

**CSA Community Advisory Group
to Stillwater Timberlands - Western Forest Products Inc.
June 13, 2007
Minutes
Town Centre Hotel**

Attendance: refer to attached sheet

6:02pm: Meeting called to order
Quorum noted

Welcome Members and Guest

Vice-Chair welcomed everyone and introduced Marv Clark, Research Director with FP Innovations, Western region, based in Vancouver.

Introductions

Members introduced themselves around the table.

Safety Review

Facilitator noted safety rules – also fire exits and first aid attendants in case of emergency. Meeting place in case of emergency was noted.

Review and Acceptance of Agenda

Chair asked for approval of the agenda. Agenda was accepted with additions and revisions.

Code of Conduct

Code of Conduct from Community Advisory Group was noted.

Meetings are tape recorded

Facilitator noted that meetings are tape recorded.

Review and Acceptance of Agenda

Chair asked for approval of the agenda. Agenda was accepted with one addition.

Review of WFP Minutes from April 11th 2007

Minutes were reviewed and accepted.

Review of WFP Minutes from May 9th, 2007

Minutes were reviewed and accepted.

Review of Plutonic Minutes from June 5th, 2007.

Minutes were reviewed and accepted. It was noted that Plutonic has not yet commented on these minutes.

WFP – Correspondence

Copies of recent correspondence were provided and reviewed.

1. Powell River Round Table – application to Western for a primary seat
2. Western – reply to Powell River Round Table
3. Powell River Round Table - to CAG
4. CAG – response to Powell River Round Table
5. Letter from Bill Hughes, BC Timber Sales regarding to BCTS Operating Plan – Public review and comment period is June 1 – July 3, 2007
6. Letter to CAG from Bruce McKerricher (BCTS) regarding DFA
7. Plutonic Power Corp – press release from May 22 07
8. Plutonic Power Corp – press release from May 29 07
9. Letter from Joan Hesketh, Associate Deputy Minister, Environmental Assessment Office – regarding Plutonic Power’s Environmental Assessment Certificate and the conditions and commitments in the certificate
10. Plutonic Power Corp – press release from April 25 07
11. E-mail correspondence from Grig Cook, Plutonic Power Corp regarding meeting with CAG. (Meeting took place on June 5 07)
12. CAG letter to PRPAWS dated April 16th, operational information update regarding the Sunshine Coast Trail
13. CAG letter to PRPAWS dated May 11th, operational information update regarding the Sunshine Coast Trail
14. Letter dated April 10th from “Friends of Eagle River” to CAG regarding the preservation of the SCT
15. Letter dated April 25th - response from CAG to Friends of Eagle River, noting that CAG supports the SCT and recognizes its value in our community
16. Letter of resignation from Pam Dowding, recording secretary. (re-locating to Victoria)

Correspondence with the Public

Letters dated April 16th and May 11th, 2007 were sent to PRPAWS with up to date operational information on activities along the Sunshine Coast Trail.

Letters were also received and responded to from Powell River Round Table and Friends of Eagle River.

Review of Action List

Action list was reviewed. It was noted that almost all actions have been completed. Only seven actions ongoing:

Action # 1- Copy of Recreation features map to be made available for members by Paul Kutz – ongoing

Action #2 – Plutonic to provide computer images of canoe route, Toba Inlet and any other areas of concern regarding route of the transmission line as requested by CAG. Martin noted that Plutonic has hired a company to do this – they still don't know where the line is going. Plutonic is starting on visuals using the same points as Western - *ongoing*

Action #3 – Follow up on e-mail regarding salal and firewood permits (Island) – *ongoing*

Action #4 – New job descriptions for Facilitator and Recording Secretary will be brought to the table- *ongoing*

Action #5 – Member will find a copy of the article regarding solvents in some herbicides that may be toxic to fish

Action #6 – ToR sub-committee to discuss how many members may assist executive with expertise and make recommendations to CAG –

Note- members will sit over the summer – *ongoing*.

