

CSA Community Advisory Group
To Western Forest Products
February 13, 2019
Western Forest Products Boardroom

Attendance

Present

Jane Cameron - Chair
Wayne Brewer
Mark Hassett
Joseph McLean
Mark Anderson
Tom Koleszar
George Illes
Barry Miller
Doug Fuller
Paul Goodwin
Patrick Brabazon – qathet Regional District
Darwyn Koch - WFP
Val Thompson – Facilitator/Secretary

Absent

Andy Payne
Clay Brander
Dave Hodgins
Ben Berukoff
Cindy Elliot
Bill Maitland
Rory Maitland

6:10 pm: Meeting called to order
Quorum met.

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.

Review and Acceptance of Agenda

Agenda was accepted as amended.

Review and Acceptance of Minutes

Minutes were accepted.

Welcome and Introductions

Chair welcomed group.

Correspondence

Copies of recent correspondence were provided and reviewed

Emails to First Nations

Letter to PRPAWS

Company Update

Darwyn Koch, Western Forest Products, presented some background information on the Coast Forest Sector Revitalization Plan.

Western will begin selectively utilizing log exports after suspending its log export program over the course of last year. Over the course of last year, Western exported only 3% of the logs we harvested. Our goal remains to generate positive returns from the full profile of the coastal forest through the production of lumber programs at our mills. In today's environment of persistently high log costs and weak commodity markets, it is imperative we direct lumber to markets that produce positive returns in order to keep running. While Western remains fully committed to domestic manufacturing and consuming more logs in our mills, going forward we will be selectively utilizing log exports to ensure we can sustain the high cost of logging and keep operating through the market cycle.

There will be an internal audit mid-April with Nate Ryant and Will Sloan. We will tie the CAG meeting in to the same week. They have committed to doing internal audits at every division every year as of last year.

Question: How much does certification cost?

I am not sure what the total corporate cost is, but I know that the Stillwater CSA Certification is about \$60,000-\$70,000 per year of CAG and public related costs as well as in-kind costs. There also is a per hectare cost for CSA certification but I do not know the magnitude of that cost.

The Association of Vancouver Island and Coastal Communities is having their annual meeting in Powell River in April. WFP is hosting some of the event and they will be doing a field tour one morning looking at second growth harvesting, road building and a number of other things. The invitation will go out to the CAG to participate. There will be a booth that CAG members would be encouraged to help out with.

Operational Information Map Update

New Blocks on the Map

New Blocks – No new blocks in January. On the February OIM: HE-530, OL-699, OL-702, OL-707, OL-708, OL-709, OL-710, OL-711, OL-712, OL-717, NA-913, NA-915, NA-916, GL-073, GL-074, GL-079, and GL-120

Current Activities

Harvesting –ST-116, ST-271, ST-354, ST-358, ST-156, WL-024, ST-347, ST-077, GI-012, GI-072, and GI-138.

Road Construction – ST-060 (postponed), UL-017, and ST-200.

Sunshine Coast Trail

No activity at this time.

Fires/Slides/Spills (YTD):

No new Fires.

GI-012 Spill: Spill of 20 litres of antifreeze within the housing of the grapple yarder and on the road surface. No spill to water and this is not a reportable sized spill. OFP cleaned up the spill immediately.

No new slides.

Harvesting Stats (YTD):

2019: As of January 30, 2019 the total amount harvested from the TFL (YTD) is 31,697 m3. The budget target was 21,743 m3.

Question: How is the market these days?

Not good. Stumpage is up. Cedar has dropped off a bit. Fir is holding steady and hemlock is dropping. We put effort into developing a bunch of hemlock blocks because that was keeping our stumpage at a realistic level. Now hemlock prices are lowering driving sales values down. We anticipate 2019 to be the same or worse than 2018 under these market conditions.

Question: What about the sawmills and new markets?

They are always exploring new markets. They have their own sales divisions over in Asia that looks after that. We do not rely on the US like the Interior mills. If there was a graph showing our 3 biggest competitors – Canfor, West Fraser, and Interfor – you would see our profit is above them now because we don't rely on the American market like they do. We ship a lot of product to Asia.

Question: Is there a downturn in the Asian market?

No. The Asian market is pretty strong for our products.

Question: What is driving the appetite for your wood down?

Low housing starts in the US. Even though most of our products that go down there are not housing start products. Cedar has fallen off. There is a huge influx of cedar coming from Asia right now because they don't really have any regulation there.

Sechelt Foundation Agreement

Darwyn Koch presented some background information on the Sechelt Foundation Agreement.

Independent versus Dependent Contractors (Indicator 6.2.2)

The internal audit recommended that group look at this indicator. They questioned the indicator because not all contractors are Safe Certified. Small low risk contractors are not required to be Safe Certified. The terms low risk vs. high risk needed to be changed to independent vs. dependent for this

indicator and the terms have been defined as follows: Dependent contractors are contractors that generally are not SAFE Company Certified and when their workers are working in the TFL they adhere to Western's Safety Program. An example of a dependent contractor would be a low risk contractor who is accompanied in the field by a Western Employee.

Independent contractors are defined as contractors working in the DFA that are currently SAFE Company Certified and complete their work on the TFL under their own Safety Program.

The target of Indicator 6.2.2 now reads: Safe Company certification is maintained annually by WFP and its independent contractors working on the DFA. The group agreed with the changes.

Indicator 1.2.4 Percent of area within Deer Winter Range that is consistent with management strategies.

SFO met both targets for 2018 except DMRMA-03.

Indicator 1.4.1 Protection of sites of special significance.

SFO met the target for 2018

Indicator 1.4.2 Proportion of identified sites with implemented management strategies.

SFO met the target for 2018

Indicator 2.1.3 Additions and deletions to the forest area.

SFO met the target for 2018

Indicator 2.1.4 Proportion of the calculated long-term sustainable harvest level that is actually harvested.

SFO met the target for 2018 and is trending toward the 10 year target

Indicator 3.1.1 Level of soil disturbance

SFO met the target for 2018

Indicator 3.2.1 Proportion of watershed or water management areas with recent stand replacing disturbance.

SFO met the target for 2018

Indicator 3.2.2 Proportion of forest management activities, consistent with prescriptions to protect identified water features

SFO met the variance for 2018

Indicator 3.2.3 The annual number of Emergency Management BC reportable spills.

SFO met the variance for 2018

10 people will be required to meet quorum at the next meeting.

Adjourned: 8:35pm

Action List Items

Action Items	Who	When
Darwyn to ask Will Sloan to talk about synthetic oil.	Darwyn	February 13, 2019

