

# General Manager's Report 2017

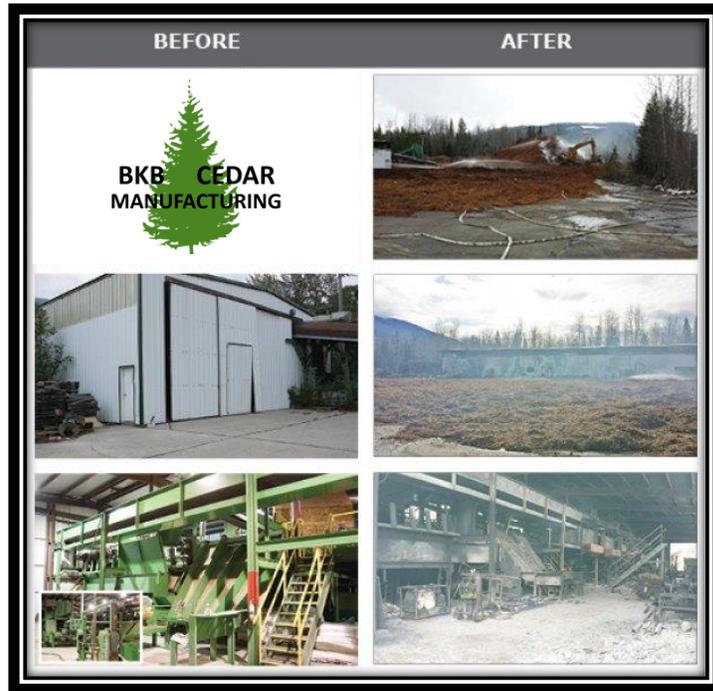
September 21, 2018



## Introduction

This is my first annual report since I became manager of the McBride Community Forest Corporation (MCFC) in the fall of 2017.

2017 was another year of transition with MCFC adapting to a new General Manager, administrative staff and many operational concerns. In the early part of 2017 fire destroyed the actual BKB Cedar Mill, creating fibre and employment issues. Further, the 2016/17 winter harvesting activities were held up pending the issuance of the renewal of the Cutting Permit that was inadvertently allowed to lapse in the fall of 2016 under the interim management. With this expired Permit, it left uncertainties and the inability to continue with work and future plans. In the latter part of the 2017 and early 2018 the MCFC also dealt with the loss of a highly regarded, knowledgeable and essential staff member. As the new GM in the last quarter of 2017, we needed to be expeditious in recognizing and reorganizing many of the previous core business practices of the corporation to have positive continuous success for the remainder of the year into 2018. These practices included but was not limited to balancing the Annual Allowable (AAC) Overcut to achieve a reduction in its overall forecasted volume by the end of its term in 2019. Seeking profitable markets for our fibre and ensuring that a profit was made in each of these markets. Reviewing operating costs to accomplish reductions in the overall expenditures; at the same constantly attempting to ensure the sale of raw logs and maintain a log supply to the local Post and Rail and Specialty Sawing Mills.



All of this was accomplished under the direction and governance of the board of directors and the General Manager, while once again managing new board members and others withdrawing.

In the final months of 2017 & continuing into 2018 there has been a constant resolve in the progression of MCFC with the outstanding support, encouragement and cohesiveness of the Board. This report summarizes the key activities of the MCFC team, the General Manager, Board and Partnership Groups for 2017 and to date in 2018.





**Under the direction of the new GM, the MCFC has resolved issues in regards to enforcement and their determinations, administrative routines, vastly broadened its' resource contacts and gained an active and positive partnership with the Forestry and other government agencies.**

**Harvesting, Roads and Log Sales**

In 2017, despite the previous managements' oversight on the renewal of the Cutting Permit No. 1, road building and other programs being behind; the MCFC still managed to harvested 41,455 cubic meters in 2017<sup>1</sup>. In early 2017 the request for an exemption of Grade 04 in the amount of 5,370 cubic meters, (Cedar volume harvested in 2016 to supply local post and rail mills), was denied by the Ministry of Forests, Lands and Natural Resources. However, with discussion we provided a strategy that justifies the continued use of the exemption which in turn will confirm the long-term benefit to the MCFC, the Village of McBride shareholder and the Robson Valley. Further to this, the undertaking of a re-inventory, including a timber supply analysis was initiated which would develop an updated and accurate allowable annual cut level. With this, approval was granted for the 2016 Grade 04 exemption. Therefore, reducing the harvested volume in 2016 by that same Grade 04 volume, making the net harvest attributable to the 5 year Annual Allowable Cut (AAC) being approximately 29,000 cubic meters. In 2018 we should see the same reduction applied to the 2017 harvested volume, making it approximately 34,900 m3. These are both very similar to the AAC for the 2015 to 2019 Cut Control term. By the end of the 2019 Cut Control period we will have managed to bring down the overcut situation to approximately a 3.85% overage (9,619 m3).