Action #7 – Ask for clarification from Island re: road use policies - *ongoing*

New Membership contact list

Members were provided with an updated contact list.

WFP Operational Information Map Update (TFL39 Block 1)

Stuart Glen

Map was posted and Stuart gave an update of harvesting, road construction, engineering, what's new on the map, and map updates for June: Stuart noted that the plans for the helicopter harvesting have been rescheduled to later.

Current Activities

Harvesting – GI-053, GI-054, GI-100B, GI-152, HE-517A, NA-911, NA-912, ST-006, ST-258A, ST-262, ST-335, UL-801, UL-825, WL-911, WL-926A

Scattered blowdown salvage operations ongoing.

Road Construction - EL-669, GI-111, GI-152, PD-242, PD-455, ST-062, ST-256, TM-122B

Engineering – PD-455, GI-113, GL-636, ST-226B, TM-242, TM-245, WL-043

What's New on the Map

New Blocks – ST-262C (note: area originally included as part of ST-262A), PD-455 (future shape change), PD-457 (administrative name change from PD-456A)

New Roads – None

Cutting Permit Approved Areas – None

Note: No new blocks or roads are identified adjacent to the Sunshine Coast Trail.

Map Updates

Logging Complete – CH-538, ST-259, ST-102A
Road Construction Complete – PD-456, ST-334
Engineered Blocks – GL-653, ST-262A, ST-229
Engineered Roads – GI-113, ST-229, PD-455

If there are any questions regarding the Operational Information Map or if anyone requires further information, they can contact Stuart.

Question - Are they reactivating the road across Freda Creek- and the old bridge up to Little Horseshoe Lake? (Member identified the general area on OIM map)

Answer – WFP has no approved or future roads showing on the OIM map in that area.

Facilitator passed on a comment on the work that has been done at the head of Windsor Lake on the Canoe Route. The recreation site looks great, wood shed was full – money well spent.

Access

- Bridge is back in Diane Main –Eldred Valley.
- Third Lake Road access is back in.

Company Updates and other Business

None

Plutonic Power Corp - Update

Martin noted that they have had some recent meetings with Plutonic. Western has been frustrated that there has been no information. Some information was finally received yesterday.

Western needs information regarding line location, pole locations and pole heights. Grig Cook (Plutonic) has noted that they are not moving as fast as they wanted to. Western is waiting for more detailed maps and details of all of the road and line crossings.

Member noted that CAG has received the same messages at the meeting on June 5th 07. Member noted that Plutonic has implied that the Freda project, if going ahead, would no longer consider a line west from Freda to the millsite.

Members were interested in the capacity of the lines and wondered whether they would get bigger.

Member noted that they were assured by Plutonic that the present project was for East Toba, Montrose and the three others.

See also Martin's comments above on Plutonic. (Action#2).

Member noted that packages for bids are out and Plutonic wants to start cutting by July 3, 2007.

Facilitator asked Stuart and Martin to keep CAG informed if there are any new developments or more details are known about Plutonic's plans.

Canoe Route

Martin noted that Paul Kutz has received FIA funding for the Canoe Route for 2007. A new company (Terracentric) will be taking over the maintenance of the Canoe Route.

Sub-Committee - Terms of Reference summer review

Member asked for volunteers to discuss revisions to the Terms of Reference. More operating procedures need to be added, and how to select members needs to be revised. Sub-committee members will bring recommendations to the table for approval in September. E-mail will be sent out to inform members of meeting.

Safe Company Certification

Stuart noted that last month, the Stillwater Forest Operation received "Safe Company Certification".

Question – What is the process for safe company certification?

Answer – The process involves ensuring that a company meets specific safety criteria. This is done through providing information relevant to these specific criteria. Interviews are also conducted. Stillwater is the first WFP Operation to be Safe Company Certified.

