

**VANCOUVER ISLAND NORTH WOODLANDS ADVISORY GROUP
(VINWAG)**

**Western Forest Products Inc.
Community Advisory Group
Minutes of Meeting February 28th, 2013**

Attendance:

Jeff Houle, Small Contractors	Tom Doak-Dunelly, General Public
Jon Flintoft, WFP	Fred Robertson, Youth and Education
Dave Trebett, Tourism and Recreation	Vadim Stavrakov, Large Contractors
Janet Dorward (Local Government)	Dale Dorward, Small Business

Presenter: Kathy DesRochers, MOFLNRO

Regrets: Paula Galloway (Aquaculture Alternate), Steve Lacasse (Environment), Paul Barolet (MOFLNRO, observer), Deidre Haight (MOFLNRO, observer), Ian Roberts (Aquaculture), Patrick Donaghy (Local Government), Neil Smith (Local Government), Chrissy Chen (Observer), David Mitchell (Port McNeill Chamber of Commerce), Ione Brown (North Island Community Forest Limited Partnership), David Steele (WFP), Ray Harper (Labour), Ralph Wallas (Observer), Lisa Lenarduzzi (Small Contractor/Forestry Consultant), David Steele (WFP)

Observers: Peter Wright (WFP)

Advisors: Brian Smith (WFP Operations Manager, Port McNeill)

Chairperson and Facilitator: Annemarie Koch

Minutes taken by: Jon Flintoft and 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 Kathy DesRochers (including mandatory Criterion Five discussion item, benefits for local communities and aboriginal people), review results of the 2012 internal audit recommendations, including updated Terms of Reference, and some of the performance results in the annual report, review group membership, review results and recommendations from the 2012 participant satisfaction survey, discuss the post mortem report on harvesting at Devil's Bath and confirm the date of the next meeting. She noted that, since the November 8th meeting in 2012, a number of new representatives had agreed to join VINWAG, including Strategic Forest Management employee Lisa Lenarduzzi (small contractors/independent forestry consultants), David Mitchell (Port McNeill and District Chamber of Commerce, replacing Miles Trevor) and Ione Brown, representing the North Island Community Forest Limited Partnership. She noted that Mike Pitre was no longer with WFP and that Dave Steele was WFP's Holberg representative. She noted that Fred Robertson agreed to be the Primary rep for Youth and Education

Annemarie invited everyone to introduce themselves for the benefit of the presenter and additional WFP representatives who were attending the meeting. Jon noted that Peter Wright was attending to learn more about the certification process and Brian Smith was attending to listen generally to input from public advisory group members and to address any questions regarding the logger fundamentals training program and recent logging at Devil's Bath.

2.0 REVIEW OF LAST MEETING MINUTES AND ACTION ITEMS

Minutes of last meeting were reviewed. Annemarie noted that in future, if it was all right with members, she would assume that everyone had read their minutes and she would move directly to the action items if there were no amendments to the previous minutes suggested.

Annemarie reviewed outstanding action items 69-133 with members and the results of the discussion are summarized in the table below, along with the addition of 3 new action items and one revised action item

developed during the course of this meeting. Action items that were completed or changed were dropped from the list.

ACTION ITEMS					
#	Item	Responsibility	Initiation Date	Target Date	Completion Date
69	Ask MOFLNRO appraisal staff to provide a presentation or information on how stumpage and royalties are calculated	Jon Flintoft	October 14, 2010	Approach District Manager, or appropriate WFP representative sometime early in 2013	
106	Carry over old Indicator 38, number of new hires as a locally developed indicator and make the target a reporting out initially	Jon Flintoft	September 22, 2011	Next SFMP Update	
119	Recommend possible energy sector representatives and a speaker for VINWAG	Dale Dorward Annemarie Koch	April 26 th , 2012	Sometime in 2013	
124	Draft new target for volume of wood sold locally, for Indicator 6.3.1 that connects requests with volume	Jon Flintoft	June 14, 2012	April 11, 2013	
129	Continue to make arrangements for VINWAG speakers, as per discussions at Sept. 13 meeting	Annemarie Koch	September 13, 2012	Throughout 2013	
130	Seek a new representative for fish and wildlife interests	Jon Flintoft and Annemarie Koch	November 8, 2012	April 11, 2013	
131	Revise indicators as per recent internal audit recommendations and bring revisions back to VINWAG	Jon Flintoft	November 8, 2012	April 11, 2013	
133	Carry forward discussion of potential role of VINWAG in relation to WFP in situations like Devil's Bath	Jon Flintoft Annemarie Koch	November 8, 2012	April 11, 2013	
134	Amend Terms of Reference to reflect that observers can attend on request or by invitation	Jon Flintoft Annemarie Koch	February 28, 2013	April 11, 2013	
135	Consider adding a karst representative to the group, approach Dave Wall of Strategic Forest Management	Jon Flintoft/Dave Trebett	February 28, 2013	April 11, 2013	
136	Incorporate all recommendations from 2012 participant satisfaction survey report	Annemarie Koch	February 28, 2013	April 11, 2013	