The harvesting in 2017 was completed under logging contracts with local contractors. The remainder of the volume was logged under market log agreements to fulfill existing and multi-year contracts.

Of the Whitewood saw logs produced, much of the volume went to Carrier Lumber. Cedar saw logs went to Gilbert Smith Forest Products (GSFP) and local manufacturing facilities. All Grade04 Cedar was supplied to local post and rail facilities. Small volumes of logs of different sorts also went to local manufacturing facilities. The Hemlock went locally to Gibbs Custom Sawing, with older and poor quality Hemlock being sent to Woodco Industries in Salmon Arm and Western Interior Fibre Inc in Prince George. Some Aspen and Pine were delivered to Norbord Inc. in 100 Mile House.



In 2017 the majority of road building was within the harvesting cutblocks and built for winter use. No bridges or major culverts were constructed.

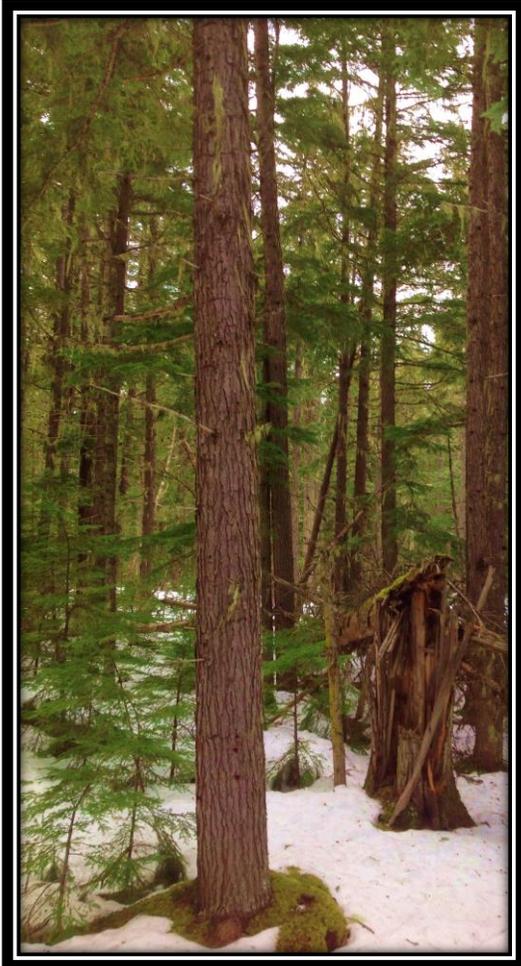
**Update 2018:** Bridge Inspections were completed in July 2018 on most structures. The East Twin, MacIntosh and Snowshoe will have subsequent works completed as recommended. Further, in the May and June of 2018 many

culverts were installed for access to the blocks for the 2018 Spring and Summer Planting and brushing programs as well for future harvesting and/or other Silviculture obligations.



<sup>1</sup> Including waste (approx. 4,608 m3) and Grade 04 (approx. 6,555m3).

**2018 Update:** To the end of August 2018, MCFC harvested 20,154 cubic meters, which was under the target of 25,167 cubic meters, and 3,385 cubic meters of that was the Grade04 Cedar. MCFC is eligible to apply for an AAC exemption for this volume in 2019. Most of the volume was cut in the first quarter of 2018 and was from Bell Mountain, MacIntosh Creek, Dore/Lucille and Crescent Spur areas. Some Road Construction was completed this summer for the start of fall and winter logging.



In 2018 about three quarters of the harvest was completed under logging contracts which were awarded to local contractors through a selective prequalified tendering process. We continue to use the same facilities for log sales, as well as Dunkley and Canfor in 2018.



In winter 2017 MCFC had previously constructed and established a road to access the blocks in the MacIntosh Creek, Belle and Crescent Spur areas. No bridges were constructed, however plans for a new bridge at the Snowshoe and Belle to MacIntosh crossroad are planned for install in the Fall and Winter of 2018/2019.