Member noted that some companies have had to hire someone to help with the certification process. Member noted that the benefits are more safety awareness and that assessment rates go down when a company is "Safe Company" certified.

Review of 2007 CSA Audit Results

Stuart Glen

QMI Audit took place April 17-19, 2007.

Stuart reviewed the final audit report and explained the various parts of the report. The audit went well, and auditor spent time in the field and in the office completing the audit. The field audits were completed at Goat Island and Chippewa Bay. The auditor met the CAG to review their participation in the SFM process over the past year. The audit identified five recommendations which were reviewed. The results of the surveillance audit indicate that the Sustainable Management System of WFP is suitable and effective and continue to be recommended for registration to CAN/CSA-Z809-2002.

Question – Do both Klahoose and Sechelt asserted traditional territories cover a portion of the TFL?

Answer – Yes. A member noted that some areas are known as "shared territory".

Guest Speaker - Marv Clark FP Innovations

Presentations

1. FP Innovations

Marv gave a brief history of the company. Ferric merged with another company to become FP Innovations. Ferric had 100 employees. FP innovations employs 460 persons. Website address is www.fpinnovations.ca

Locations

FP innovations has branches in BC, Alberta, Ontario and Quebec.

Forest Competitiveness

- Reducing delivered wood cost
- Sustainable forest operations
- Improving quantity and quality of fibre

Structure

- Harvest Engineering
- Forest Road Engineering
- Harvesting Operations
- Transportation and Maintenance
- Silviculture Operations
- Wildland Fire Operations

Forest Roads

- Engineering, Construction and Maintenance of Roads and Water Crossings

Construction and Maintenance

- Investigating alternative road building techniques
- Funding from BC's FSP Mountain Pine Beetle research initiative

Water Crossings

- Innovative crossing structures

Truck Interface

- Reducing tire pressures to lessen road impacts
- Develop policies that benefit the forest sector
- Computer modeling to fairly allocate road maintenance costs

Harvesting operations and systems

- Evaluations of harvesting equipment and systems
- Harvesting on environmentally sensitive sites
- Partial cutting

Precision Forestry

- Uses advanced technologies to capture, analyze and interpret source data
- Develops tools needed to support strategic and tactical decision-making for forest operations
- Development and implementation of electronic data-recording systems such as "MultiDat" and "Heli Trax"
- Tools for estimating harvesting productivities and costs e.g. "Provue"

Value from forest operations

- From forest to saw mills

Reducing mechanical damage

- Reducing skidding breakage
- Reducing the damage from spiked feed rollers

Utilizing harvester optimization to improve value recovery

- Harvester shown with computer screen
- Reducing the costs associated with multiple sorts
- Cut to length at the stump processing
- Tree length roadside processing

Forest feedstocks for a bioeconomy

Why biomass for feedstocks?

- Interest in forest feedstocks:
- Rising energy prices
- Reducing supplies
- Security of supply
- Need for energy self-sufficiency – 25 by 25 billion ton plan

Note – Plants starting up in Alberta are looking for all sorts of biomass fuels – old skids, pallets etc.

Traditional products:

- Wood panels
- Lumber
- Paper
- Pallets for expanding European market
- Ethanol

Why forest feedstocks?

- Interest in forest feedstocks:
- Utilize all forest resources
- Utilize fire damaged and insect killed stands
- Reduce open burning
- Offset costs of intensive forest management and Fire Smart-ing communities
- Ensure survival of communities and the industry

Forest Feedstock potential

- Simple supply-chain infrastructure from source to CHP facility
- Biomass harvesting operations currently providing feedstock for burning

Question – What is the definition of “forest feedstock”?

Answer – Any fibrous material that can be used – chips etc. Syngas makes biodiesel. There are two products in BC.

Question – What do they do with the residue?

Answer – They grind into charcoal briquettes for BBQ fuel. The market is over-supplied.

