

**VANCOUVER ISLAND NORTH WOODLANDS ADVISORY GROUP  
(VINWAG)  
Western Forest Products Inc.  
Community Advisory Group  
Minutes of Meeting May 26, 2011**

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**Attendance:**

|                                  |                                    |
|----------------------------------|------------------------------------|
| Jeff Houle, Small Contractors    | Vadim Stavrakov, Large Contractors |
| Jon Flintoft, WFP                | Dale Dorward, Small Business       |
| Tom Doak-Dunelly, General Public | Mac Willing, Fish and Wildlife     |
| Neil Smith, Local Government     | Ray Harper, Labour                 |

**Presenter:** Mike Davis, Planning Forester, WFP

**Regrets:** Roland Emery, Youth and Education, Fred Robertson, Youth and Education Alternate, Miles Trevor, Port McNeill and District Chamber, Dave Poilievre, WFP, Dave Trebett, Tourism

**Observers:** Paul Barolet, Ministry of Forests, Lands and Natural Resource Operations (MoFLNRO), Andy Waines, MoFLNRO, Linda Philipp, Ed Jackson, Brian Smith, WFP Operations Manager

**Chairperson and Facilitator:** Annemarie Koch

**Minutes taken by:** Jon Flintoft, Annemarie Koch

**1.0 SAFETY AND INTRODUCTIONS:**

Annemarie welcomed everyone to the meeting, stressed the importance of safety in WFP's operations, and reviewed the procedures to follow in the event of an emergency. Annemarie reviewed the objectives of the meeting, namely to review the minutes and action items from the previous meeting, hear a presentation by Mike Davis on TFL 6 Management Plan #10 and associated Timber Supply Analysis (including the mandatory discussion items under criteria one and five, namely silviculture regimes and benefits for local communities and Aboriginal peoples), continue discussion of the creation of a new indicator for opportunities for local contractors and suppliers, begin a review of the 2010 SFM Plan annual report, review the Terms of Reference specifically in relation to adding energy to the list of possible sectors to be represented by VINWAG and revising the policy on attendance, confirm the date of the next meeting and discuss a field trip. Annemarie then invited everyone to introduce themselves for the benefit of new observers.

**2.0 REVIEW OF LAST MEETING MINUTES AND ACTION ITEMS:**

Minutes of last meeting were reviewed.

Tom Doak-Dunelly asked that page five, third to last paragraph of the April 14 minutes be amended to indicate that he was asking if there was a mechanism to resolve issues when the parties are in disagreement (e.g. at a time when the company might not be profitable), in view of the fact that it is a 50:50 partnership.

Annemarie reviewed outstanding action items 44-99 with members and the results of the discussion are summarized in the table below, along with the addition of five new action items developed during the course of this meeting. Action items that were completed or changed were dropped from the list.

Jon noted that Dave had talked to a number of members including Ian Roberts, all who wished to continue attending but had not been able to do so to date.

Jon explained that action item (85) related to training courses was something WFP was aware of and trying to accommodate on an ongoing basis.

The minutes were accepted as amended.

| ACTION ITEMS |   |                |                   |   |                 |
|--------------|---|----------------|-------------------|---|-----------------|
|              | Item  | Responsibility | Initiation Date   | Target Date                                 | Completion Date |
| 44           | On-going review of discussion items   | All Members    | May 4, 2009       | Ongoing                                     |                 |
| 69           | Ask MOFLNRO appraisal staff to provide a presentation or information on how stumpage and royalties will be calculated in future                                 | Jon Flintoft   | October 14, 2010  | Fall of 2011                                |                 |
| 76           | Approach Gord Glover to address Criterion 5 mandatory discussion items  | Jon Flintoft   | February 24, 2011 | Fall of 2011                                |                 |
| 84           | Provide an update on the status of carbon trading and carbon credits (S. Janzen)  | Jon Flintoft   | December 2, 2010  | Sometime in 2011                            |                 |
| 90           | Approach managers and purchasing agents regarding local suppliers and contractors and the development of an inventory of required services and supplies locally | Jon Flintoft   | February 24, 2011 | June 23, 2011                               |                 |
| 91           | Bring the discussion of the purpose of VINWAG forward on a regular basis  | Jon Flintoft   | February 24, 2011 | Ongoing                                     |                 |
| 97           | Add reference to page 106 of SFMP to reflect current practice of responding to member concerns as they arise  | Jon Flintoft   | April 14, 2011    | When SFMP is updated                        |                 |
| 100          | Distribute digital copy of Mike Davis' presentation   | Jon Flintoft   | May 26, 2011      | With May 26 <sup>th</sup> minutes           |                 |
| 101          | Draft targets and a general statement of commitment related to an indicator on opportunities for local suppliers  | Jon Flintoft   | May 26, 2011      | June 23, 2011                               |                 |
| 102          | Bring draft 2010 Annual Report to VINWAG  | Jon Flintoft   | May 26, 2011      | June 23, 2011                               |                 |
| 103          | Amend and circulate revised terms of reference with minutes   | Jon Flintoft   | May 26, 2011      | Circulate with May 26 <sup>th</sup> minutes |                 |
| 104          | Set up field trip and circulate possible Friday dates for September   | Jon Flintoft   | May 26, 2011      | By September 2011                           |                 |

