

Minutes

CSA Community Advisory Group To Western Forest Products January 12th Minutes Western Forest Products Boardroom

Attendance: refer to attached sheet

6:00pm: Meeting called to order
Quorum noted

Safety Review

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

Code of Conduct

Code of Conduct for Community Advisory Group was reviewed.

Welcome and Introductions

Chair welcomed group, Blake Fougere, and Ken Mackenzie.

Review and Acceptance of Agenda

Agenda was accepted with the addition of Ken Mackenzie with 2011 overview.

Correspondence

Copies of recent correspondence was provided and reviewed

- Emails inviting First Nations to meetings
- Letter to PRPAWS
- Regional District letter regarding Parks & Greenspace
- Regional District letter regarding Colin Palmer appointment to CAG for 2011

Review and Acceptance of Minutes

Minutes from November 24th and December 8th Western Forest Products meetings were reviewed and accepted.

Ken Mackenzie – 2011 Plan Overview

Contractor safety performance stagnated in 2010. There was no change from the previous year. The company will be focusing on safety this year. They have just finished meeting with their contractor's and there will be a big push for improved safety this year. The contractors want improved safety as well. The WFP crews had a fantastic year, improving the MIR from about 5 down to 1.5. 1.5 is an excellent number which large North American businesses strive to accomplish. The company crew's challenge is to now sustain this. Now the contractors need to get there. People need to believe that they can start and end their career without an injury. When Ken started working in the forest industry about twenty years ago, people said he should get out of the business because he would get hurt and possibly killed sometime during his working life. This attitude has started to change now.

WFP came in a little under their cut plan for 2010. This year they are planning to cut their AAC of about 490,000 m³. They plan to build about 50 km of roads to accomplish this. Stumpage is forecast to jump up significantly. The Douglas fir and cedar permits are expected to jump about \$10 per cubic

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metre. Being a second growth operation Stillwater's sales value is a bit lower than some of the old growth operations. This will make the higher stumpage a little more challenging here. The bark beetle is another challenge. Rudi is working with MNRO on a plan to trap and drown the critters by putting trap trees in strategic places and putting them in the water at the right time. Hopefully, this will nip the infestation in the bud and get back down to typical bark beetle numbers. Another issue is that the whole industry is ramping up so there is a shortage of people, capital has not been spent on equipment for the last few years so the equipment is tired. This is not only a challenge, it is also a great opportunity. The industry will be hiring over the next few years.

Question: Is the worst behind you?

Yes. It will be different moving forward. It won't be a banner year, but costs are down and things are looking up. WFP made money in the last quarters of 2010 and it looks to be making a bit of money in 2011. It will be enough to start investing a little. Five million dollars has been allocated to upgrading equipment. The last two years the budget has been zero. You don't get much for five million dollars, but it is a start.

Another issue is that we are not expecting sales values to go up much. The US still has huge problems, so we are not expecting them to help us out at all. We don't expect to ship very much into the US, but the Chinese market has really saved us. If it wasn't for the Chinese taking the lower value logs, we would have been out of business. In Japan, Belgium, and all over Europe high value saw logs are wanted, but the chip and saw logs, gang, and lower value saw logs were not wanted. The Chinese have come in and are taking it. We haven't made a lot of money, but we've turned cash over and we haven't lost money. WFP now has all of its sawmills running. Two of them cut exclusively for the Chinese market.

Question: So it is lumber that is going to China?

Lumber and logs. There is very little export here off of the East Coast of Vancouver Island. There is a lot of demand for some of Stillwater's logs for export, nice tight grain second growth, but Chemainus sawmill has been taking it and paying the export price for it because we need those logs to satisfy our lumber customers. Export is predominately coming from Holberg and Gold River. A gang log in Holberg is worth \$54 per cubic metre. It costs about \$50 to log it and \$20 to bring it around to Cowichan Bay on a barge. That would be a big loss so instead that wood is being sold FOB Quatsino Inlet. A ship comes in at Quatsino Inlet and loads up that log that is surplus to any requirements to BC mills.

