

Minutes

CSA Community Advisory Group
Meeting with BC Timber Sales
January 18th, 2010
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Ministry of Forests Boardroom

Attendance: refer to attached sheet

6:30pm: Meeting called to order
Quorum noted

Safety Review

Kerry Davies noted fire exits and first aid attendants in case of emergency. Meeting place in case of emergency was noted.

Welcome and Introductions

Vice chair welcomed Bruce McKerricher, Kerry Davies, and group

Bruce McKerricher - BCTS Operational Overview

Kerry Davies and a staff of nine people live and work for BCTS in Powell River. They report to Campbell River. Powell River is one of four field teams within the Strait of Georgia Business area. There is also a field team in Port Alberni and two in Campbell River. The Powell River area sells between 250 –and 300, 000 cubic metres per year. This area is the most profitable on a net basis of any field team in the entire province of British Columbia.

What are the benefits to the local community? 9% of the wood harvested in the area over the last several years has been exported, which is a very high percent compared to other crown land. The average export for crown land is about 5% and for BCTS it is about 4%. Almost all of the logging in the area is done by local contractors. Almost all of the road building is done by local contractors, although this year the contract went to a Campbell River contractor. There is a little bit of local involvement in tree planting. A lot of the brushing and weeding is done by local people. The engineering, layout, and design for the cutblocks as well as for the roads are almost all done locally. BCTS spends several million dollars per year on salaries and on local contractors. Most of this money comes right back to the community. BC Timber Sales' money is generated by their stumpage sales. They generally make a very good profit in Powell River, until this year. The stumpage revenue that they generate goes into a special account. The stumpage revenue, not tax dollars, is the money that comes back into the community. There has been some local milling, although there is not a lot of milling done on the Sunshine Coast.

Bruce displayed a number of maps of the area showing areas where BCTS operates, and went over where they have been and will be working. TFL43, the cottonwood TFL up Bute Inlet, BCTS does not try to operate in as it only has 1,000 cubic metres of cottonwood per year. They have some a portion of TFL10 which is the Klahoose TFL although it is soon to become a community forest agreement. Community forests are different than tree farm licenses and will come with some advantages for the FN's to operate under. BCTS is discussing how they might harvest their 10 to 12,000 metres per year from this area.

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Question: Will there be any change to the public access in the area?

I am not aware of any changes to public access across the IR and I don't think there will be any significant change to public access in the Toba valley. We have been told that we will not be able to go up there. The agreement that Plutonic has to cross the Klahoose IR is an exclusive agreement and does not allow for other users on the Plutonic/Klahoose roads.

BCTS is working with the May 2009 operating plan at this time.

Sliammon was supposed to get the volume from the take back from TFL39, but they didn't want this management unit. They wanted the harvesting rights in the Sunshine TSA instead, so the government had BCTS give up volume from Sunshine and take back equal volume from TFL39.

Bruce showed a recent sale to a local contractor on a map. He paid approximately \$25 per cubic metre.

A member showed on the maps where there are sites of old Japanese internment camps from WWII. There was a foundry and a stable and the remnants are still there. It was a shake block camp. They had elevated corduroy roads and used oxen and sleighs to pull shake blocks. The member said there is some interest to save a small portion of the historic site. Much of the area is riparian.

Bruce said that it would probably be quite easy to save this area.

BCTS does not have anything happening on the Penticton block.

Comment: There is about 75 feet of washed out road where it comes down the powerline.

We're looking into it. Kerry said he saw it that morning and it is about four feet wide and he's not sure what caused it. It doesn't meet up with the creek.

BCTS has nothing new at Haslam.

Question: Could you explain the new road system that is going in there?

I don't know all of the details. It is supposed to bypass the connectivity to Haslam, connecting the Inland Lake FSR onto Duck Lake.

Comment: Cutting off the piece of paved road that everyone is concerned about. There is concern about the risk of pollution or contamination to the water supply.

No one will be allowed to use the old road once the new one has been completed.

