

Minutes

CSA Community Advisory Group To Western Forest Products October 10, 2012 Western Forest Products Boardroom

Attendance: refer to attached sheet

6:00 pm: 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.

Review and Acceptance of Agenda

Agenda was accepted. Rick Jeffery is unable to make it due to fog. Ken McKenzie to fill in with company updates.

Correspondence

Copies of recent correspondence was provided and reviewed

- Emails inviting First Nations to meetings
- Letters to PRPAWS
- Email re: Thank you message sent to presenters at CAG workshop
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Review and Acceptance of Minutes

Minutes reviewed and accepted by email prior to meeting.

Operational Information Map Review

Current Activities

Harvesting

LL-017, PD-458, PD-459, ST-038, ST-255, UL-812, UL-815, WL-950

Road Construction

UL-807, UL-890, WL-944

Engineering

FH-036, GL-653, GL-021, GL-022, PD-288, ST-327, ST-329, UL-819, WL-914

What's New on the Map

New Blocks

None

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New Roads

None

Cutting Permit Approved Areas

CH-402, LL-026

There are no new blocks or roads planned along the Sunshine Coast Trail in September.

Logging Complete

PD-455

Road Construction Complete

UL-814

Engineered Blocks

GL-657, ST-264

Engineered Roads

GL-657, ST-264

Guest Speaker: Ken MacKenzie

Ken showed some slides that were presented at a town hall meeting. Contractors, municipal representatives, regional board directors, and First Nations were invited to see what Western has been doing and where they are going. Some of the slides were specifically about Stillwater. Ken presented these Stillwater slides to the group.

Ken's first slide shows how safety is improving. The WFP staff has not had an incident in over two years. Safety is their number one objective. In 2011 the contractors had 1 medical treatment and 12 lost times. This was very bad compared to the rest of WFP timberlands. As of the end of August 2012 the company has improved and Stillwater has radically improved. Stillwater has 1 lost time and 3 incidents. The company is working hard at getting people back to work doing some kind of work. Ken said that the companies' safety is definitely improving.

This is obvious when he goes on inspections – you can tell how a contractor is doing with safety by looking at how the business is run. Good contractors have orderly worksites, their ditches are clean, the culverts are functioning, garbage is picked up, crummies are parked in the right place, everybody is wearing their gear and it is clean, and there is a plan.

The detail of the worksite plans also shows how much attention is paid to safety. Worksafe BC requires worksite plans that show how a block is going to be logged, how it will be safe, and that hazards are identified. The plans have details about who has been spoken to regarding details such as blasting. Plans get modified every day as things change and are being used as a tool to help with safety.

All of the supervisors believe in safety first as do all of the management.

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Crew looks after crew. Everyone has to keep an eye out for others. New people don't know what they don't know. People have to have the courage to walk up to someone and let them know if they think they are being unsafe.

Emergency response is being worked on. They recently enacted an emergency drill up Billy Goat from beginning to end to practice what to do if somebody gets hurt.

Olympic Forest Products had a real problem last year particularly at the dry land sort. They had a lot of the 12 Lost Time accidents. A lot of them were older workers getting sore backs. When you get older, if you do the wrong thing with your back it will go out. A lot of the time there wasn't any help around and workers would feel they had to get the job done and ended up doing too much and getting hurt. WFP called them a Focus Contractor and identified with them what their issues were and put a plan together to deal with them. One of the plans was to put together an Employee at Risk program. They would approach an employee that tends to get hurt every year and help them come up with a plan to avoid the circumstances that cause problems, make sure he has the right tools and that he has help. Now these employees at Olympic Sort are no longer getting hurt. When employees do get hurt there is alternate work available to them. People heal faster if they keep working.

The areas that WFP are focusing on are logging trucks, faller safety, danger zone and danger tree management. When Ken first came to Stillwater one contractor's trucks were in such disrepair that if 8 trucks were inspected all 8 were pulled off the road. Now when 8 trucks are inspected, all 8 pass. Faller safety continues to be a major focus area as the consequences of a faller incident are dire. A danger zone could be an area down below a grapple yarder where logs are being yarded down toward a machine with people standing near it. Then perhaps logs get away and run across a road and hit a crew. There have been a number of these incidents of this kind in the last two years in WFP, so the company is focusing on danger zone management.