Biomass feasibility studies

- Assistance to members and new business ventures
- Field validation of biomass supply and use of BiOs to conduct economic assessments
- Feedstock studies to support Paprican biorefinery initiative

Question – is the federal government funding the studies?

Answer – Funding has come from the BC and Alberta government so far. There is a big interest in Alberta and big plans for using forest biomass.

Safety and productivity of transportation

- Obtaining regulatory approvals through computer simulation and full scale testing

Energy efficiency in forest operations

- Surveys of truck and harvesting equipment fuel consumption rates
- Evaluation of technologies and alternative fuels
- Bio-diesel - Collaborators: Paprican & Alberta Research Council
- Hydrogen injection systems for heavy duty diesel engines

Marv noted that the bio-diesel has had good luck in cold weather with a 20% mixture. Hydrogen injection systems for heavy duty diesel engines all failed in cold weather. Canola based bio is best for cold weather performance.

Question – What is the best bio-fuel in Canada?

Answer – Yellow grease is used for bio-diesel, made from restaurant rejects and reduction from animal fats.

Question – How is it made?

Answer – Grease is mixed with methanol and lye split 50-50. Biodiesel goes to the top. Glycerin can be used for compost.

Silvicultural operations and systems

- Partial cutting
- Commercial thinning and partial cutting
- Harvesting around advanced regeneration

Understorey cuts 20-40 years off vegetation.

Question – What happens when spruce budworm comes around?

Answer – Those stands are in transition

Site preparation and road rehabilitation

Regeneration

- High injury rate in Canada
- Ergonomics
- Fertilizer exposure – monitors for air breathing quality
- Planting costs

- Seeding

Wildland fire operations

- Fire prevention
- Fire smart zones
- Heli – bucketing
- Alberta has satellite log yards – no water to fight a fire
- Agricultural crop dusting planes are used
- Float planes have a better pattern for dusting
- Refuge points are established
- Marked trails to refuge points
- Wildlife urban outreach zone
- Detection – video detection on top of tower
- Image recognition cameras note changes and launches alarm
- Tied into GIS maps
- Seven towers in Alberta are very effective – (they detect farmers burning old hay)
- Suppression
- Protection – to reduce intensity on log decks, logs are gelled with a fire retardant gel

Question – What is the distance that cameras cover and the frequency of the sweep?

Answer – Two cameras cover 40 km and sweep every seven minutes.

One drawback is they need certified climbers to climb the towers to repair the cameras at a cost of \$7000

Gas flares in Alberta have also been detected at night by this system.

Break – 8:00pm – 8:10pm

2. Forestry Tour of Chile

Marv showed a presentation from a forestry tour of Chile in November 2006. Presentation included:

Chilean Statistics

- Population: 16 million
- 2006 Harvest 33 million m³
- 2020 harvest:45 million m³
- 300,000 employed in forest industry
- Forest products are 2.7% of GNP
- MAI for pine:24m³/ha
- 9 modern pulp mills- 2 more in 2007
- 14 modern sawmills

Question- What is Stillwater's MAI?

Answer – Around 9 m³/ha

City of Concepcion has:

- Infor
- Corma
- Execelsys logmeter 300
- Arauco's Itata Mill Complex
- Arauco's Pine Harvest Operations

INFOR – Instituto Forestal de Chile

- Private corporation created in 1965
- Offices in 5 cities – 100 employees
- Mechanization of forest harvesting
- Wood preservation
- Wood structural developments and standards
- National forest information system
- Forest diversification and land protection
- Forest inventories and mapping
- Technology transfer

CORMA – La Corporation Chilean de la Madera

- Established in 1952
- Promotes forest certification amongst members
- Forest industry lobby organization
- Tracks product manufacturing statistics
- Technology transfer and technology inflow

EXCELYS LOGMETER 3000 @ Mitsubishi Chip Mill

- \$300,000 US Installed
- Payback period 4 months
- No maintenance
- 1.5% more wood received