Comment: The reason I brought it up was because there is always a hassle on new roads. Pull outs are built for logging trucks, but there is never any consideration given to all of the recreational vehicles that need somewhere to park. I get lots of phone calls from people asking why vehicles are parked in pull outs and I answer where else are we supposed to park? If you are involved I thought perhaps I should bring it up.

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We aren't directly involved. Trent Myer might be able to help you.

Bruce showed a map containing Hotham Sound, Jervis Inlet, Friel Lake, and Goliath Bay. He said they had an operating plan on Friel Lake three years ago, but after they consulted with the Sechelt First Nation, the area was recognized as an area of significant cultural interest for spiritual use. This had previously been unknown to both the Sechelt Band, Chief and Council as well as BCTS. The operating plan was suspended. BCTS started working in another area. The private land next to the area was purchased by a developer who is building the Jervis Inlet Resort and Spa. The developer wants to put in a multi-million dollar resort, spa, and retreat in partnership with the Sechelt Band. They've asked BCTS to stop work in the area. They have a meeting scheduled regarding the matter on February 3, 2010.

Bruce showed an area where there had been a special use permit for a log dump and the area is now an environmental disaster. They did an extensive study of the area and are proceeding cautiously as there is a lot of oil and potential for pollution. They want to make sure the person responsible is obligated to have it cleaned up.

Further up, on Lena Creek on the east side of the head of Hotham somebody has a dam for getting water for an aquaculture lease below. The dam has not been very well built and could come down at any time.

Bruce showed a map containing Lois Lake and Saltery Bay. Island Timberlands owns St. Vincent's Bay and BCTS tried to negotiate access through that area so that they could haul their timber from Fairview Bay, but they were not successful, so they are going to build a road past Saltery Bay.

Comment: Are you aware that they are totally deactivating the road behind Elephant Lake? We are taking over and leasing section 57 and hopefully section 56. It looks like you have two blocks you are going to have to access over that road this year. I'm wondering if this is the time to extend where the trucks are going to stop and where our trail is going to start.

Yes. When you have some time, just drop in and we can go over the specific map. We can talk about FIA money and recreation trails.

Bruce showed the map with the Lund peninsula where they had an issue several years ago. He said he believes the final product looked quite good in the end. There is nothing planned in that area at this time.

Theodosia, Powell Lake, and Upper Theo have quite a bit of proposed activity. The proposed blocks will change as BCTS gets in and does their engineering. They have some issues with getting to the log dump in Theodosia due to private land. They have been speaking to the land owners, but it is not easy and it costs a lot of money which is tight this year. As the economy improves it will make more sense to go into Theo and have it opened to the public. If we can make sense of purchasing a road, we use stumpage dollars to do it and the road becomes crown land.

BCTS has used the Forest Investment Account (FIA) in the Powell River area mostly in recreation. This is stumpage generated funds. 2007/08 \$10,000 was used for South Coast Trail maintenance. 2008/09 \$10,000 was used for Dinner Rock Recreation maintenance in partnership with Sliammon. 2009/10 \$10,000 Dinner Rock Recreation maintenance with Sliammon. \$15,000 on Powell River area recreation

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trail monitoring and they are partners with A&A Trading on mountain bike trail maintenance which cost \$5,000. BCTS also does water quality monitoring on Haslam and Lang Creeks in partnership with the Powell River Salmon Society which cost \$10,000 per year for the past two years. There may not be any FIA money available for the next fiscal year due to the economic situation.

Question: I was under the impression that FIA funds had to go to displaced workers. Could the ATV Club apply for FIA funds for materials? We would supply the volunteer labour.

I am personally unaware of how funds for displaced workers are accessed and what projects are eligible for this type of funding. BCTS currently has access to some funds for specific things like fish passage improvement and maintenance on some recreation sites. We cannot help fund new recreation sites.

IT doesn't have to go to displaced workers. You could apply. Price Waterhouse Cooper manages the fund.