We are now including more permanent culverts, rather than natural log culverts, which will allow for more efficient maintenance of block accesses for future Silviculture and Recreation activities.



### **Silviculture (including waste disposal)**

111,200 spruce seedlings were planted in late spring 2017 on about 83 hectares.

We unfortunately still remain in a position with slash piles within our blocks that require disposal (by burning or utilization) for hazard abatement and/or reforestation. In 2016 a Request for Proposals was advertised for removal and utilization of piled waste in Block 28 but did not result in a viable project. Throughout 2017 ideas and plans have been brought forward to reduce this abatement issue. Currently in 2018 we have confirmed utilization of a portion of the piles by Pacific BioEnergy, we are hopeful this type of utilization will remain throughout the life of the Community Forest. Utilization by Pellet Plants and other Specialized Forest Products facilities will help reduce the abatement issue.



**2018 Update:** About 177,000 spruce, 30,000 fir, and 96,400 cedar seedlings were planted in the Spring and Summer of 2018, totalling 303,400 seedlings on about 189 hectares. These seedlings will diversify our reforestation species and develop more valuable managed stands. The planting contractor, seedling hauling and storage and seeds were all local contractors. Our planting contractor continues to provide the Community Forest with over a decade of productive and successful plantations. Walk-through assessments were completed on previously planted blocks and areas that were logged under the small market program. Although competing very well, most areas require brushing, along with deciduous spacing. Local contractors were utilized for both machinery and manual/hand brushing. Most of the older harvested areas required their roads to be significantly brushed for hand crews to even access the blocks for manual brushing.

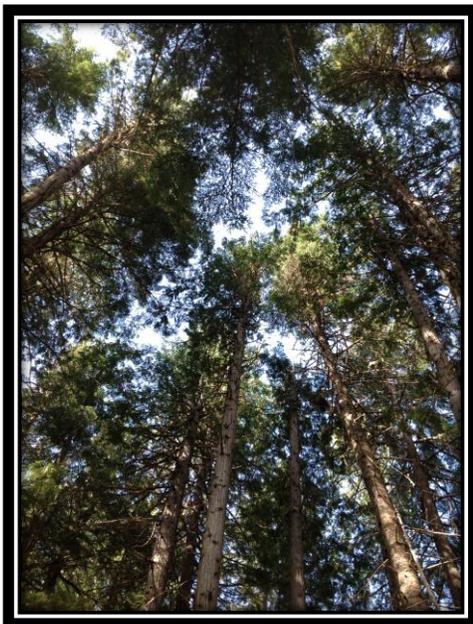


Due to the continued interest in bioenergy fibre supply, MCFC is currently working on agreements for utilization of the piles, specifically in Block 28. We continue to work with Pacific BioEnergy and Robson Valley Energy Centre (in the process of signing a letter of understanding with Toyota) on proposals for large scale utilization of waste piles in the community forest.



### Safety

No accidents, close-calls or safety incidents were reported to MCFC during 2017.



**2018 Update:** No accidents, close-calls or safety incidents were reported to date in 2018. All logging contractors hired by MCFC are certified under the BC Forestry Safety Council, have current and good standing WCB and provide the required Liability Insurance with the Forest Fire Fighting Expense Endorsement.

During the Fire Season, contractors and MCFC monitored the Fire Hazard Rating to ensure early shift changes were implemented. As well, all contractors have the required equipment to address fire on their block.

Prior to the start of the 2018 planting, MCFC contracted a danger tree assessor and faller to minimize any danger to the planters from overhead hazards.



## Planning

The initial Forest Stewardship Plan (FSP) for the McBride Community Forest expired several years ago. A new FSP was completed in the fall of 2016 and was approved in early 2017.

As of the beginning of 2016, MCFC had a very limited inventory of planned cut blocks available for harvest. As a result, a major initiative in 2016 was to invest in developing a standing timber inventory (STI) to cover expected harvesting in 2017 and beyond. About \$40,000 was invested to fully plan about 44,000 cubic meters and partially plan another 36,000 cubic meters. In 2017 STI planning took place. MCFC now has an STI covering 1 to 2 years of harvesting and thus has the flexibility to develop annual harvest plans to meet objectives for AAC, forest values, local wood supply and financial performance. This investment in STI also allows MCFC to more effectively communicate our plans and incorporate feedback from the public and stakeholders into these plans. In April 2017 MCFC started a proposal for Inventory and Timber Supply, out sourcing information and costs on updated aerial photos and interpretation. A proposal was completed thru the Rural Dividend Fund titled “Vegetation Resource Inventory” for funding to complete this project. In June government, had not yet acted on the intaking of these grants, pushing the window for the completion of aerial photos (the first step in completing a new inventory). As this was a necessity in establishing sustainability and the future plans of MCFC, the Board took the initiative to commence on the project allocating \$38,000 on these photos. Finally, in December of 2017 applications were accepted for review, and in March of 2018 our grant was approved for \$100,000.



