

**Nimpkish Woodlands Advisory Committee and Vancouver Island North Woodlands Advisory Group**  
**Annual Joint Meeting**  
**Meeting Notes**  
**October 25<sup>th</sup>, 2018**

Attendance: Jonathan Armstrong (General Manager, Timberlands Planning, WFP), Kindry Mercer (Manager, Regional Initiatives, WFP), Jon Flintoft (Senior Operations Planner, NIFO, WFP), Kelly McMahon (Area Planner, CIFO, WFP), Chris Read (Aquaculture, VINWAG), Jennifer Case (Local Suppliers Alternate, VINWAG), Randy Boas (Operations Manager, Holberg, NIFO, WFP), Dale Dorward (Small Business, VINWAG), Pat English (Local Government, NWAC), Patrick Donaghy (Local Government Alternate, VINWAG), Jack Miller (Labour, NWAC), Stu Ellis (General Public, NWAC), Paul Barolet (Advisor, MoFLNRORD, VINWAG & NWAC), Cam Brady (Karst, NWAC), Gaby Wickstrom (Port McNeill Chamber of Commerce, VINWAG)

Regrets: John Tidbury (District of Port Hardy, VINWAG), Jon Lok (Small Contractors, NWAC), Steve Lacasse (Environment, NWAC, VINWAG), Fred Robertson (Education, VINWAG), Adrian Pendergast (Education, NWAC), Tom Doak Dunelly (General Public, VINWAG), Ione Brown (North Island Community Forest, VINWAG), Natasha Dickinson (Karst, VINWAG), Trevor Egely (Large Contractors, NWAC), Ray Harper (Labour, VINWAG), Sandra McLachlan (Port Hardy Business Alternate, VINWAG)

Facilitator: Annemarie Koch

Notes: Kelly McMahon, Jon Flintoft, Annemarie Koch

Annemarie reviewed the safety procedures with the group and then opened the meeting by welcoming everyone, thanking them for attending and asking them to introduce themselves for the benefit of the presenters.

She then reviewed the objectives of the meeting, namely to hear an update from and have a discussion with Kindry Mercer, Manager, Regional Initiatives on the public consultation process around honouring the Englewood Train legacy, and to hear a presentation from Jonathan Armstrong, General Manager, Timberlands Planning on WFP's harvest profile strategy, with added reference to log distribution networks, followed by an open, facilitated discussion, on the train legacy initiative and WFP's harvest profile strategy.

Annemarie invited Kindry to review the results of the public consultation process associated with honouring the Englewood train legacy.

**Kindry Mercer, Manager, Regional Initiatives, WFP: *Review of Results from 'The Englewood Train Legacy' Public Consultation Process***

Kindry provided some background on the public consultation process, noting that NWAC and VINWAG had participated in preliminary discussions around the train legacy. Kindry added that early consultation included meetings with local government and the 'Namgis First Nation and she added that there were over 200 participant interactions in the consultation process, most of these over the Internet. Kindry added that there had been an open house in Woss to discuss the train legacy.

Kindry pointed out that letters were set to all Woss residents and input had been invited through social media, print advertisements, internal company communications and phone calls to key stakeholders. Kindry noted that input had come from all over the North Island and as far away as the U.S.

Kindry noted that 96% of those who responded wanted to have something built to honour the train. She noted that options for consideration included installation of rail memorabilia at the Woss Heritage Park, an interpretive walk along a portion of the rail line, a new recreation site in the Nimpkish Valley and a commemorative plaque at the start of the rail line near Beaver Cove.

Kindry noted that options for donation of rail infrastructure to the Heritage Park included a locomotive, caboose and rail switches.

She added that points of particular interest included trestles or bridges, the Beaver Cove Yard and the reload locations. The most common suggestion for commemorating the train was to develop a trail system for recreational use. Other suggestions included a tourist railway.

Kindry noted a report would be finalized for public distribution and there would be additional outreach with key stakeholders such as the Regional District and the 'Namgis to evaluate options, such as those suggested for the Woss Heritage Park.

There was a discussion of how the transfer of railway infrastructure to other parties might take place. It was noted that other groups throughout the Island had inquired about obtaining infrastructure from the railway for their heritage displays and projects.