Bruce showed a photograph of Haywire Bay road. The road was not built for the heavy use it receives. The road does not belong to BCTS. It is a public road and they have no jurisdiction to tell people to haul or not. They can ask people to restrict use, but they cannot enforce. Nobody wants to take responsibility for the road.

Bruce was on a committee looking at road maintenance for three years. After five years of absence he was in Vancouver where the committee happened to be meeting. He popped in and they were still discussing the same issues. The only solution he sees would be big government taking over responsibility for main multi user haul roads, which nobody wants. Bruce said that he worked on keeping as many roads single use roads as possible. That is the best way to give ownership and responsibility. If anyone wants to give BCTS a complaint either verbally or in writing at any time they will take it and do their best with their planning to make the best of the situation.

Bruce showed a slide of Jefferd Creek.

Comment: Jefferd Creek is a community watershed which is a provincial system. Community watersheds used to be totally untouchable. A few years ago the government changed the rules. Watersheds were now accessible to practically anybody. When the people on the Jefferd Creek system found out about the logging planned for the watershed, they were shocked to discover that the regulations had changed. Their water is very vulnerable because the province allows them to draw surface water straight out of the creek. Two hundred people rely on the system. The provincial drinking water representative has become involved and is trying to help the people on the Jefferd Creek water system. As I understand, BCTS has greatly reduced the size of their block. The original block came quite close to the source and there was a lot of concern about silt.

Kerry said there has been some significant changes to the block since the inception of the plan to try to facilitate some of the concerns. We've been working with it for the last two or three years. We have hired terrain specialists, water quality specialists, and engineers to look at this site. We have built their recommendations into our plan. We have changed the block two or three times and we have moved it back a significant distance from Jefferd Creek. We are still waiting for a few more reports and the review of the water officer.

Bruce said that when the descriptions for community watersheds were created they were quite often created in land that was already part of the operable land base. Jefferd Creek is entirely second growth

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timber. It was logged top to bottom at one time and not one tree was left in that watershed. The escarpments didn't fail, hydrologically speaking the water continued to run without major issues and years later the community watershed came along and started drawing water from it. Years after that, the actual watershed area lines were drawn and there was a legal designation created to make community watersheds out of what was the timber harvesting land base. They had been logging in the Vancouver watershed for generations before it was shut down.

In the case of the Jefferd Creek watershed, because it had the escarpment, there was an overview done on the soils. The hydrologist said that if done improperly the community watershed would be in danger if it was logged. The drinking water officer, which was a very new designation at the time, said that he was opposed to logging the watershed. No studies had been done. Nobody had been on the ground and done any detailed work, just the overview looking at air photos. The drinking water officer might have been a little hasty in making his opinion known to the media. The letters started coming and quoting the drinking water officer. Since then BCTS has done more studies, surveys, and analysis on the Jefferd Creek watershed than anything Bruce has been involved in thirty years. Bruce says that the watershed is in trouble whether BCTS logs the area or not. There are some significant issues in the watershed far beyond anything that logging might affect. There is a court order in Sechelt regarding Chapman. The judge said to rely on the science. Where it is steep and in danger of causing problems the judge said there could be no logging, but where the slope is gentle and the risk was acceptable logging could continue.

BCTS does not have one cutblock that does not have somebody telling us they'd rather it was not logged.

Comment: I think what you are saying is fair. It raises the whole issue of the province having jurisdiction over watersheds, deciding on the rules and then ignoring thousands of watersheds for years. Now because of what happened at Walkerton the province has decided something needs to be done and they are putting the heat on the managers and directors of the water systems and threatening them with liability if they don't follow instructions. Yet they are still allowing a pipe to be stuck in a stream which goes to an unprotected filtration system and has a chlorine system in a shed. Now a logging company has proposed logging in the area. A Regional District person asked a provincial health inspector recently how much it would cost to fix all of the problems with water systems in BC and he was told 2.5 billion dollars. (See Addendum)

In the States, revenue that comes off land is directly funneled to various things in that community, unlike here where only some of the stumpage money comes back to the community. The schools don't get any money; the Jefferd Creek watershed doesn't get any money directly from stumpage revenues. In the States they have grid system. In one grid the money might go to a prison, in another to the school or another community need. This would work well here.