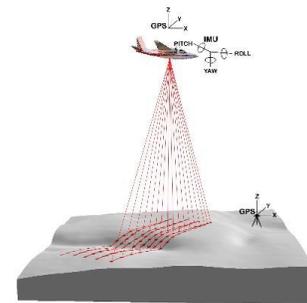
**2018 Update:** Flights for the Inventory projects were completed in 2017. Starting in 2018 the data interpretation began, with it bringing new technology “LiDAR”.



LiDAR – which means Light Detection and Ranging is a remote sensing method that uses light in the form a pulsed laser to measure ranges (variable distances) to the Earth. It is accurate within 4 inches or 20 centimeters, more accurate than that of human’s

measurements. It will allow the categorization of multi layers of tree heights and species. The end result of this Vegetation Resource Inventory project will provide us with the data needed to complete a Timber Supply Analysis in turn allowing us to plan for the future success of the McBride Community Forest Corporation and Partnership Groups.

Extensive field work has been completed this year. Developing new areas, as well as looking at existing blocks to meet the log market needs.



## Compliance and Enforcement

There were no compliance and enforcement violations in 2017.



**2018 Update:** To date MCFC has no compliance and enforcement incidents. The C&E investigation of the harvesting that occurred within a Riparian Reserve Zone of a default classified S3 stream adjacent to Block 28 in 2015, as come to a final determination. On August 13, 2018, after more field studies by both MFLNR and MCFC a determination was made in the amount of \$6,376.20, concluding also that there was no deliberate attempt or intent to harvest from a non-timber resource.

## Recreation and Community Support

In 2017 the MCFC made the following contributions to the community:



- Maintenance of the Lasalle Lake, Beaver and Halfway Lookout Recreation Sites
- Plowing of the Belle Mountain Road to the parking lot – access for the Ski and Snowmobile Clubs
- Robson Valley Chapter of the Back Country Horsemen of BC – Funding Letter of Support, Trails and Poker Run Donation
- Robson Valley Mountain Bike Assc. – Funding Letter of Support, use Teare Mountain for Trail Sites
- Fraser Headwaters Alliance – Funding Letter of Support
- McBride Mustang Basketball Teams - \$500.00 and Firewood
- McBride Elks Pioneer Days
- McBride Secondary - \$1,000.00 Scholarship, Yearbook
- Regional District Fraser-Fort George - Arena Boards
- McBride Figure Skating Club - Carnival
- McBride Curling Club – Rink Boards
- Robson Valley Sports Club – Insurance



**2018 Update:** MCFC has continued the plowing of the Belle Mountain Road and maintaining the Recreation Sites. However, this year the Recreation Site Maintenance services were awarded to a local contractor through the selective prequalified tendering process. This Contractor has provided explementary works bringing the sites back up to an amazing standard. This contract was for the mowing, garbage collection and the cleaning of the outhouses, however with the skills and abilities of this contractor we have been able to complete repairs and brushing. Our other contributions have and will remained the same in 2018. We did include the 2018 February Family Fun Day and Logger’s Spiel. And more recent, a partnership with the new branding of the Robson Valley Community Services.



## MCFC Business Practices

In 2017 MCFC continued to maintain the new website from 2016, it is used to regularly communicate with the public. Providing advertising, updates and pictures of current projects, minutes and upcoming events.

In addition, MCFC maintained the following years changes, with respect to Liability and Forest Fire Fighting Insurance as well as insurance for the Volunteer Board members.



In 2017 a prequalification list was established for a select tendering process. This will be advertised in the fall of the year for updated information from existing contractors as well as adding new local contractors to the list. We are committed to hiring local qualified contractors first.

Monthly Board Meetings are held to review progress and collaborate on ideas and direction.

**2018 Update:** MCFC continues to review its business practices to ensure efficient cost reducing ways to do business.

This concludes the 2017 General Manager Annual Report.

Respectfully Submitted,

Eugene (Gene) Runtz, RPF  
General Manager  
McBride Community Forest Corporation