Jon noted that Dave Poilievre would be leaving for a job in Port Alberni and, in his absence, had asked Jon to extend his best wishes to VINWAG members. Jon noted that a posting was out and Dave's position should be filled soon.

### **3.0 TFL 6 MANAGEMENT PLAN #10 AND TIMBER SUPPLY ANALYSIS: PRESENTATION BY MIKE DAVIS, PLANNING FORESTER, WFP:**

Mike introduced himself and provided a history of his work for WFP. He explained that he was following up on his November presentation with an update on the status of the management plan. He noted that the plan would be available the following week in a variety of forms for anyone who wished to review a copy.

Mike reviewed the management plan approval and Annual Allowable Cut (AAC) determination process. He noted that the first step is to submit a draft information package, which he reviewed with VINWAG in November, 2010. He noted that once this draft had been reviewed and approved by MoFLNRO, a timber supply analysis (TSA) is carried out, including base case and sensitivity analysis. He outlined the process, noting that a draft management plan is written, the TSA is reviewed and accepted, the management plan is submitted, AAC determined and then the management plan approved.

Mike then went on to review the management plan highlights, including a map of the area, list of publicly available documents, history of boundary changes and history of licence holders. Mike reviewed the changes in TFL area and AAC allocations since the management plan #9 AAC determination, noting changes such as removal of private land, area for community forest and BCTS removals.

Mike reviewed the constraints to the land base and the resulting productive land base. Within this productive land base, he noted that other constraints include VQO's, adjacency green-up, allowances for old growth retention, limited rate of harvest in steep terrain, requirement to maintain at least 25% cover in mature and old seral stages in Special Management Zones and minimum harvest age criteria.

Mike reviewed the TSA analysis results, starting with the base case. He noted that WFP was recommending an annual harvest of 1,160,000 cubic metres, which would decline to 943,500 cubic metres in the 5<sup>th</sup> decade and then climb back up to 1,060,700 cubic metres in the 10<sup>th</sup> decade. The current annual harvest is 1,255,536 cubic metres.

Mike reviewed the difference in age classes forecast over the next 240 years, noting that most of the old growth within the Timber Harvesting Landbase (THLB) is projected to be harvested in 30 years, leaving primarily second growth harvesting. He reviewed the proportion of natural second growth harvesting in relation to current managed second growth, noting the natural second growth is projected to be gone at about the same time the old growth is harvested. He then pointed to projected future second growth harvesting which is comprised of areas being harvested now and in the future.

Mike reviewed another graph showing age class increments, from age class 1 to 9 (old growth). He gave the example of the amount of old growth available over a long time period, noting that after an initial decline following harvest in the near term, the amount of old growth should return to today's levels in 250 years.

Mike reviewed another graph showing total volume against harvestable volume, against ground-based volume against cable and heli volume. This is to account for the requirement for higher value harvesting for different harvesting methods, e.g. cable and heli logging.

Mike reviewed the annual harvest area against the average age, and volume per hectare.

Mike reviewed another graph showing the cable yarding volume against ground-based volume and heli volume against average harvest age of trees in relation to annual harvest volume over 250 years. He noted that, as the amount of cable volume increases, the average harvest age increases.

Mike reviewed sensitivity tests he had done to determine impacts on timber supply, e.g. impacts of removing unstable terrain from the calculations, use of different stand yield and site index estimates and exclusion of forest fertilization benefits.

Mike noted, for example, that he had been asked to test for the impact of less planting of hemlock.

Andy asked which site index estimate had been used. Mike noted that a local site index that was developed in the late 1990's was used.

Dale asked about the impacts of future changes in harvesting and silviculture technologies.