The minutes were accepted as circulated.

Annemarie noted that Mac Willing had stepped down from VINWAG and a note of thanks had been sent to him. She asked members for their suggestions for someone to represent the fish and wildlife sector. She added that, further to a discussion at a previous meeting regarding the availability of charity

barbecue services through Marine Harvest, Ian Roberts had passed on information on the application process and invited members to check out the application process at <http://www.marineharvestcanada.com/news010213.php>

Annemarie noted that Paul Barolet had informed Jon that Darren Rowsell was now the full time appraisal officer for MOFLNRO and that Darren was unable to commit to a presentation at this time. She added that Paul was going to see if someone who adjudicates and approves appraisals might be invited to attend as well, but that scheduling might present a problem here, so he had asked her to reconfirm whether members of VINWAG still want to hear a presentation on how royalties and stumpage are established. Jon noted that, if a representative of the Ministry was unable to attend, he could ask someone from WFP to make a presentation on the matter. It was agreed to take this approach if necessary, as members of VINWAG generally agreed that they would still like to hear such a presentation, and the action item was retained.

Annemarie asked VINWAG members whether they still wished to hear a presentation on carbon credits, in that the potential for forest companies to actually benefit from this transaction in North America seemed to be less possible than it appeared two years ago. It was noted that it might be just as well to let this action item drop and perhaps revisit it at a later date.

Further to action item 127, Jon noted there were no effects of BCTS cutblocks within the DFA.

It was agreed to carry over action items 106 and 124 to allow Jon more time to work on revisions to these indicators.

Kathy noted that she would try to find someone from the Ministry to represent fish and wildlife interests and members agreed to try and source someone to represent these interests.

Annemarie drew attention to action item 133, noting that VINWAG members had suggested at the November 8th meeting that WFP consider involving them in some way in future to help prevent issues such as the ones that arose during the recent harvesting of Devil's Bath.

Annemarie drew everyone's attention to some articles on WFP in the agenda package, including one on the loggers fundamentals training program and another featuring WFP as a key industry player on the coast.

3.0 FIRST NATIONS RELATIONS PROGRAM: KATHY DESROCHERS, MOFLNRO

Kathy summarized some of the changes to the Ministry since it was integrated as the Ministry of Forests, Lands and Natural Resource Operations, including the addition of fish and wildlife responsibilities. She described the area covered by the North Island Central Coast Resource District. She described the geography, landforms and First Nations groups included within the North Island Central Coast Resource District.

Kathy referred to a map showing all the tenure holders in the district and the overlapping First Nations territories. She noted there were 21 First Nations in the district, 18 of which have been provided with forest volume and 15 with forest tenure. She noted that this level of participation in holding forest tenure was perhaps a bit higher than in other districts throughout the province.

Kathy noted that efforts were being made to involve more and more First Nations in the forest sector. Kathy reviewed the distribution of the District's annual allowable cut of 5.5 million cubic metres, including the Kingcome Timber Supply Area, various woodlots and a number of tenure types ranging from Tree Farm Licences to small scale salvage and licences to cut.

Kathy described her role with the Ministry, including supporting First Nations consultation and First Nations access to timber for cultural purposes.