Question: You are not touching the log?

No. It is just a raw log. It has to meet a surplus test. Logs on the West Coast can't be brought around without losing money and operations would just be shut down if that had to happen, so there is a simpler surplus test. Stillwater logs have to go through a huge test. Any other mill here could say they want that log and it couldn't be shipped overseas.

Question: What is the pulp price for Hemlock?

\$39 to \$40.

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Question: What is a chip and saw?

A chip and saw out of Holberg is about \$45.

Question: Why don't you sell it to Port Alice?

We would. They've dropped off on their prices a lot because the pulp market has really corrected itself. When ever we log there are pulp logs no matter what we are logging. Any pulp that is coming out of Holberg or Gold River is being barged into Port Alberni or Port Alice. We have been trading pulp logs a lot to help Holberg and Port McNeill. We have huge chip and pulp log commitments in this company. 150% of our pulp is committed to either Catalyst or Howe Sound. We actually buy pulp logs to fulfill this obligation. We are even chipping low grade utility logs to meet our Howe Sound pulp agreements at a loss.

Question: Is your stumpage going up on hemlock too?

Yes. The permits that are fir dominant will push the price up on everything.

Question: The market is real hot for hemlock right now. So what are you doing? Are you going to start logging Hemlock?

Not starting - continuing to log heavy in hemlock.

Question: Will your stumpage go up?

Sales prices feed into the Vancouver log market and as sales prices go up that information is picked up in the permit, as well as the calculation using costs from the previous year. This all feeds in and generates stumpage fees. Every log that comes out other than the exempt grades has the same stumpage rate. Last year we targeted hemlock. Japan really wants our 254 sawlog. It is cut into roofing material. It is a nice clean straight second growth log. We are probably logging the profile in terms of hemlock and fir.

Question: Are you selling Japan logs or lumber?

Lumber and some logs.

Question: Is WFP management considering opening up another mill now that so many mills closed and there is demand again.

A new mill isn't going to happen in the next little while as it is a huge capital investment and WFP doesn't have that right now.

Blake Fougere, Stewardship Officer, Ministry of Natural Resource Operations – Invasive Plants and FREP Water Quality
Invasive Plants

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Invasive Plants became an item of interest at the Ministry about three years ago. The Forest Service had a section called the range section. It was part of the mandate of the range section to look after invasive plants. The big threat was in the interior. Some of the invasive plants got into the range pasture and millions of dollars were lost. We don't have that problem here in Powell River. Broom, blackberry, butterfly bush, knotweed, and giant hogweed are local invasive plants. Can you imagine trying to get rid of all of the blackberry here? We won't be taking that one on, but there are other things. Giant hogweed has phototoxic sap. If you get its sap on you and are exposed to sun you can get a third degree burn. We found some out at Crowther Road and the property owners wanted it to be removed. Most of it was treated by injecting a little round-up. Some near a well was dug up and will have to be cut back for a number of years to eradicate. Blake brought a piece to show the group from a patch found near Centennial Drive. They found a total of two patches of giant hogs weed in Powell River so far. We've had a lot of reports as the leaves look quite similar to coltsfoot. The way to tell the difference is that giant hog weed will grow really tall and coltsfoot will only grow up to two and a half metres. Blake brought examples of both leaves to show the group.

Comment: I believe there is another patch near the bottom end of the creek that flows behind Hammond Street as well.

Thanks. I'll have to look into that.