In the case of Jefferd Creek we would be taking out a resource. Are we upping the risk to the people on the water system? I think we have much greater risks elsewhere. I've read every report very carefully and I think there is a very minimal risk to BCTS negatively impacting the water in the area. Yet, for the stress the people are being put through, they will not get any compensation.

Comment: There has been some indications that the provincial government wants regional districts to take over the community watersheds. The regional districts said they will not until they watersheds are up to the provincial standards. Otherwise regional districts would be stuck with millions of dollars

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worth of upgrades unless they were given grants. They have just done a study on the Lund water system and in order to join the Regional District they need to spend six million dollars to upgrade. The Regional District asked for four million dollars to help pay and the Federal government declined as they have already given a lot of money to the Powell River area already for non-water related needs. What people regard as an important health risk is not getting any money.

There is an expectation of the public at large for BCTS to be accountable for their decisions. It is very difficult to have large open public meetings. One enters the meeting hoping to be able to talk, but often you cannot and the meeting does not feel worthwhile to either side. Bruce says he often speaks to people representing areas rather than having big open meetings for this reason.

Question: Do you foresee regular meetings with a CAG in the future? Could that be a forum that would be useful for discussing issues such as Jefferd Creek? It seems to work for WFP and IT.

Yes, I think would be a good idea for BCTS or MoFR staff to come to CAG and talk about the issues. Your CAG runs well and has good representation. I, however, won't be making the decision though I will pass my thoughts on to my replacement.

Did the CAG evolve from a need or requirement that WFP or the predecessor had?

Comment: It started with the One Plan project, at that time certification required a community advisory group. The preparing of the One Plan project provided easy sharing of information.

Bruce said that when they took the mandate of TFL39 he wanted to become CSA certified because he felt it made sense. Events overtook them and their budget shrank significantly. Putting on a dinner is beyond their budget and Bruce had to get his bosses permission to come to Powell River. The financial return is not there as SFI has risen in consumer acceptance. It is cheaper and does not require a CAG. Bruce likes the value of a public advisory group. He likes the information sharing. Listening to people and knowing that information shared with the group goes out into the community. He feels it definitely has value, but at this time he doesn't have the ability to commit. He said the group should ask whoever replaces him after he retires in May if they could come over on an occasional basis to meet with the group.

Comment: We meet with Island Timberlands despite the fact that they are not CSA. They are SFI. We just share information with them. We believe they find great value in having a sounding board for community reaction. Early on they had a lot of problems with public perception, but now they have very few issues.

I really do thank the member of CAG for their dedication to Powell River and the industries that are a part of the community. Not every town shows this kind of spirit.

Do they give you their plans?

Comment: They do now.

They won't share them with us.

Comment: They were very reluctant to give us any information at first, but now they share their logging plans. They still don't tell us financial information.

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Comment: We had a famous meeting with them once during a time when they were having a public relations nightmare and they asked us what to do. We did, they followed our advice, and they haven't had many problems with PR since.

Astounding. We are wide open. We are part of government. This office is not supposed to be a public place to get information on BCTS, it is over in Campbell River. If you want a map on something, we'll give it to you. We'll tell you where we are going to be operating.

Comment: A couple of years ago, up by Eagle River, a logger came in the middle of the night with a big machine that cut trees down at the base. It was massive, noisy, and had big lights. He claimed he didn't know anyone lived in the area. He was from Campbell River. It must be incredibly cheap to log this way. I was a little worried that this is the way you are going.

When we sell blocks of timber, it could go to a contractor with a snipper as long as they are registered and are a safe company. There is not an industry in the world that doesn't try to get more competitive. They will run a show 24/7. If you have a million dollar piece of equipment the way to pay it off is to run it.

Comment: That is okay out in the sticks, but on the Penticton block it was very annoying.

In the urban interface we do like to put restrictions on hours. We can't really do it, but we often do.

