize their maximum potential.

“Ours is a heritage of responsibility to the land and to the people.”

Our trademark products—CollinsWood, UniLam, ValuPly, UniPak, Paragon, Tru-Wood and APEX—are all evidence and assurance of our commitment to carry forward our heritage to a vision of a truly sustainable society.



James E. Quinn
President/CEO



Collins Pine Company
Forest & Mill • Chester, California
Headquarters • Portland, Oregon



Kane Hardwood
Kane, Pennsylvania



Collins Products, LLC
Klamath Falls, Oregon



Ostrander Resources Company
Fremont Sawmill
Lakeview, Oregon



Builders Supply
Chester, Paradise and
Oroville, California

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Proposed Wetlands Project

Collins Products has an existing discharge permit to discharge treated industrial waste water into the Klamath River. Our daily discharge has been as high as 1,200,000 gallons. During the past year we have been able to reduce this amount through awareness. Water is not free!

Our Klamath Falls operation sits on the banks of the Klamath River. The Klamath River flows out of the Upper Klamath Lake, which is eutrophic (Random House: “characterized by an abundant accumulation of nutrients that support a dense growth of algae and other organisms, the decay of which depletes the shallow waters of oxygen in summer). The average depth of the Lake is about five feet depending on the time of year. Lack of dissolved oxygen, high ammonia nitrogen levels, and high water temperatures cause most of the environmental problems for the Klamath River.

Although Collins Products has a discharge permit for treated wastewater, we looked for alternatives to discharging directly into the Klamath River. Several alternatives were discussed but most did not return an adequate volume of water to the water users down river. Actually, our discharge from the Waste Treatment Plant was cleaner than the water in the Klamath River and helped improve water quality in the river.

In October, 1998 we submitted a Watershed Restoration Proposal to the U.S. Fish and Wildlife Service and the U.S. Bureau of Reclamation. It was a Cost Share

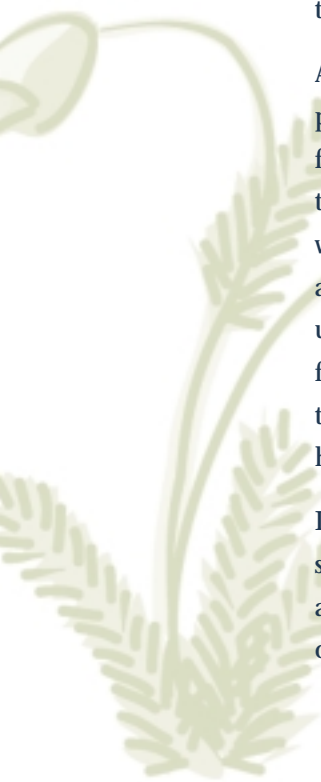
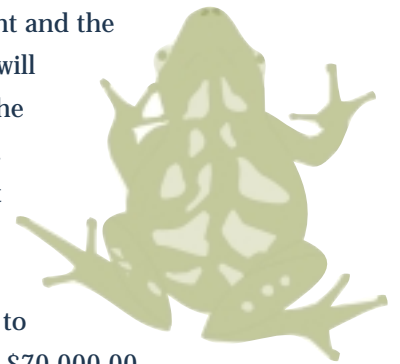
Proposal to construct a Wetland using the discharge from our treatment plant. A wetland does several beneficial things to water as the water passes through. It increases the waters’ oxygen levels, reduces the amount of ammonia in the water, and can improve water temperatures before the water flows to the Klamath River. Many areas on our plant site were originally wetlands. These areas were drained years ago to produce grazing lands and pasture. Our proposed Wetland will be 38 acres in size and will be constructed with three holding cells. The site will provide habitat for waterfowl and many species of wildlife. Water should ideally enter the wetland and be discharged in a 10 day period.

Collins Products proposed that we would provide the labor and equipment and the agencies will provide the materials. Total cost of the project is expected to be about \$70,000.00

-Travis Huntley

“I suppose leadership at one time meant muscles, but today it means getting along with people”

-Indira Gandhi



The Klamath Co-generation Project

Groundbreaking ceremonies were recently held in Klamath Falls for a huge power plant to be built on 15 acres leased by the city from Collins Products LLC. A Kansas firm, Black & Veatch, has been selected to design and construct the Klamath Cogeneration Project at a cost of \$183.3 million. PacifiCorp will operate the plant under contract once it is built.