Kindry noted that, generally, the overall sale and disposition of railway assets would ultimately be carried out by a professional business with experience in this area. It was noted that the tracks will also, at some point, be taken up and dispersed. It was noted that other forest companies (i.e. mills) had asked about acquiring short lengths of track for their facilities.

There was a discussion of the legal tenure for the land over which the tracks travel, including rights of way.

There was a discussion of the annual costs of maintaining the railbed and how much land might be reclaimed as forest land.

There was a discussion of the relative merits of putting the railbed into trails or letting it go back to forested land. There was a discussion of the liability around maintaining trestles for public access. There was a comparison between both Kinsol Trestle and the Kettle Valley Railway rails to trails project to the Nimpkish Valley Railway, and how the three differed.

There was a discussion of how WFP presented the information around honouring the train.

It was noted that efforts had been made to determine how to work with the 'Namgis on a project to honour the train. It was noted that the 'Namgis were not supportive of a recreational site, but that further efforts would be made to talk to them about what the 'Namgis wish to do. It was noted that it seemed there was no opposition to projects associated with the Woss Heritage Park.

It was noted that the 'Namgis weren't likely to support anything outside the Woss Heritage Park until a treaty is signed. Pat provided an update on the gazebo project at the Woss Heritage Park.

Annemarie thanked Kindry for her presentation and PAG members for their questions and discussion, and then invited Jonathan Armstrong to make his presentation.

**Jonathan Armstrong, General Manager Timberlands Planning, WFP: *WFP's Harvest Profile Strategy, With Added Reference to Log Distribution Networks***

Jon noted he would invite questions during his presentation and encouraged an open conversation with PAG members.

Jon provided some background on himself, noting he now works with many professional foresters, looking after everything from operational planning to log distribution and timber pricing. He invited questions on any of these areas.

Jon noted he would run through WFP's approach to planning and how the company establishes sustainability metrics, and why WFP does this, aligning all of this with WFP's business strategy and log supply.

Jon reviewed WFP's planning approach, noting the Management Plan sets the harvest profile, reflects current management under FSP/FRPA, optimizes for long term value and aligns with operational planning.

Jon noted that, over time, the company is forced to harvest the entire forest profile and this has resulted in the company harvesting some really challenging areas.

He noted that, since most of the company's wood comes from TFL's, WFP is more likely to take a long-term view to harvesting.

There was a discussion of how WFP sources wood and it was noted that the company does trade for some wood to meet its manufacturing requirements. Jon noted that about 70% of WFP's processing supply comes from the company's forest lands.

Jon noted that WFP is working toward matching manufacturing requirements with forest profile. He noted that it was felt there was enough old growth on the coast to support the company's old growth mills for now, but that there will likely be a need for more second growth supply from elsewhere in the near future.

Jon reviewed the relationship between forest inventories, sustainable harvest level, WFP's optimized strategic plan, mill capitalization, tactical scheduling and operations.

Jon reviewed the log supply currently available throughout the company's tenures and how these various logs are distributed to processing facilities.

Jon reviewed WFP's manufacturing facilities, including six primary sawmills, a reman and VAD facility, a reman and distribution facility at Arlington and custom cutting facilities. He noted that the current production capacity of the mills is over 1.1 billion MFBM (thousand board feet) annually. He added that WFP is capable of maximizing value from the full profile of the forest, with mills that specialize in size and product mix, from narrow dimension at Ladysmith to wide dimension at Cowichan Bay, to squares and small timbers at Saltair, cedar and timbers at Chemainus, timbers at APD and larger logs of various grades at Duke Point.

Jon discussed the benefits of keeping the log lengths longer until they reach the processing facilities, to provide more flexibility and just in time responses to customers.

There was a discussion of how there is still considerable processing capacity to take more logs at WFP's facilities.

There was a discussion of pulp markets and supplying pulp mill facilities on the coast.

There was a discussion of harvesting levels and Jon noted most of the company's operations, with the exception of Englewood were currently at their AAC levels.

There was a discussion of how the export process works and the role the Timber Export Advisory Committee plays in determining whether a competitive price has been offered for the logs (surplus test) or whether they can be exported.