Mike noted that this would be interesting and added efforts were being made to take a more sophisticated look at such impacts. Dale noted that future markets could make the planting of certain species more attractive at different times, e.g. the planting of hemlock looks better now than it would have ten years ago.

Neil asked about workforce projections and noted this information would help communities with their planning.

Mike noted that there had been projections for this done in the past.

Mike repeated that WFP was recommending an AAC of 1,160,000 cubic metres. He noted the plan would be available for review over a 60-day period and that the chief forester will likely come up with an AAC in early 2012.

Mike noted that a 20-year plan is not required as part of the Management Plan process anymore. Andy noted the advantage of this is that it can show where the timber is on the ground.

Mike noted the plan would be accessible as hard paper copies at the MoFLNRO office, at the WFP office or off the WFP website. He added that Jon has the plan on a CD.

#### **4.0 CREATION OF NEW INDICATOR ON OPPORTUNITIES FOR LOCAL CONTRACTORS AND SUPPLIERS:**

Annemarie reminded members of the background for the need to develop this indicator. It was noted that the new indicators under the CSA Z809-08 standard did not include this as a core indicator, so it had to be carried over as a locally developed indicator.

She noted that this matter had been discussed previously by VINWAG and that it had been agreed at the last meeting to take a look at what NWAC was doing to cover this indicator.

Jon referred members to the NWAC indicator, noting that their indicator included two targets, level of capital spending greater than \$0 annually and to report the annual total value of goods and services spent in North Island communities.

Jon reviewed the old VINWAG indicator under the previous CSA Z809-02 standard and said that he intended to keep the reporting out related to this previous indicator. He noted that the measurements should be doable because NWAC was able to obtain this data.

Jon asked the group to identify 'local' and Dale suggested the boundaries of the RDMW. Jon suggested the defined forest area within the RDMW. Neil noted that RDMW representatives had previously argued strongly and effectively that Campbell River should not be included as part of the local supply area.

Jon noted, for example, that the pie chart would include Port McNeill, Port Hardy, Port Alice and 'other North Island'.

Dale noted that he would also like to see part of the indicator include building an awareness of the company's needs for local suppliers and contractors. Jon suggested that this be a second target of demonstrating efforts to raise awareness of local contractors and suppliers.

There was a discussion of possibly distributing a general request for availability of goods and services.

It was agreed that Jon should bring a draft set of two targets that address the reporting out and awareness of local contractors and suppliers. Dale added that there be a statement of general intent that

WFP will be aware of and make a formal commitment to source supplies and services locally and to make its service and supply needs known to local suppliers.

Jeff suggested that some of this information, i.e. goods and services required by WFP, could be communicated by the company on their website.

Dale noted it would be helpful to have a better handle on the types of products and services that WFP needs, now and into the future.

Neil asked whether WFP actively communicates its procurement policies to local businesses. Neil noted that the RDMW has a procurement policy and that it is helpful when local businesses understand this policy.

Dale noted that it's helpful if WFP is aware that a local company has a specific product or service available. He noted that if WFP could make its needs known, then local suppliers might be able to meet these needs.

It was suggested that WFP have an email list of suppliers to which requests for services or supplies could be sent.

It was agreed that an effort be made to report out on local expenditures first and then to perhaps establish measurable targets based on this information.

Jon noted he would look into the corporate implications of this, e.g. in relation to procurement policies.

Dale asked about the purchasing policies of WFP's contractors and whether they would be expected to follow the spirit of the plan.

It was agreed that Jon would try and develop a draft set of targets and associated general statement for the June meeting.

## **5.0 PRELIMINARY DISCUSSION OF SFMP ANNUAL REPORT:**

Jon reviewed some of the preliminary data, starting with Indicator 5, trees planted by species. He noted approximately 967,000 trees had been planted on the DFA in 2010. He pointed out that this was down from 2009 but up from 2008.

Jon reviewed Indicator 6 on natural regeneration. He noted that this indicator was not met in 2010. Paul asked why the indicator was included, as there is always natural ingress in planted areas. Jon noted he would get back to Paul about this after the meeting.

Jon reviewed Indicator 10 related to free growing commitments and noted that 100% of the stands met the free growing requirements in 2010.

Jon reviewed Indicator 14, conformance to the chief forester's standards for seed use, e.g. low elevation seed in high elevation areas. There were no administrative penalties in 2010.

Jon reviewed Indicator 15, seed orchard seedlings planted and noted that the target was that >70% of seedlings planted are seed orchard seedlings. Linda asked what percentage of improved growth was expected with seed orchard seed and Jon noted that hemlock was projected at about 18%. He noted that there were measured gains for other species as well, e.g. redcedar, Douglas-fir.

