

Minutes

CSA Community Advisory Group To Western Forest Products November 14, 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

Group introduced themselves to Mike Davis.

Review and Acceptance of Agenda

Agenda was accepted.

Correspondence

Copies of recent correspondence was provided and reviewed

- Letters to PRPAWS
-

Review and Acceptance of Minutes

Minutes reviewed and accepted by email prior to meeting.

Operational Information Map Review

Company Update

New hire – Frederick Westarp.

Company is making an offering of Western shares to investment firms, which will increase the number of shares available on the market. Shares were offered at \$1.20. Shares had been at \$1.27 but traded at \$1.20 today – matching the offering. Investors have been interested in investing in WFP but could not with the number of shares on the market.

Third quarter earnings were not as high as they have been, but still in the black. The liquidity for WFP is the best that it has been.

Current Activities

Harvesting – PD-458, PD-459, ST-024, ST-038, ST-255, UL-812, UL-815, WL-950

Road Construction – UL-807, UL-890, WL-345

Engineering – FH-035, GL-021, GL-022, ST-327, ST-329, UL-816, UL-819, UL-820, WL-914

What's New on the Map

New Blocks – PD-303 (was part of PD-302), FH-035 (was part of FH-036)

New Roads – GL-653

Cutting Permit Approved Areas – LL-029, ST-024

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

Logging Complete – None

Road Construction Complete – None

Engineered Blocks – PD-288

Engineered Roads – GL-653, PD-288

Freda Creek Project – Summary of City Meeting

The Freda Creek project is a 36 mega-watt run of the river generating plant. There will be no dam, just an intake which will take water available in the winter months. Power will only be generated 40% of the year and the City will be looking for a premium on the power it is selling. It will connect to the Hydro grid. It will be locally owned and can be locally beneficial. The plan is to maximize the local benefits. The meeting was for the City, Regional District, and Sliammon. There were some seats for the public and the public were given the opportunity to ask some questions at the end. The meeting was called to give an update on the pre-feasibility study that has been done on Freda Creek. Chris Henderson, who is the project advisor from Ottawa, gave a summary on the project. Chris does not make any decisions, he just gives the pros and cons. No final decision has been made. There will be a formal process. Sliammon and the City are in an equal partnership on the project. The public will have to agree to it before it goes ahead. The last one and a half years have been a pre-feasibility study. It has not been made public until now as the decision has not been made as to whether or not the next step will go forward. There are still three more levels to go before it will be know if the project will work. The partnership wants to maximize money coming in from other sources, such as government grants, to do the feasibility study. The project is supported by Knight Piesold. The permits are currently held by Sliammon. The cost is expected to be \$100 - \$110 million dollars.

The biggest cost will be the 24 km transmission line corridor. The corridor is the part of the project that WFP is most interested in as it impacts what happens to the timber in the area in the future. Stuart said he was also curious about the buried penstock. He wondered how blasting to bury the penstock will affect the existing transmission line in the area. WFP has not been able to build road near the transmission line a couple of times because of the blasting challenges.

The project will be subject to an environmental review. The partners would really like to have a purchase agreement in place with BC Hydro before going forward. A feasibility study will take 2 to 3 years at a cost of \$2.8 million dollars and there is hope of getting grants to do the work. The project will not go ahead unless the environmental impact is low. In the past Hydro paid for the interconnection, but now the project proponent has to pay for interconnection. There will be six permanent jobs created.

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Comment: the Minister of First Nations has found some money for Sliammon. The City is still looking for funding.

Guest Speaker: Mike Davis, Planning Forester, WFP – Mgmt. Plan 9 – Timber Supply Analysis

Mike has a long history in the forest industry and has been working at his present job doing timber supply analysis and management plans for WFP for about six years.

Using a power point presentation, Mike explained the process of preparing the TFL 39 Management Plan #9. AAC (Annual Allowable Cut) is done every ten years. Up until 2009 they were done every five years, but in 2009 the government changed the requirement to every ten years unless something significant happens and then the AAC would be revisited before the ten year term was up.

The first step in the process is submitting a draft TSA (Timber Supply Analysis) Information Package (IP). This summarizes the data and assumptions to be used in the TSA. The IP goes through an agency (mostly Ministry of Forests) and public review. The IP was available at WFP, at Ministry offices, and on the WFP website for 60 days. During the same time period the FN have an opportunity to look at it as well. After the 60 day period is up, Mike addresses any comments that were made, makes any changes that should be made, and eventually the Ministry of Forests accepts the Information Package. At that point WFP can do their analysis using the data and assumptions in the IP.