The Klamath Cogeneration Project will construct a 500-megawatt plant to convert natural gas into steam and electricity. It will use treated wastewater to cool the turbines. The power generated will make up approximately nine percent of the energy produced in Oregon.

Some of the plant's steam will be purchased by Collins Products, while about 47 percent of the electricity generated will be sold at cost to PacifiCorp. The other 53 percent will be owned by the city, which will sell it on the open market.

Once generated, the electricity will be transmitted to the California-Oregon Border (COB) exchange point, a power trading substation associated with the New York Mercantile Exchange.



The JTS Team: Dianne Kerkar, Barbara Johnson, Joan Patton, Mike Luza

Journey to Sustainability

Kane, PA., Heidi Dahler coordinated the JTS training of some 112 employees at Kane Hardwood during the week of June 14th. *Portland, OR*, The Collins Companies Corporate Headquarters has designated a team to continue the Journey to Sustainability and apply The Natural Step framework in our corporate office. It is called the Portland Sustainability Team (PST) and consists of four volunteers: Barbara Johnson, Joan Patton, Mike Luza, and Dianne Kerkar. The team has gained momentum after attending the recent in-house training provided by Connie Grenz and TNS National Conference held in Portland, Oregon. *Klamath Falls, OR.*, The Journey Awareness Team (JAT), whose goal is to support JTS with ongoing education, inspire employees, and promote environmental education and experiences in the community, has taken a speech class and is preparing presentations for use with employees, vendors, and others.



Jack Sivertson, Kent Goodyear, Jim Quinn, Todd Kellstrom, Dale Slate, Tom Hose

Kane Hardwood
Solar Kiln 1999

The Journey Continues

We are now processing the first batch of CollinsWood from Kane Hardwood that is drying in our new solar kiln. For faster turnover, we are using only air dried material. The kiln is a passive solar collector, which means it doesn't actively track the sun but it can dry 6,400 feet of 4/4 with less degradation of the lumber. The kiln is set up on a 45 degree south facing slope.



"Solar One" (Solar Kiln-Kane)

The sun's rays are absorbed by the black interior and the heat is circulated through the stickered lumber, thereby absorbing moisture. This moisture is taken from the air by condensation—a unique design of this solar collector. Because many of the CollinsWood orders are small, and solar

drying takes smaller volumes, our certified wood will not have to wait for a full kiln charge to be processed.

In examining the benefits of this process, we looked at the four system conditions of The Natural Step.

System Condition #1: Does this process take anything from the Earth's crust? No. This process uses the sun's energy, not mined material.

System Condition #2: Does it increase subsistence concentrations back into the Earth's crust? No. Again, we use the sun's energy, not synthetic material.

System Condition #3: Does it increase the physical basis for productivity and biodiversity in nature? No. Using the sun's energy does not effect biodiversity. We will use approximately 9/14 times less energy to solar dry as compared to conventional kiln drying.

System Condition #4: It is a fair and efficient use of resources? Yes. The sun's energy is free. We are not taking away from someone else's electric usage. Solar drying is clean and energy efficient.

Collins has already started on the Journey to Sustainability through our commitment to certified forestry. This process extends that commitment by utilizing fewer irreplaceable natural resources and hence, protecting the environment for future generations.

Gary Holmes, *Shipping Supervisor*
Heidi Dahler, *Purchasing Tech*



CollinsWood®

The first half of 1999 has been a time for the growth and strengthening of CollinsWood, our line of wood products that comes from our own forests, independently certified as well-managed by the Forest Stewardship Council.

Builders Supply has become one of our strongest CollinsWood supporters, carrying CollinsWood pine commons, Douglas Fir dimension, softwood plywood, hardwood flooring, and S4S. Mike Stelzriede, Assistant Manager at the Chester store, has been leading the charge, causing us to make "Ask me about CollinsWood" buttons, placing CollinsWood ads in the local newspaper, and making CollinsWood signage for the store. Look for further CollinsWood developments from Builders Supply in the near future.

Eco-Timber is stocking certified softwood plywood and dimension, as well as hardwood lumber.