Kathy reviewed the reasons for consultation, including duty of Crown to consult, and advancing the process of reconciliation.

Kathy expanded on the duty to consult, noting the threshold was very low to trigger consultation. She added that the extent of consultation required is proportionate to the strength of a claim supporting the existence of right or title. She went on to describe the duty to accommodate. She noted that the accommodation must be reasonable and responsive to concerns raised by First Nations in relation to impacts upon their aboriginal interests and proportional to the decision or activity being contemplated by the Province. She noted accommodation does not always mean money, but could be plan modifications or timing considerations, for example.

Kathy explained that the way a company might accommodate would be to, for example, protect identified cultural heritage resources.

Kathy reviewed the development of a consistent and standard approach to meeting legal obligations outlined in the *Procedures For Meeting Legal Obligations When Consulting First Nations* dated May 2010. She noted that, since 2010, all ministries were being encouraged to use this document as a guide for consulting with First Nations.

Kathy outlined the process of consulting, which is a four phase approach, starting with preparation, engagement, accommodation and finally decision and follow-up.

There was a discussion of how engagement works with overlapping claims. Kathy noted the process involved one to many engagements. She noted that the Ministry accepts the claim to territory on its face value and consults on this basis. She noted, however, that overlapping claims tend to weaken the title claim.

Kathy reviewed the role of the proponents wishing to act on the landbase. She noted that the Province can delegate procedural aspects of consultation to proponents who can better take action with modifying plans, for example and mitigating impacts to First Nations. She noted that proponents can contribute to the Province's broader objectives, eg. through partnership building. She noted there is a guide to consulting with First Nations for proponents as well.

Kathy discussed some of the things WFP does in consulting with First Nations, including carrying out archaeological surveys as required, and sharing information on operational plans, road building and so on.

Kathy went on to discuss her work with non-treaty agreements, including Forest and Range Agreements and Strategic Engagement Agreements.

Kathy reviewed the Forest Consultation and Revenue Sharing Agreements (FCRSA's), noting these were negotiated with individual First Nations, replaced Forest and Range Agreements, have a three year term, include an acknowledgment of an economic accommodation and facilitate the transition to a new revenue sharing model.

Kathy noted that First Nations wanted the agreements to be reflective of what was going on in their territory. There was a discussion of whether the capability of a First Nations to generate economic benefits was integrated in the process, namely a way for First Nations to actively participate in the process and Kathy noted that there are numerous opportunities for this to occur in the process.

Kathy summarized the First Nations in the district that had FCRSA's, including the 'Namgis.

There was a discussion of whether there is a clear definition and communication of who the beneficiaries of the agreements are. Kathy noted that the intent is to improve the socio-economic benefits of the receiving communities. She noted that there is a requirement to report these benefits so that the information is available to all members of a First Nation.

Kathy defined the Strategic Engagement Agreements, noting they are intended to establish mutually agreed upon procedures.

Kathy summarized the SEA's in the DFA, including the Nanwakolas Council.

Kathy reviewed the Reconciliation Protocols (RP's), noting they are based on respect and intended to increase economic and legal certainty for resource and land use.

Kathy reviewed the Forest Tenure Opportunity Agreements, and noted that they allow for a new area-based licence to be issued to First Nations, as well as volume-based licences.

Kathy reviewed Forest Tenure Opportunity Agreements that allow a mechanism for direct award of a forest tenure to a First Nation. She noted that these agreements may fulfill obligations of other agreements such as RP's.

Kathy noted that tenure for the agreements is sourced from Bill 28 volume and can be volume or area based tenure and is replaceable, with up to a 20-year term licence. She noted that this provides long term certainty to First Nations, eg. for financing operations.

Kathy reviewed some of WFP's involvement with these agreements. She noted the company was contributing to revenue sharing contributions through stumpage and waste payments to the Crown, assisting with the Forestry Revitalization Plan and demonstrating a willingness to negotiate and develop strong business partnerships. She commended WFP for their level of involvement with the process.

Kathy reviewed how the Ministry allows access to timber for cultural and traditional purposes, including the use of Free Use Permits. She reviewed the evaluation process for the FUP, noting, for example, that the applicant must be a First Nation and timber cannot be sold, traded or bartered.