Some other details Ken showed on slides include Stillwater's contributions to company results. Stillwater sells 100% of their wood domestically. 75% of their wood goes to WFP mills and 50% of their wood goes to one WFP mill (Saltair Sawmill in Ladysmith). 22% goes to domestic customers, and 3% to local sales. The mills love Stillwater's wood, it is well manufactured, and delivered on a timely basis.

One of the problems that WFP has had this year is that their load sizes were too big. The mills couldn't lift it into the mill. The drivers brought load sizes down and have fixed this problem

The excellent weather we had this summer was very dangerous. Drought caused a lot of downtime, but Stillwater still came in at 114% of plan by logging right of way, logging early shift, and logging wetter areas. The contractors did a good job of keeping their tankers ready to go. The forest service flew into WFP's narrows operation unannounced and audited their systems and said they were awesome.

To date WFP has taken 5 Mainland Coast Operations log barges into the sort this year as well as tows from North Broughton Island. Each barge has approximately 18,000 cubic metres in it which is ten days work for Stillwater sort.

Stillwater is working on a number of initiatives to improve the profit margin. Because Stillwater provides so much wood to Saltair Ken is now working with them to develop new programs. Saltair is the company's top mill. Approximately \$20 million is being invested into Saltair. Some of the things

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Ken is working on with Saltair are: their mat stock program – oil rigs use wooden mats – so WFP is working on creating these mats out of fir special fir logs with specific lengths and diameters being cut to use for this program. Another program is gendam – 1” x 1” roof rafters for Japan – these are made from hemlock that must be just about clear with a maximum knot size of 1’. This program has been a loser for years but this year it is starting to make a profit because WFP is giving the buyer a specialized log. Another important program this year is custom cut cross arms – 4 x 4 for telephone poles. The cross arm has to be made with perfect grain Douglas fir with high strength characteristics. WFP is becoming the number 1 supplier of cross arm in North America.

The company is also working of increasing the value of the timber harvested because they are not exporting. Stillwater is working on a Pole program. The quality control man is looking at every block before it is logged to see if there is pole potential. They are talking to the Fuller brothers about getting it as a pre-pole, or they are doing a production pole. They are going to expand into heli pole on the really steep ground. They are going to try single stem – they climb the tree, cut all of the limbs, cut the top off, jig the bottom, and a helicopter flies in snaps it off and flies it away before they log the rest of the stand. There is a lot of potential, but a lot of cost. They are also considering accessing remote high value timber by helicopter logging in tough country.

WFP’s cut will be coming down to about 400,000 next year. They have been logging at about 500,000, but their cut is 400,000. They have extra capacity. WFP has sorting and dumping facilities and they are taking the extra barges, as well as sorting Community Forests and Island Timberlands. They can also pick up wood that is getting towed by the city as well. They are trying to get as much wood as they can across the sorts. They have great facilities and they want to encourage business with them. They also have good planning staff so they can offer forest management services. Not just the staff in Powell River – they have timber brokers and log brokers and other experts. They will be talking to the city and Sliammon about the services they have available.

Over the last number of years WFP’s AAC has declined from 10 million in 2004 to 6 million in 2011. The AAC in Stillwater is very important and needs to be protected. They have to do a top notch job of managing the TFL so that nobody takes any more land out of it. Trails should not need buffers if the company does a good job. They can co-exist with other users without taking the AAC down. Ken is trying to keep Stillwater’s cut at 2200 cubic metres every day of the year. This creates stable employment. It is 160 logging, road building and planning jobs every day versus coming in for 6 months creating 300 jobs – half filled from the interior and leaving when they are done. They are trying to create community stability. Ken would like to bid on some of the timber that is being logged by people outside of town and exported offshore.

The following information was presented on a slide titled: Coastal Public Harvest As A % of AAC

2009			2010			2011			2012		
WFP	BCTS	Other									
43%	34%	43%	71%	56%	71%	83%	56%	84%	103%	47%	78%

They are logging everything they can to catch up on the AAC that they didn’t log during the downturn in the economy. If there is any crown land that comes available WFP will be looking to bid on it. They want to show that they actively manage their land and they use local people to log it, it goes into local mills in the Stillwater area.