The next step is doing the TSA modeling current practices. The prepared TSA is subjected to sensitivity analysis. Once the TSA is done a draft Management Plan (MP) is written and the TSA and MP are packaged up and made available for review and comment similar to the IP procedure. This phase will be coming up hopefully before Christmas. After the end of this review period any changes that need to be made take place and more sensitivity analysis will be run. Eventually the analysis will be accepted and any changes to the MP are made and it is submitted with the accepted analysis. The chief forester of the province will then determine AAC for TFL 39 and approve the MP. Mike expects this to happen in the middle of next year.

Question: So, this is basically a year long program?

If everything goes well it takes a year. A lot of work takes place before the information package is made public. It is probably more of a 16 month process from start to finish.

The Management is a document approximately 10 pages long. It was longer in the past, but most of the previous content requirements are now objectives and strategies in the Forest Stewardship Plan (FSP). There was a lot of overlap between MPs and FSPs so government decided the MP would be a simpler document. The MP must include a general description of the land base, including a map. TFL 39 is composed of five different blocks. There used to be seven. Block 1 is the Stillwater DFA, block 2 is centered around Sayward forest operation, block 3 is a small block on North Broughton Island, block 4 is around Port McNeil, and block 5 is the Phillips River watershed. There used to be block 6 which was Queen Charlotte Island. It was carved off to become a separate TFL and was subsequently sold. Block 7 was farther up the mid coast. It was given to BCTS as part of the forest revitalization process. Another content requirement is a list of who has held the TFL during what time frame. There will be a little table showing this information. There has to be a list of significant consolidations and subdivisions that have happened such as when block 6 was carved off to become TFP 60 and sold to the Haida. A list

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of boundary changes over 200 hectares needs to be included as well. Another item is a list of planning documents used to guide management of the TFL such as the FSP, landscape level plans, and plans required for forestry certification. Finally, the biggest part of the MP - the TSA, supporting documentation and a summary of the public review process need to be included.

The main influences of timber supply are how much land you have, constraints on the land and how fast the trees grow. The last AAC for TFP 39 was set in November 2001. At that time block 1 was 186,979 hectares and the AAC was set at 550,000 m³ per year. In July 2004 Island Timberlands private lands of 2,936 hectares came out. In July 2009 a couple areas equaling 26,526 hectares went to BCTS.

Question: What about Community Forests?

That came out of WFP's forest license not the TFL.

The Sliammon community forest 3,599 hectares came out in May 2012. So block 1 today is now 153,918 hectares with an AAC of 408,019 m³ per year.

Question: What about the Plutonic transmission line?

It is still in the TFL but I will try to show the impact in an upcoming slide showing constraint on the land.

Constraints such as non-forest, non-productive forest, old grown management areas, riparian management, areas with unstable terrain, and Alterra's right of way have a huge influence on the AAC. Mike demonstrated with a table and a map showing how little of the total land base is actually available to log after these items were accounted for. After all of the reductions the long-term timber harvesting land base is 47,819 hectares.

Question: does the 750 hectares lost to the Alterra transmission line include the land no longer available due to the obstruction of the power line?

No. It is just the right of way itself.

Question: Should it not be factored in?

There are two schools of thought. If it is truly not available it probably should be, but if we want to argue that there is an impact on us we need to show that we could have accessed that area. If it is removed from the timber harvesting land base now they could say there is no impact because it is not part of the land base.

One third of the forest is less than 40 years old. Approximately 1% of the long term land base is logged each year.

The second major item that influences timber supply is constraints within the Timber Harvest Land Base (THLB). Visual Quality Objectives (VQO) are one of the biggest management constraints.

Question: Do you know what the VQO does to the harvest rates?

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I haven't done a run with the VQOs turned off. It can be done. When I have done analysis on other TFLs it has been surprising how little impact the VQOs have had in the modeling world, because in a model you could just go somewhere else instead. In the real world I'm sure it is different. VQOs aren't a reserve. They are just a timing constraint. You can harvest everything within the view. The constraint is how quickly you can do it.

Adjacency and green-up are another constraint. When logging next to a previously harvested area the trees have to be three metres tall which could take 10 – 15 years or longer. Landscape-level biodiversity such as OGMAs can be a constraint as are rate-of-harvest limits and timing within community and fisheries sensitive watersheds. Another constraint planned to be modeled is harvesting of second growth instead of all old growth. In this area about 80% of the harvest is second growth. Heli contribution can have an impact as when timber values are low the company tends to avoid heli logging as it is not economical. The last constraint is the minimum diameter of timber which is 30 cm for ground, 37 cm for cable and 42 cm for helicopter logging. This takes from 40 to 200 years depending on the site.

Modeling of growth and yield in the forest is another step in the timber supply analysis process. Stands that grow at similar rates are grouped into analysis units. These are based on biogeoclimatic zone, site index, age class and leading species.