She reviewed the ways in which cultural and traditional wood can be accessed directly through a licensee such as WFP. She noted this supports a positive relationship with First Nations.

Kathy noted that the Ministry is not aware of any unfulfilled valid requests for cultural timber and complimented WFP for their efforts in this area.

There was a discussion of the characteristics required of a mask log. It was noted that diameter and grain were taken into consideration. It was noted that cultural logs are also provided for canoe construction. Loads of firewood logs are also sometimes provided.

It was noted that the level of conflict with First Nations seemed to be less now than in previous years and suggested that the agreements and protocols might be helping with this.

4.0 REVIEW OF RESPONSES TO 2012 INTERNAL AUDIT, INCLUDING REVISED ToR & AMENDED INDICATORS AND TARGETS: JON FLINTOFT AND ANNEMARIE KOCH

Annemarie noted that Jon had made some revisions to the Terms of Reference as a result of recommendations from the internal audit and that he had highlighted these in yellow in the document that had been circulated to VINWAG members in their agenda package. Jon reviewed these changes, including provision of clarity in timelines to complete the annual report, provisions for internal and external communication, and clarification of the role of observers. It was suggested that the TOR be amended to state that observers could attend by request or by invitation.

Jon noted that the internal auditors had made comments on about 15 indicators and targets and that he was working on these and would integrate them into the SFMP and have most of them ready for discussion in the context of the review of the annual report at the April 11th meeting. He noted that, in the meantime, he would review some of the performance results from last year. For example, Jon reviewed results for forest regeneration planting efforts, including alder at 1%. Jon noted that the level of Sitka spruce planting was proposed to increase, thanks to the introduction of weevil resistant spruce seed. It was noted that there were plans to increase planting alder for purposes of selling outside the company, partly because it's faster growing. It was noted that alder is one of the few merchantable hardwoods in this area.

It was noted the alder would be planted in a cutblock which is located along Alice Lake Main this year where there would be issues around competition anyway for conifers, and that the rotation period for this alder might be about 35 years.

Jon reviewed the permanent access indicator, including roads, quarries and gravel pits.

Jon reviewed the net carbon uptake indicator, noting the DFA was still storing more carbon than it was creating, even though the company was able to get some additional burning done in 2012. Jon reviewed the formula for calculating net carbon uptake.

Jon noted that he was happy to report that the level of direct and indirect employment exceeded the target this year. He added that the number of hauling days was high this past year.

5.0 REVIEW OF MEMBERSHIP, PARTICULARLY FISH AND WILDLIFE REPRESENTATION: JON FLINTOFT, WFP AND ANNEMARIE KOCH

Annemarie reviewed the membership changes since the last meeting, including the addition of Lone Brown as a representative of the North Island Community Forest Limited Partnership, Lisa Lenarduzzi as a representative of the small contractors/forestry consulting sector and David Mitchell as a replacement for outgoing Port McNeill Chamber representative Miles Trevor. Annemarie noted that efforts were ongoing with Dale to enlist an energy sector representative and that members had already been asked to suggest a replacement for the fish and wildlife sector. She asked if there were any other sectors for which members would like to see representation. Dave recommended that a karst representative be added to the group and suggested Dave Wall of Strategic Forest Management, noting he was a caving specialist. It was agreed that the group should consider a karst representative and that Dave and Jon should approach Dave Wall of Strategic Forest Management to see if he would be interested in representing this sector.

6.0 REVIEW OF RESULTS AND RECOMMENDATIONS FROM PARTICIPANT SATISFACTION SURVEY: JON FLINTOFT AND ANNEMARIE KOCH

Annemarie reviewed the results and recommendations in the 2012 participant satisfaction survey. Members agreed to adopt all seven recommendations in the report and to select the first question in recommendation 6; *What is the key accomplishment that has been achieved through the group since the last review?*

7.0 DISCUSSION OF POST MORTEM REPORT ON HARVESTING AT DEVIL'S BATH: JON FLINTOFT, WFP

Jon noted that WFP had engaged karst specialist Tim Stokes to prepare a post-harvest assessment on the block and he reviewed some of the findings from Tim's draft report. He noted that Tim recommended a section of fill slope on the mainline be assessed by someone with expertise to determine if any post harvesting work needed to be completed. He added that Tim recommended that someone with appropriate expertise look at ways of dispersing drainage flows to limit materials running from the road surface into the Bath, eg. using cross drains. Jon confirmed that WFP would be getting a specialist to look at how to do this.