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Question: Are you interested in chipping rather than leaving wood in the bush?

We prefer to work with Rob Stewart. There is not a lot of chipper material here because we have very little pulp. We have about 1% pulp and most of the pulp is very large beetle kill down saw log so we bring out most of our pulp. We do a lot of chip and saw and what you see left behind is the 5" top and down. If Rob could get a market for that to chip, we'd give it to him.

Comment: I see a lot of butt cuts that are being left behind.

I've been working with Rob to try and find a way to chip that. We just can't make the economics work.

Question: It is the highest price on the market in years - \$40 per cubic metre. I sometimes think you should leave a little extra on your logs going to your own sawmills and they could sell the chips. Wouldn't that be a way of doing it?

I agree, but the mills don't. We experimented with it with the mat stock. The productivity of the mills went down and costs went up. Chips aren't worth a lot. It is cheaper to bring the chips in on railcars.

Comment: This mill uses SPF from the interior because then they don't have to bleach. It is a huge savings.

\$40 per cubic metre doesn't pay for pulp. Everything under about \$60 per cubic metre is a loser. Every chip and saw log we send out is a loser and should be left in the woods based on economics. The average cost of a log in this business now is \$65. We subsidize bringing the lower value logs out with the higher priced logs. In the domestic market the average price is about \$72.

Report on the CAG Workshop

Chair thanked Stuart for putting the workshop together. There were many compliments regarding how the workshop was organized. People were really impressed that many CAG members presented on the field trip and with how beautiful our TFL is. It was very nice for our CAG to have other CAG groups to visit as this was the first time. In recent years there have been two meetings in Nanaimo and one in Courtenay. Members from Port Alberni want to get one going there and Stuart's counterpart in Alberni was really impressed with how involved our contractors are.

Comment: It is great that so many contractors are CAG members.

Comment: It showed everyone a little piece of Stillwater. It would have been nice to have more time to spend talking with other the other CAG members.

Mandatory Discussion Topics Review – Guest Speaker Planning for 2013

Group came up with suggestions for guest speakers. Suggestions included: Brian Carson, Feric, a senior manager from a government agency to speak about Freda Creek, Rick Jeffery, Rudi Van Zwaaij, and the manager from Saltair mill.

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Review of Field Walk with PRPAWS

Stuart walked two blocks with Eagle Walz, ST148 above Deer Creek and ST327. Stuart showed the group the changes he made to his logging plans for these block to accommodate the Sunshine Coast Trail.

Terms of Reference

Prior to adjourning for the summer the group was asked if there were any changes anyone would like to make to the Terms of Reference. No one had any changes so the ToR will be updated with this years date.

Adjourned 8:35 pm

Action Items

<i>Ongoing</i>	<i>Who</i>	<i>Meeting</i>	<i>When</i>

**Stillwater CSA Community Advisory Group
Western Forest Products
October 10th Attendance**

Name	Position	Member Seat
PRESENT		
Jane Cameron – Chair	Primary	Member at large
Wayne Brewer	Alternate	Tourism
Laura van Diemen	Alternate	Member at large
Paul Goodwin	Alternate	Forest Dependent
Barry Miller	Primary	Environment
George Illes	Alternate	Environment
Ken Jackson	Primary	Recreation
5 Seats represented		
ABSENT MEMBERS		
Russ Parsons	Alternate	DFA Worker
Doug Fuller	Primary	DFA Worker
Rob Stewart	Primary	Forest Dependent
Mark Hassett	Alternate	Contractor
Rory Maitland	Primary	Contractor
Bill Maitland	Primary	Local Business
Andy Payne	Alternate	Member at large
Dave Hodgins	Alternate	Recreation

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Debbie Dee	Alternate	Local Governments
Colin Palmer	Primary	Local Governments
Read English	Alternate	Local Business
Nancy Hollmann	Primary	Tourism
PRESENT		
Resource – others		
Ken MacKenzie	WFP	
Stuart Glen	WFP	
Valerie Thompson	Facilitator/Secretary	