Jon reviewed Indicator 18, forest health risk issues. He noted how some of these indicators related to the projections in the management plan.

Paul noted that there was a push to plant more Sitka spruce and white pine, now that many forest health issues had been dealt with through seedling improvement.

Jon reviewed Indicator 37, summer employment and youth opportunities. He noted there hadn't been a Comfor program but that WFP had hired some students in the Port McNeill operation, though none had been hired in Jeune Landing or Holberg. Jon noted that three university students had been hired in forestry and engineering in Port McNeill and three in Holberg, including one person from Port McNeill.

Jon reviewed Indicator 38, the number of new hires, noting the target had not quite been met in 2010. He noted there were four new hires in Port McNeill and 7 new local hires in Jeune Landing.

Jon reviewed Indicator 39 related to business licences, noting the number was climbing a little bit.

Jon noted Indicator 40, the number of hauling days, noting that the number had increased since 2009, and that the target had been met in 2010.

Jon reviewed Indicator 41, FTE's, noting that it might be time to revise this target, as it had not been met for a number of years, due to things like technological change.

Jon reviewed Indicator 42, EBITDA, noting it was the first positive result since 2006.

He reviewed Indicator 43, stumpage revenue and fees, noting there had been changes to the stumpage system and that the data reflected the changing value of the wood as well.

Jon reviewed the Indicators 46, 47 and 48 related to the operation of VINWAG meetings and First Nations.

Jon noted that he was waiting for information to come in and hoped to have a draft of the annual report for the June meeting.

## **6.0 REVIEW OF TERMS OF REFERENCE AND ATTENDANCE POLICY:**

Jon reviewed the proposed changes to the terms of reference, including inclusion of the alternative energy sector as part of the list of sectors to be represented on VINWAG.

Tom suggested taking out reference to 'alternative' and leaving the suggested sector as, more generally, 'energy'.

Neil offered to liaise with International Power, if VINWAG wished to hear a presentation by a company representative. It was agreed that Neil would keep the members of VINWAG apprised of any possible opportunities for a presentation by International Power.

Jon went on to review a section on member attendance as follows:

### **1. Member attendance:**

- a) Where members or their alternate are not able to attend scheduled VINWAG meetings, they shall notify the Facilitator/Chair in advance.
- b) Where, without advance notification, 2 consecutive regularly scheduled VINWAG meetings are missed by a member or their alternate, the Facilitator/Chair shall contact the member and their alternate. The contact will be aimed at sourcing the reason for absence. The Facilitator/Chair will present the reason for absence to members to be reviewed at the next regularly scheduled VINWAG meeting. At that time, the table shall provide direction to the Facilitator/Chair on an appropriate course of action, depending on the circumstances.
- c) If a member or their alternate misses three consecutive regularly scheduled VINWAG meetings, without responding to contact attempts by the Facilitator/Chair, they will be considered inactive and may be replaced.

Tom asked if members thought the proposed language was strong enough to deal with an ongoing lack of attendance. He suggested changing 'may' to 'will be replaced' in section c). Dale noted he felt the language was strong enough and the members agreed to leave it as it is for now.

It was agreed to accept the proposed changes to the terms of reference outlined above in the minutes.

There was a discussion of whether the energy sector reference should be broadened and it was agreed to leave it as it was for now.

## **7.0 NEXT MEETING:**

It was agreed that the next meeting would take place on June 23, 2011, as per the proposed schedule of meetings reviewed by the membership. Jon noted that Kevin Robinson would be making a presentation related to Criterion One mandatory discussion items on management and protection of biological resources of cultural heritage significance, and management of cultural values and resources.

Jon noted that he had asked Kevin to provide a presentation on some of the cultural and archaeological features that are on the North Island. He added that Kevin would be meeting with the FNEIG group the following day.

Jon asked members when they would like to participate in a field trip. It was suggested that Jon throw out a couple of options for dates in September, looking at Fridays, and half-day tours.

Jon noted that the rest of WFP's Timberlands operations have been re-registered under the CSA Z809-08 standards, and that VINWAG had supplied the prototype for this process. He added that the intent now is to bring all of the groups under one registration certificate.

|                 |                      |
|-----------------|----------------------|
| <b>When:</b>    | <b>June 23, 2011</b> |
| <b>Dinner:</b>  | <b>6:30 p.m.</b>     |
| <b>Meeting:</b> | <b>7:00 p.m.</b>     |