Jon noted that Tim had recommended that additional grass seeding be done to help minimize erosion of materials and that WFP would follow up on this. Jon noted that Tim had found very little compacted soil or scalped soil. Tim noted that, in some cases, the logging slash would help to slow soil movement and help to protect karst features. Jon added that WFP was doing some clean-up, removing slash to improve some of the aesthetics, but still balancing this with protection of the karst features.

Jon pointed out that Tim had found a sink point and some other karst features in the block. He also observed some bedrock openings and cavities. Jon stated that Tim noted some epikarst in the block but not a lot. Tim noted that the surface karst rating was low in the harvested block. He noted the overall karst vulnerability for the block was relatively low, but that vulnerability increased to moderate in closer

proximity to the Bath. Jon reviewed the best practices approach for harvesting around the Bath, which is a significant karst feature, is to allow two tree lengths as a buffer from the established rim of the feature.

Jon noted the mainline has been in use for a long time and that there have been many activities in the vicinity of Devil's Bath and pointed out that management is complicated by this long term use of and access to the area.

Jon reviewed some of the other recommendations from Tim to stop material from getting into the Bath. He noted that this had to be balanced against other concerns, including safety. Tim noted he needs to determine the exact location of the Bath Cave. It was noted that it was critical to get some clarity on this, as well as whether there is fish habitat associated with the feature. It was agreed that more information on this would be forthcoming. Tim asked that there be further confirmation of whether there are hydrological connections between a heli-logged block in the vicinity of the Bath. Jon noted that weather and Tim's return to teaching at Vancouver Island University were slowing the finalization of the report.

Jon noted that the situation had been discussed thoroughly by WFP representatives in a debriefing, and there had been considerable review of karst and management options and issues in relation to the Bath and karst sites where harvesting might be carried out.

Tom asked whether WFP might consider establishing a reserve at Devil's Bath and, if so, what it might look like. He suggested that establishment of a reserve might make management decisions more clear in future. Jon and Brian noted that, because of the location of the existing mainline, there were parts of the site that could not be protected a lot more than they are now, and that management options were more difficult because of the presence of this long standing primary access road. Brian noted that the matter had received considerable attention and that there was a commitment from the company to better manage karst and public recreation values in future.

Brian noted that the object was to learn something from the post-harvest report that was being done. He agreed that it was important to know where the Bath Cave was in relation to the road and to implement management approaches now and in future that acknowledge karst and recreational values.

Tom suggested that a discussion with VINWAG about harvest blocks like Devil's Bath, where there were significant features such as karst and public recreation might be of benefit to WFP in future and he asked whether the company would consider ways of involving VINWAG for this purpose. He noted that he did not have any specific mechanism for doing this, but suggested that some form of engagement with the public advisory group might prove useful in future to help avoid what happened at Devil's Bath. Tom noted that this approach would be very consistent with the principles of continuous improvement practices in the CSA certification process.

It was agreed to carry this discussion forward to the April 11th meeting.

8.0 NEXT MEETING:

It was agreed that the next meeting would take place on Thursday, April 11, as per the proposed schedule of meetings confirmed by the membership. Annemarie noted that while Neil Smith had tentatively agreed to make a presentation on the Regional District's recently released forest policy at the April 11th meeting, arrangements were being made for newly appointed CSA Technical Advisory Committee member and chair of the Stillwater public advisory group Jane Cameron to come and meet with the group to talk about future directions for SFM. She added that Jeff Long had tentatively agreed to make a presentation on local government issues related to the sale of private lands that were formerly in TFL 6 at the June 27th VINWAG meeting.

Annemarie and Jon thanked everyone for coming.

When:	APRIL 11, 2013
Dinner:	6:30 p.m.
Meeting:	7:00 p.m.