Hayward Lumber, in south-central California, is a new distributor of CollinsWood. They are aggressively promoting CollinsWood, with one large project already sold.

Golden State Flooring in California, a division of J.E. Higgins, carries our certified hardwood flooring and softwood underlayment.

Hardwoods, Inc. in San Francisco is now stocking, and selling, our certified particleboard.

New export business includes red maple to Malaysia and white fir to China. CollinsWood was our focus at the Interzum trade show this spring in Köln, Germany, which generated a lot of interest.

We supplied a number of certified projects this year, including

- *Microsoft* - doors using red maple for stile and rails and clear UV (non-off gassing) finished particleboard for the skins. This item has now been added to our customer's standard product list.
- *Oberlin College* - lam stock, plywood, and hardwood lumber.
- *Bainbridge, Washington Community Center* - using ponderosa pine tongue and groove decking and white fir dimension.
- *"House Packages"* - which include certified lumber and plywood.
- *Winery in Oregon* - using certified plywood and white fir dimension.

The second half of 1999 will see more new customers and further product development in value added items, including white fir ACQ (a non-toxic pressure treatment) treated decking, plywood platforms for decorative plywood, hardwood flooring, and incense cedar pattern stock.

Thanks to all of you for your enthusiasm and making CollinsWood a success.

Lee Jimerson

Product Manager, CollinsWood



Personnel Perspectives

from Human Resources

Management Group Changes

Larry Potts, VP, Sustainable Resource Development in Portland, announced his resignation effective July 31, 1999. He found an opportunity with Warm Springs Forest Products in Central Oregon.

Connie Grenz, previously Director of Management Services in Portland, has been promoted to Operations Manager at our Kane Hardwood division in Kane, Pennsylvania. She began her new role in Kane on September 13, 1999.

Portland Office Update— New Office Space

At the end of May 1999, we were able to consolidate our headquarters and sales/marketing staff on the 3rd floor of the Riviera Plaza. The Sales and Marketing staff moved down one floor to Suite 314. All phone numbers remain the same and mail continues to be sent to Suite 300.

“It’s easy to get good players. Getting ‘em to play together—that’s the hard part.”

—Casey Stengel

PEOPLE:

New in Portland

Joel DeClark, promoted to Assistant Controller
Lucinda Fryer, Claims Administrator
Christy Howell, Accountant
Roger Wristen, Product Performance Manager
Diana Dwyer, Accountant
Justin Meier, Network Administrator
Doug Barkee, NW Region Sales Manager, Vancouver
Don Barnes, Region Sales Manager, Denver
LeRoy Otteson, Manager, Specialty Resource Supply
Good Bye to Michelle Jensen and Bryan Anderson
Congratulations:

Congratulations to Cami Waner and baby Benett
Congratulations to Alyson Bramlett and baby Jacob

In Kane

Congratulations:
Congratulations to Dee Pardini and baby George III
Good Bye to Michaelene Bernat and Tammy Argenbright

In Lakeview

Good Bye to Carl Bolstad

In Chester

Larry Ostman, Engineer
Steve McGuire, HR Manager
Frank Del Carlo, Maintenance Supervisor
Good Bye to Bob Porter

In Klamath Falls

Steve Stilwell promoted to Director of Information Technologies
Alan Burns promoted to Plywood Dry-End Superintendent
Lori McNerney joins Hardboard as Product Supply Coordinator
Linda Miranda, Hardwood Sales Analyst/Traffic Coordinator
Shane Hancock, Quality Control Supervisor
Alicia Jones, Human Resources Assistant
Dan Drinkwater, Project Engineer
Cindy Wigen, Particleboard Sales Office Assistant
John Key, Network Administrator
Aaron Schulte, Information Systems Analyst
Good Bye to Judy Howe and Nancy Denson

Corporate Calendar of Events

Thursday, Nov. 25
Thanksgiving Day Holiday

Friday, Nov. 26
Thanksgiving Friday Holiday

Thursday, Dec. 23
Christmas Eve Holiday (observed)

Friday, Dec. 24
Christmas Day Holiday (observed)

Thursday, Dec. 30
New Year's Eve Day Holiday (observed)

Friday, Dec. 31
New Year's Day Holiday (observed)

Friday, Jan. 28
Board of Directors Meeting