



## Management Team Report – November / December 2018

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### Forest License Events

#### WOODLANDS

##### Timber Development

The CP 37 Timber Sale closes on December 14<sup>th</sup>. Species composition is: Hemlock 42% Spruce 14% Cedar 13% Douglas-fir 10% other 21%. The log market has lost steam during the past months with Fir and Larch hovering near \$110/m<sup>3</sup>, but Hemlock has dropped back into the \$60/m<sup>3</sup> zone. A review of our bids will prompt an evaluation of our current STI (Standing Timber Inventory) position and options to approach 2019 harvesting. We also have 2019 plans to design and implement a small Fire Interface block in the Shutty Bench wildland urban interface area. This block will feature a harvesting component to achieve crown separation and serve as a model to continue dialog with the community. We are looking forward to tackling our new business plan in the new year and feel that we have entered a time in our CF tenure where we need to frankly reassess conventional standards.

##### Fall Community Forest Gathering

On December 3<sup>rd</sup> the “Southern Six” (K by manager Daniel Gratton aslo, Creston, Nakusp, SiFCO, Harrop-Procter, Midway) Community Forest Managers followed an invitation to Creston for a late fall gathering. It was a great opportunity to connect with the other CF Managers and discuss issues and solutions to problems we are facing in common. Topics of discussion included First Nations, Old Growth Management Areas, Wildfire Interface work, loggers and annual allowable cuts, which was followed by a field tour of their active fuel management / harvesting project. This project lies on the outskirts of Creston directly adjacent to private land and contains a highly frequented walking trail. Daniel described the initial opposition to the project in the neighborhood, which turned to support after the community was able to observe the outcome. Daniel prescribed a removal of 50% of the standing stems to achieve crown separation of about 10m distance, while chipping or burning the fuel loading on the forest floor. The healthy stand is comprised of mostly Douglas fir with a very minor component of Larch, Cedar and Pine. Treatment modes vary with more chipping and higher degrees of forest floor fuel reduction adjacent to private land, and more excavator piling and burning while allowing for large dimension coarse woody debris on the forest floor further away from residencies. The result is a park-like forest with a highly visual appeal that is fire resistant.

Creston has contracted a small but highly motivated 3 person logging operation and is providing their contractor with a shared opportunity to test and learn from an unconventional investment in innovative harvesting equipment. The small Quebec-made and tracked forwarder is agile and versatile with a power clam boom. Its track imprint on the forest floor is gentle, it can climb very steep slopes and replacement parts are readily shipped and surprisingly affordable. Due to its small size it is limited by larger dimension logs and log weights, which necessitates processing to shorter log lengths and hauling with a less available short bunk logging truck. The choice of equipment requires hand falling, which is a cost factor but also an employment benefit. The chipper used is also a tracked machine that can be operated by remote control. We noted very little damage to the retained forest. On the other hand, workers who like the hard physical work required to gather forest floor debris and hand feed the chipper are a rare find, and the time investment makes the treatment a break-even operation at best. Exciting as the trial was to observe, its use in the Kaslo CF is limited due to the high percentage of steep and rocky terrain that dictates a cable harvesting system.

#### SOCIETY

##### Networking with our Community

Andy Shadrack is helping to organize a Christmas dinner for the less fortunate in Kaslo at the Legion on December 19<sup>th</sup> and reached out to us for assistance. The KDCFS will be donating a delivered cord of firewood from our 2019 harvesting to raffle as a fundraiser towards the costs of hosting the dinner.



## Winter in the Forest Festival

We are currently advertising for a person or group to organize our 2019 Winter in the Forest Festival. The event will take place at the Kaslo airport on February 18, 2019. The EOI request will close on December 21.

### Internal Organization

Our contract/part-time bookkeeper Carol Brown has decided to leave our organization at year end to pursue other endeavors. We have much appreciated her depth of experience in all matters of bookkeeping and her motivation and stamina to devise our project costing during a very busy first year. Carol will be training her successor, Heather Hamilton this month to take on our bookkeeping position. We much regret losing Carol and wish her all the Best but also welcome Heather whom we look forward working with.

### SILVICULTURE

We have undertaken a comprehensive review of our historic silviculture and financial data to assess the accumulated future silviculture liability assumed after harvesting. As a forest tenure license holder we are granted the right to cut timber, but also are required by law to establish a thriving young forest in compliance with approved stocking standards and within a given time frame. Currently we tend 45 cutblocks with a total net area of 554 hectares. The money required for the tending of these blocks is set aside in a reserve account at the time of harvest. On average our cutblocks require 14 years of managing the newly planted trees. The accrual rate to do so was initially set at \$7 per cubic meter (m<sup>3</sup>) harvested in the year 2000. The rate was maintained until the end of 2009 after which it was collected at a reduced rate until 2012. During this 3 year period insufficient funds were set aside, which created a future silviculture liability that required borrowing funds from newer blocks logged post 2012 for silviculture tending. The \$7/m<sup>3</sup> accrual rate was resumed and has been maintained to the current day but we have set in motion a drain on current funds for 'backlog' cutblocks ever since. We questioned the precision of the rate in relation to current economics:

- it has been set in the year 2000 and has not been adjusted for inflation in 18 years. During this time our silviculture budget has increased to accommodate for rising seedling nursery prices and worker wages.
- we are unable to regain balance in the Silviculture reserve account with current accrual deposits and are additionally burdened by setbacks in seedling survival due to difficult recent climatic conditions.
- The recent string of large wildfires in the province have driven up the demand for seedlings and silviculture workers, which is causing a spike in worker wages and a bottleneck /expansion need for nurseries.

We tested our proposition with our data review and arrived at a current silviculture funding requirement of \$3295 per hectare tended. Historic harvesting records in the provincial Harvest Billing System (HBS) for our tenure indicate an average log volume of 420m<sup>3</sup>/ha. This translates to \$7.84/m<sup>3</sup> accrual needed to meet the current silviculture budget. The setting of the accrual rate is regulated by our Silviculture Policy. Reserve policies and market strategies will receive deeper consideration during our upcoming Business Plan project in the late Spring of 2019. For the interim, management would like to proceed with an \$8/m<sup>3</sup> accrual rate, to present the Annual Budget to the Board for deliberation in January 2019.

### Management Team Recommendations

1. that the Finance CTE set a meeting date to
  - a) deliberate raising the Silviculture Reserve accrual rate to \$8/m<sup>3</sup> for our 2019 Annual Budget.
  - b) review and recommend the Draft Annual 2019 Budget for the January 16 Board meeting presentation.
2. that the WIFF planning committee:
  - Option 1 (as proposed by Director Clapp):  
Create a Christmas Task Force to select a group with appropriate capacity. Select a GROUP to avoid the additional problems created by the combination of late selection, event grant deadlines, etc. Selecting based on EOI. Write Terms of Reference for selected entrant.