There was a discussion of whether the company could or would bid on BCTS sales. It was noted that this was more likely as log prices fall or with changes in government policy. Jon said that WFP has been outbid on recent timber sales.

There was a discussion of ways to deal with avoidable waste. It was noted that, as pulp log prices increase, waste utilization has improved.

There was a discussion of waste utilization on heli blocks.

It was suggested that wood prices had probably hit a peak and the 'super cycle' was now in the rearview mirror.

There was concern expressed for the U.S. housing market, a la the 2008 market crash. It was noted that a number of companies had established mills in the southeastern U.S. to meet construction needs following hurricane disasters but WFP was not among them.

Jon noted WFP sells into diverse markets and maintains a constant margin over time.

There was a discussion of what to do with a growing inventory of burned timber. It was noted that WFP is looking at opportunities to process burned timber. It was noted there are safety challenges in dealing with burned wood.

Jon reviewed the general cutting patterns for high value products and specific cutting programs for targeted customers around the world. He pointed out that accurate forecasts are required to maintain an integrated supply chain. Jon noted that WFP had done a lot to simplify products and streamline the supply chain.

Jon reviewed how TFL's are managed with the company maintaining a responsibility for the land base.

He reviewed the timber profile for all WFP's tenures, noting old growth still accounted for the biggest majority of volume. He noted the company was moving toward a transition to second growth levels consistent with a long-term plan.

There was a discussion of how LiDAR is used to obtain a better inventory of the company's timber resources. Jon noted that use of LiDAR will also help to track other values like tree growth.

Jon reviewed how the managed transition to second growth is scheduled to take place over the next 25 years. He noted that it was felt that harvesting levels were sustainable and that it was not anticipated that AAC levels would drop much if at all on WFP's tenures on the North Island.

Jon reviewed the resources that WFP maps, including non-timber values such as wildlife. He noted that LiDAR inventory values are ground-checked and have been found to be very accurate. He reviewed models demonstrating tree height, slope and tree species. It was noted that LiDAR provides very accurate information for overstory but does not yet meet the accuracy obtained by cruising of the understory.

Jon pointed to how better inventory information can guide sustainable and profitable harvesting operations.

There was a discussion of the potential use of infrared imagery. Jon noted that the company was aware of AI technology approaches that were under development for modeling.

Jon reviewed the work done with landbase blocking and roads, toward defining total harvest opportunity, in order to optimize multiple values through time, develop a strategic plan and create a draft harvest schedule that reflects the economics of the stands over time.

Jon reviewed the engineering and permitting process, from field layout and information sharing to appraisal and harvest release.

Jon showed how planning is done to ensure that permitting is in place prior to harvesting, so that operations are streamlined. It was noted that good planning was one of the best investments the company could make.

Jon reviewed the harvest profile metrics, including harvest by age class and species. He noted that the company was working toward maintaining a 'flat-line' on AAC over time.

Jon reviewed the log distribution network, including towing and barging options. He noted that, for the coast, it was a fairly simple supply chain.

Jon concluded by noting that WFP's is an integrated business with a complex supply chain. He noted that ongoing efforts were being made to improve the supply chain. Jon stressed that sustainability was core to the business strategy and that the company was in the middle of a managed transition to second growth.

It was noted that there is a lot more that can be done to enhance productivity through intensive silviculture, such as aerial fertilization.

Jon invited further questions at this point.

There was a discussion of the transition to second growth. There was a further discussion on the optimal time to harvest different species on different sites. It was noted that the company is looking at pushing more into old growth in order to allow second growth to get to a larger size prior to harvest.

Annemarie thanked Jon for his presentation. Jon thanked members of the public advisory groups for contributing their time.

## **Next Meeting**

Annemarie noted that the next regularly scheduled meeting for VINWAG was Thursday, November 22<sup>nd</sup> when the main topics would be a round table discussion of SFMP priorities, a possible presentation on fuel management and a review of the September 21<sup>st</sup> field trip; and that the next NWAC meeting was scheduled for November 8<sup>th</sup> when the main topics would be a presentation on the timber supply analysis for TFL 37, with reference to SFMP indicators such as harvest profile, a review of the 2019 operational plan and a discussion of the 2019 schedule of meetings.

Annemarie thanked everyone for participating and wished everyone a safe drive and a good night.