The riparian issue with invasives has to do with Japanese knotweed. Some people call it red bamboo. The most effective way to deal with it is to apply round-up. Three years ago Blake was going to note all of the patches along the road between Earls Cove and Langdale. It was everywhere along the lower Sunshine Coast highway. There is a lot less of it along the highway in Powell River, so Blake decided to pick his battle, leave the blackberry and try to do a good job eradicating knotweed between Saltery Bay and Lund. Three years ago he hired a backhoe, dug out a patch and had six guys down on their hands and knees pulling out all of the little pieces of root left behind. They dug ten feet down into an old highway sandpit, which was totally white sand without any nutrients, and buried all of the roots, leaves, and everything in the hole, covered it with fabric, buried and left it. They put fabric over the area that the patch was, covered it with soil and seeded it with grass. Every year Blake goes back and finds a few little bushes trying to come up from the pieces of root left behind. The stuff buried in the "coffin" and nothing is happening there. The cost of manually removing knotweed with an excavator is about \$138,000 per hectare; using round-up would cost about \$288 per hectare. There are plans to work on the crown land right of way by Andy Burns yard, down Loubert Road, and Donkersley Road. On the Island they tried pumping seawater on knotweed for two days straight – to no effect.

Question: What about the patch in Willingdon Park in the riparian area?

There is even a worse patch on Kelly Creek. The experts came to look at it and said 'good luck'. The root system is very small and brittle. Chunks break off and root in other areas.

Butterfly bush is another problem, but the bees love it. They love the knotweed as well.

Question: What is the problem with the butterfly bush?

It displaces the native vegetation and with the native vegetation the native bugs and critters. The whole ecology that goes with the plant that fits into our ecosystem.

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Question: Is it a bad thing to burn the tops of knotweed?
You could burn it.

Comment: I cut it back and paint the top with round-up. It comes back feebly about every four years.

We encourage people to call and report any invasive plants they are aware of to the MoNRO.

Question: Do we have tansy?

Yes. On Texada. If we get students this year we would like to deal with it this summer. It is not at the blackberry stage yet. It is at the level of giant hogweed.

Powell River is part of a pest management plan for Vancouver Island. Sechelt is not part of that plan so they are not allowed to use herbicides to deal with invasives. Highways is taking a lead on that plan. The Forest Service took the lead on the plan that Powell River is the part of now. They have authorization to use glyphosate as per the permit.

Question: Why can we still buy invasives from nurseries?

We are working on that. You can buy fewer invasives now than in the past. The plants need to be declared noxious weeds under the weed control act so that city bylaws can then apply to invasive plants on private property in the city.

Water Quality Program

A fairly new legislation from the last few years is the Forestry Practices Act (FRPA). The Forest Resource Evaluation Program (FREP) is one of the key components of the act. In FRPA there are eleven key values that are identified out in the forest. These include; fisheries, wildlife, recreation, cultural heritage, water quality, and visuals to name a few. FREP goes out into the field to evaluate forest practices to ensure that those practices do what they need to do to maintain the eleven values. Over the last few years the MoF has been developing protocols for evaluating the eleven values. There are now binders put together to evaluate water quality, visuals, riparian assessments, cultural heritage, biodiversity, soils. There is methodology developed for at least two thirds of the values now and evaluations are being done across the province. On the Sunshine Coast we have been working since 2006 on riparian, stand level biodiversity, water quality and now visual evaluations. Using visuals as an example: there is lots of guidance how to manage visuals. WFP has to manage visuals. The evaluations initially looked at blocks that were cut under the forest practices code. Under the forest practices code the MoF had binders, books and manuals. It was a very prescriptive set of legislation to work with. FRPA is different. It depends a lot more on the professional. MoF would not tell WFP today how to reforest a block. Ten years ago it would have directed the forest companies 'how to'. Now the blocks are checked, but the Ministry isn't there all of the time checking on them. Blocks looked at through FREP check if there was a real problem with a forest practice. If so questions such as; is the legislation wrong, are the rules wrong, are the professionals not doing something right or what happened would be asked. In the case of stand level biodiversity, after four years of FREP evaluations on the coast things out in the stands are doing just fine. There is enough wildlife trees left and there's enough course woody debris. We have found that a few Bigger diameter, longer logs could improve things however. About 1500 streams across the province have been assessed and riparian areas are in

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good shape. Cultural and heritage evaluations in the Queen Charlottes are good and soils evaluations overall look good in the interior. Remember it is the forest practice rather than the licensee that is being evaluated with FREP evaluations. We want to see how the legislation is being applied. Blake showed some graphs that demonstrated that WFP practices are very similar to the overall practices of companies throughout the district. The statistics displayed on the graphs were all very good. The FREP Riparian evaluation is fifteen questions that you answer with either yes or no after looking at a series of instream and riparian indicators. It works very well. Licensees are looking at adopting some FREP protocols for their certifications similar to the water quality evaluations that we do. That is the one where sediment coming off the road is looked at.