**ARAUCO's ITATA MANUFACTURING COMPLEX @ NUEVA ALDEA
Log Merchandizing Mill**

- 2 years old
- 111 employees
- 100,000 m3 / month
- Two 9 hour shifts / day
- 69 sorting bins
- 80% availability – target is 85%
- ISO 14000 and Certfor certified
- OHSAS Safety certified
- Canadian designed and built

Sawmill

- Largest mill in Concepcion region
- 715,000 m3 consumption
- 400,000 m3 output

- 15 months old
- 30 sorting bins
- Canadian technology

ARAUCO PINE HARVESTING

- 24 years old
- 440 m³ per week
- 7 days/week operation
- 4-10 hour shifts/2 crews
- Line skidders
- Feller/processors
- Manual merchandizing
- Long and short logs
- 500ha harvest blocks

Question – Why do they use line skidders?

Answer – They are safer on slopes.

LOS ANGELES

CMPC's "Carlos Douglas" Nursery:

- 30 years of conifer breeding program
- Both bare root and container stock
- 32.5 million radiate pine seedlings/year
- 9.6 million custom conifer seedling/year
- 67% cutting propagation, 33% from seed
- ISO and Certfor certified
- Pine planting density – 1400 stems/ha
- Commercial thinned and pruned by 12 years
- \$0.08/seedling nursery cost

CMPC's Secondary Manufacturing Plant near Los Angeles:

- 2 sections: paneling and molding
- ISO and certfor certified
- 18 year old mill
- Process 10,000 m³/month of material
- Raw material must have 50% clears
- Strong emphasis on worker safety
- Receive lumber from 4 CMPC mills in area
- 650 employees on 3 shifts – no women

CMPC's Mulchen Sawmill and Logyard

- 1 year old mill
- Receives 62,000 m³/month of logs
- Produces 14,300 m³/month of chips

- 13,000 m³/month of fuel (hog)
- Receives 50% of logs as pruned boles
- 20% of output is clear lumber
- 67% of output is kiln dried

TEMUCO

- CMPC's Pine harvesting @Palinco Forest
- CMPC's Eucalyptus in-woods chipping
- Arauco's Eucalyptus short wood harvesting

CMPC's Pine Harvest Block in the Palinco Forest

- 1400ha opening (legal limit on private land)
- 20km haul distance to mills
- 400m max skidding distance
- 45% max skidding slope considered
- 320 m³/ha @ 22 years (not thinned or pruned)
- US \$6.90/m³ at roadside
- 4 & 4 shifts @ 10 h/shift
- 30,000 m³ month expected production
- Equipment lease cost US\$70,000/month
- John Deere maintenance guarantee of uptime

Question – Why harvest 24 year old Pine?

Answer – Economics

Question – Do they use fertilizer for 24 year short rotation?

Answer – No, they grow on marginal or depleted farmland, and are not doing any fertilizing.

CMPC's Eucalyptus In-woods Chipping Operation

- 11 year old Eucalyptus globules plantation
- 220m³/ha (poor site)
- 2-9 hour shifts/day
- 33,000 m³/month (30 trucks loads/day)
- First mobile chipper in Chile
- A second chipper to be started mid-November
- US \$7/m³ loaded in truck
- Observed truck loading time 32 minutes
- Chipping recovers 25% more volume than CTL

AUROCO's Eucalyptus Short Wood Harvesting

- In-woods debarking
- 2.44m length manual standardizing
- 5,500 m³/month
- 12 year old stand at 230 m³/ha
- Replanting cost \$800/ha

- Harvesting and planting: job creation project

Question – What type of eucalyptus? Is it hybrid?

Answer – Eucalyptus globules and eucalyptus nitrous.

