



Management Team Report – January / February 2019

WOODLANDS

Timber Development

Timber development in the Cooper Face (CP 41) area is mostly complete with a small amount of work remaining needing snow free conditions. This CP is 5 blocks totaling 45ha with approximately 17,000m³. Species composition is 44% Spruce, 26% Fir/Larch, 24% Hemlock, and 6% Cedar. The Spruce and Fir have a high peeler component which helps the economics of harvesting in this area.

During development a large eagle nest was found near one of our proposed roads. The nest is inactive but even inactive Bald Eagle nests are protected by the Wildlife Act which means we will have to talk to a biologist to come up with a management recommendation for operating near this nest. Harvesting and road building by Sunshine Logging is planned for summer 2019.

Bjerkness Diversion Remediation:

Brenton Industries moved equipment onsite on February 12 and commenced works on the diversion and Bjerkness mainline. Timing unfortunately coincided with the beginning of low temperatures and snow, which added a degree of difficulty, however reduced water flow in the diversion was of benefit. The original work plan estimated project completion by February 15, but required an extension to February 21, including an increase in budget.

Judging by surrounding geology we had anticipated to find a generous supply of boulders in the excavation to armor the sides of the channel, but fell short. Irma Aldinger has graciously supplied needed rock from her adjacent quarry free of charge. In addition, a culvert needed to be installed to control underground seepage. Turbidity to the Mirror Lake dam was minimized through the use of straw sediment traps. The BJ basin is a popular backcountry ski destination which will be inaccessible until works are completed. We have sent progress reports to the Mirror Lake Water Board and interested water users and have received no feedback.

SOCIETY

- Preparations for the AGM are ongoing.
- Our year-end financials are submitted with Lehmann-Thornton accountants in Nelson. KDCFS Treasurer, 2018 bookkeeper and KDCFS manager met with Stefan Lehmann and Associate on February 5.
- Landscape Level Wildfire Protection Plan: ongoing data gathering and community consultation.
- Recent changes to forest product markets, social culture and environment have left logging contractors struggling to find young recruitment and have caused a shortage in accessible companies to meet seasonal business and market timelines. Advertisements to solicit expressions of interest from forestry contractors available to work with the KDCFS were run in Pennywise and Valley Voice papers during January and February. The response rate was low, which supported a need for revision to our contracting policy.
- Operating Reserve Policy: Management provided a documented rationale demonstrating justification of two year cash flow, including shutdown scenarios, and projected new operating needs which indicates requirements for a \$1,000,000 operating reserve. Review and revision of KDCFS financial and investment policies are ongoing, which will be a necessary foundation for our Business Plan.
- Account management: we have reviewed our KSCU bank accounts with the Treasurer and Finance CTE and are currently evaluating investment options.



- Winter in the Forest Festival was another very successful Family Day event that once again highlighted the strong volunteer spirit residing in Kaslo. Our hats are off to our organizers, the Kaslo Housing Society who orchestrated everything skillfully, right down to the biodegradable cutlery.

Management Team Recommendations

1. to adopt Draft Contracting Policy as presented
2. to adopt Draft Operations Policy as presented
3. to draft a letter of commendation to the Kaslo Housing Society