Question: How do you deal with three or four different companies on the same road?

I doesn't matter whose road it is. Data is being collected to make sure that road is dealing with sediment the way it is supposed to. If there was a huge issue it would be turned over to Compliance and Enforcement and they would investigate.

Question: Is this all crown?

Yes. We don't deal with private land.

Question: How do you know if it is a proper evaluation if you're just looking at second growth all of the time? If you don't leave patches of old growth here and there aren't you changing the whole dynamic?

With the functionality of a stream, it could change the stream, but what we are looking at is how to have a properly functioning stream (not necessarily a pristine stream) it has to be able to store and release water, store and release sediment, maintain temperatures for the species that are expected to live there, provide bugs.

Question: Have they tested it in the old growth as it was to begin with?

That is part of where the benchmark that we use comes from. There have been hundreds of studies in both old and second growth.

Question: Has Plutonic made any difference?

We did a water quality evaluation on a block at Jim Brown creek. It was top notch on that particular location.

Operational Information Map Review

Current Activities

Harvesting

HE-521, OL-747, ST-011, ST-020, ST-245, ST-247, TH-500, TH-501

Road Construction

ST-027, ST-035, ST-232, ST-265, UL-810

Engineering

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CH-402, ST-032, ST-039, ST-148, ST-232, UL-836, WL-952, WL-954, NA-912, NA-920, NA-922, NA-930, NA-935

What's New on the Map

New Blocks

LL-010, LL-017, LL-026, ST-039

New Roads

LL-010, LL-017, LL-026, ST-039

Cutting Permit Approved Areas

None

Note: There are no new blocks and roads located along the Sunshine Coast Trail.

Logging Complete

LL-057, OL-625

Road Construction Complete

ST-011, ST-020, ST-287, WL-907

Engineered Blocks

FH-040

Engineered Roads

FH-040

Question: Does WFP have anything they are working on that drains into Theo?

Yes. There are three blocks that drain into Theodosia.

Stuart showed the group a map of the approximately 80 spots that Rudi plans to put a truckload of trees to trap the bark beetles. These will be distributed this spring and picked up and thrown in the lake or ocean in the fall to drown the bugs.

The current Forest Stewardship Plan expires in January 2012. WFP Stillwater will likely just extend the current plan for another five years.

Meeting adjourned at 9:00 pm

**Stillwater CSA Community Advisory Group
Western Forest Products
January 12th Attendance**

Name	Position	Member Seat
PRESENT		
Jane Cameron – Chair	Primary	Member at large
Doug Fuller	Primary	DFA Worker
Nancy Hollmann	Primary	Tourism
George Illes	Alternate	Environment
Colin Palmer	Primary	Local Governments
Dave Hodgins	Alternate	Recreation
Paul Goodwin	Alternate	Forest Dependent
Read English	Alternate	Local Business
Ken Jackson	Primary	Recreation
7 Seats represented		
ABSENT MEMBERS		
Andy Payne	Alternate	Member at large
Dave Formosa	Alternate	Local Governments
Rory Maitland	Primary	Contractor
Russ Parsons	Alternate	DFA Worker
Mark Hassett	Alternate	Contractor
Barry Miller	Primary	Environment
Bill Maitland	Primary	Local Business
PRESENT		
Resource – others		
Stuart Glen	WFP	

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Valerie Thompson	Secretary/Facilitator	
Ken MacKenzie	WFP	
Blake Fougere	Ministry of Natural Resource Operations	