VALDIVIA

- LP Chile's OSB mill @ Panguipulli
- LP Contractor in 2nd Growth Native Forests
- Mill started in 2002 – 1st OSM mill in Latin America
- Much of the mill equipment moved from US
- No natural gas for drying – use hog fuel
- Products are APA certified
- 95% of production sold domestically
- New LP OSB mill under construction at Concepcion
- Limited forest access for 4 months/year
- 120 employees in mill
- All wood is purchased – LP owns no forest land
- Good plantation land costs about US\$2,000/ha
- 50% hardwood and 50% pine
- Poplar, eucalyptus and native hardwood
- LP is the only buyer of 2nd growth native hardwoods

LP's Contractor in 2nd growth Native Forests

- German investment group owns 8,000ha
- Combination of native forest and plantation land
- Selection harvesting of native 2nd growth
- Plant native oaks in Understorey openings
- Own a small sawmill to cant prime hardwood logs
- Send cants to Germany in containers for furniture and flooring
- Sell residuals to LP for OSB
- Experimenting with Douglas Fir plantations

Question – Do they hand falling boundary in the field to identify the cutblock areas?

Answer – Yes, they hang ribbons, same as Canada.

The Chilean Advantage

- Short rotations and high MAI
- Good Infrastructure (highways & ports)
- Youthful, eager and committed work force
- Short haul distances
- Strong industrial commitment to worker safety, certification, capital expansion, research and development, intensive forest management, competitiveness, and global marketing

- Rapid implementation of leading edge equipment, technology and genetics
- Relatively abundant hydro-power, however scarce petroleum energy
- Good access to cheap private forest land
- Supportive government regulations on forest practices, labour practices and transportation
- Union workplaces

Reynold Hert meeting with CAG

Member noted that recent meeting with Reynold Hert and CAG members was a very positive experience. All questions were answered. Members were impressed with Reynold as a very good speaker.

Operational Information Map Information

Stuart noted that the OIM for July and August will be posted on the WFP website. If anyone has any questions during the summer feel free to give Stuart a call.

Plutonic Power Corp

Watch e-mails for notice of meeting – may be July 18, 2007.

Terms of Reference -Committee will meet over the summer break

Road Hotline

Member appreciated the road hotline being posted in the newspaper again - is useful for tourists needing access to trails and the canoe route.

Review and Update of Indicators – Deferred to next meeting – to provide for additional time for Marv Clark's presentation.

Pam's Retirement

Vice-chair thanked recording secretary Pam for seven years of service to CAG and presented a gift certificate. Stuart Glen also thanked Pam and presented a bouquet of flowers in appreciation.

Meeting Adjourned 8:58pm

Next Meeting – September 12, 2007

**CSA Community Advisory Group to Stillwater Timberlands
Western Forest Products Inc.
June 13, 2007
Attendance**

Name	Position	Member Seat
PRESENT		
Kathy Kirk	Alternate	Member at Large
Ken Jackson – Vice-Chair	Primary	Recreation
Patrick Brabazon	Primary	Local Governments
Ted Byng	Alternate	Local Governments
Nancy Hollmann	Primary	Environment
Bill Maitland	Alternate	Local Business
Brent Rothwell	Alternate	Contractor
Dave Hodgins	Alternate	Recreation
7 Seats represented		
Absent members		
Jane Cameron – Chair	Primary	Member at large
George Illes	Alternate	Environment
Ron Fuller	Alternate	DFA Worker
Rory Maitland	Primary	Contractor
Doug Fuller	Primary	DFA Worker
Wayne Borgfjord	Primary	Forest Dependent
Paul Goodwin	Alternate	Forest Dependent
Mark Hassett	Primary	Local Business
Dave Rees	Primary	Tourism
Andrew Pinch	Alternate	Tourism
PRESENT		
Guest		
Marv Clark	FP Innovations	
Resource – others		
Stuart Glen	Western Forest Products Inc.	
Martin Buchanan	Western Forest Products Inc.	
Steve Chaplin	Western Forest Products Inc.	
Cathy Bartfai	Facilitator	
Pam Dowding	Secretary	