All of the above are entered into a model, the computer crunches the information and produces some numbers. Mike showed a graph that shows that the AAC may not change much. The AAC is at 408,000 right now and the results show 410,000 is possible for the next ten years until the next Management Plan is produced. If Mike was to take the heli constraint off the AAC would be roughly 75,000 m³ per year higher.

Question: Is the heli constraint new in this Management Plan?

Yes. At this point it doesn't make sense that heli logging will take place at the same rate as conventional logging due to the cost. We may look at the heli differently in another run. At the end of this process we make recommendations and we want our documentation to support the recommendations. We could have two AACs, a regular AAC and a heli AAC, it is an option.

Question: Does the chief forester ever do an audit?

Everything in the forest is reported to them so they have that. They can run the data themselves if they want.

Finally, sensitivity analysis is done. Concerns tested include: land base available for harvesting, growth and yield, silviculture, operability, visual management, biodiversity, and minimum harvest ages.

Question: do you include the possibility of fire in your analysis?

An additional 1% is built into the model for disturbances.

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Mike now has to finish the Timber Supply Analysis, write a Draft Management Plan document, and make these available to review. These will be accessible at the WFP office, the Ministry office and on the WFP website for 60 days. All of the comments go to the ministry office.

Question: Is climate change included in your analysis?

To date I don't think it is. We are focusing more on trying to figure out what the impact might be on species, adaptation, and things like that. Changing reforestation requirements are the greatest concern. The Chief Forester could recommend that we include climate change. The issue could be revisited in less than ten years if something drastic changes.

Acacia Nethercut-Wells – WFP Planning Summer Student

Acacia came from California to attend UBC because the faculty of forestry at UBC is stellar. There is nothing comparable in the States. UBC offers many options for specialties. There are five programs. If somebody was to change their mind midway through it is easy to switch from one program to another without losing time and money. Acacia chose Resource Management as her specialty. There are also Forest Sciences, Natural Resource Management, Conservation, Wood Sciences, and Forest Operations. There are approximately 500 undergrads. Two degrees of study go down the path of Registered Professional Forester (RPF). Most of the people at the Stillwater office are RPFs or Registered Forest Technologists (RFT). Nobody else can technically practice forestry in BC. Acacia graduated in May and has been at WFP ever since. She is a Forester in Training which is on the way to becoming an RPF with the Association of British Columbia Forest Professionals. You need to get two years of forest experience under a mentor and then write a test to get the designation. Acacia has really enjoyed her time in BC and intends on working in the province for some time. She came to Powell River because she wanted to live on the coast and she wanted to pursue the RPF designation. She felt she needed to apply what she learned at UBC in BC forests. She has learned a lot from the staff at Stillwater WFP. She spent her first four months working with the planners. She saw how different equally qualified people approached their work and how people worked together. She and another summer student were put in charge of laying out a block. Acacia had never done that before and there was a huge learning experience. Acacia felt that she was taking everything she learned in her individual classes and was applying it all at once. She found this refreshing and it made her feel that her courses were time and money well spent. In September Acacia started working in silviculture with Rudi. It was an entirely different experience as she worked only with Rudi and was able to ask him lots of questions. It was good to see how planning affects silviculture after the logging is complete. Acacia is going to spend some time in South America and will return next spring to continue working towards her designation.

Question: Did you learn anything about certification of sustainable forest management?

I did. There is a sustainable forest management course. I learned a lot about certification from my forest policy class. We learned about SFI, CSA, and FSC, how they vary and how perception of them varies.

Adjourned 9:00 pm

Action Items

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

**Stillwater CSA Community Advisory Group
Western Forest Products
November 14th Attendance**

Name	Position	Member Seat
PRESENT		
Jane Cameron – Chair	Primary	Member at large
Wayne Brewer	Alternate	Tourism
Laura van Diemen	Alternate	Member at large
Dave Hodgins	Alternate	Recreation
Doug Fuller	Primary	DFA Worker
Debbie Dee	Alternate	Local Governments
Colin Palmer	Primary	Local Governments
Andy Payne	Alternate	Member at large
Bill Maitland	Primary	Local Business
Rory Maitland	Primary	Contractor
George Illes	Alternate	Environment
Ken Jackson	Primary	Recreation
5 Seats represented		
ABSENT MEMBERS		
Russ Parsons	Alternate	DFA Worker
Rob Stewart	Primary	Forest Dependent
Mark Hassett	Alternate	Contractor
Paul Goodwin	Alternate	Forest Dependent
Barry Miller	Primary	Environment
Read English	Alternate	Local Business
Nancy Hollmann	Primary	Tourism
PRESENT		
Resource – others		
Mike Davis	WFP	
Stuart Glen	WFP	
	WFP	
Walt Cowlard		
Acacia Nethercut-Wells	WFP	

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Frederick Westarp	WFP	
Valerie Thompson	Facilitator/Secretary	