Question: What will be your volume for this year?

We are just working on our plan for this year which starts April 1st. When it is done it will be posted on our website. We plan on selling roughly 300,000 cubic metres split fairly evenly between Powell River and Sechelt. Just because we sell doesn't mean it will be cut this year. They have two or three years to log. The big areas we are looking at for this year are Lois Lake, Hotham Sound, and Humfray.

Question: Doesn't it throw off stumpage values when a person bids low during a low market period and then holds off until markets are higher to log?

Yes, it would be a problem if our bidders bid speculatively. This is why we try to fit the term of the timber sale with the time needed to harvest it, the idea being that they bid to log it on today's market, not hope for tomorrow. If they bid to speculate and then need to extend the term of the timber sale they have to pay us for the privilege and it is not cheap. This is working, we have fewer extensions of the term than we used to. We try to reach on equitable term for the sale, but there are opportunities to buy extensions. Once they fall one tree they have to cut. The system is called take or pay, so if they don't cut they will have to pay. If they haven't cut any trees they can back out, but they will lose their security deposit. It is usually somewhere between 25 to 100 thousand dollars.

How does your committee's representation work?

Comment: Members represent government, small business, recreation, tourism, environment, and forestry. WFP sits with the members of the executive periodically and discuss whether the group is working well or not and the responsibility of the decisions rest with WFP.

You have a good group.

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Comment: I think what we are here for is to learn what is happening. The back country is personal to everyone here. We want to make it work for everybody. We depend on the forest companies for a lot of things. We come to the table for all kinds of reasons and try to find a common ground. I brought up the Jefferd Creek question because one of my friends is on that water system. She asked me to ask what was going on.

It is great to work with people. We do change and take blocks off of the table. I'm proud of the forestry that we do. We like to speak to the public. It isn't always easy. We've tried different models and this is a great model.

Addendum provided by Bruce McKerricher:

While I dislike the reference to Walkerton (cow dung is significantly different and behaves differently when mixed with drinking water than silt), I happily accept that Walkerton did change the way we look at things and agree that it was long overdue. Regarding the comment the member made at the meeting, I'd like to correct the assumption. He said that Community Watersheds had been off limits to harvesting until recently. Most areas didn't even have a community watershed designation and harvesting happened in them with little if any communication to the users. Areas that did have Community Watershed designations were quite often harvested and mined with little change in procedures compared to areas outside of Community Watersheds. After the Acts/Regulations changed in the 1990's, most Community Watersheds were then established and more protection to the flow of water was enabled but by no means did they become off limits for other values. Jefferd Creek is a good example of this. If you look at the forest cover maps of the area you will see that BCTS is not the first outfit to propose harvesting in the area, there have been several other cut blocks harvested in the past 15 years, some that would have been quite a bit more controversial than the one we are currently talking about.

**Stillwater CSA Community Advisory Group
BC Timber Sales
January 18th
Attendance**

Name	Position	Member Seat
PRESENT		
Barry Miller	Primary	Environment
Dave Hodgins	Alternate	Recreation
Nancy Hollmann	Alternate	Tourism
George Illes	Alternate	Environment
Colin Palmer	Primary	Local Governments
Read English	Alternate	Local Business
Ken Jackson	Primary	Recreation
5 Seats represented		
ABSENT MEMBERS		
Doug Fuller	Primary	DFA Worker
Bill Maitland	Primary	Local Business
Paul Goodwin	Alternate	Forest Dependent
Ron Fuller	Alternate	DFA Worker
Dave Formosa	Alternate	Local Governments
Wayne Borgfjord	Primary	Forest Dependent
Jane Cameron – Chair	Primary	Member at large
Mark Hassett	Alternate	Contractor
Dave Rees	Primary	Tourism
Andy Payne	Alternate	Member at large
Rory Maitland	Primary	Contractor
PRESENT		
Resource – others		
Bruce McKerricher	BCTS	
Kerry Davies	BCTS	
Valerie Thompson	Secretary/Facilitator	