

AGM 2021 Managers Review of 2020

We are back on regular AGM schedule now, and some of these events may overlap with 2020 AGM which was delayed into September of that year. Let's look at what we were up to in 2020 and the events leading into it.

2018-2020 we established a presence in the various BCWS grant channels. We went through some mediocre log markets in 2019 and 2020 and worked hard on accumulating STI so we could have operational elbow room in the changing log markets. It is difficult for a small licensee on a limited cut to keep a logger going year round, and therefore most are committed to larger licensees offering year round employment. So, when you need one, you haven't got one. Unless the markets are poor and no-one else is logging.

We started 2020 by finalizing our Landscape Level Wildfire Plan, a 1.5 year project inventorying fire access, water sources and wildfire risk throughout our license, which culminated in a 5 year wildfire risk reduction strategy now guiding implementation work and grant requests for high risk areas. We reached out to establish, and fortify existing, relationships with stakeholders and agencies, which opened important channels of support.

Sunshine Logging completed the new road extension into our Kaslo-Shutty Wildfire corridor and finished off CP41 on Cooper Face. A portion of our 105,000 seedlings we planted in 2020 immediately went into half of this permit. And we will plant the other half this year.

The unexpected burden of public health orders increased contractor rates by 10% overnight.

All in all we were awarded \$ 530,000 in wildfire grants in 2020. Due to the BCWS/MOF learning curve in grant deliveries we as every other licensee were delayed into August before the money hit the ground, lost implementation time and were not able to use all funding. Even though we made major strides towards the installment of that wildfire corridor as well as the FES funded Schroeder Creek wildfire project which kept our contractor working through the whole winter. After Schroeder still have some money left going forward this year and Jeff will expand on this.

We maintained strong community consultations and field tours during the installment of the wildfire risk reduction work. Many of the treatment units are situated on recreation trails and sections necessitated closure for most of the summer and fall. Historically the relationship between the recreation and forestry stakeholders has been a strained one and this project required a pivotal effort to change it for the better. We knew we had everything in place for an excellent outcome and would show off a new operational face to strengthen the trust from the community.

A most important key to success was our upfront and vocal insistence with the Min of Forests that Community Forests by principle of establishment, operate under special responsibilities to manage and further the social, economic health and physical well-being of their rural communities. And this meant that we needed to hire a local workforce. A

contractor who has the necessary skills, is a neighbour, a recreation trail user and builder who knows the land and respects the stakes involved, who can communicate effectively through his established network of friends and community connections and importantly who is trusted across wide social clusters.

Shane McKinnon / Timber Ridge Contracting fit that bill and also gave us an opportunity to support local recruitment in the logging business. Shane and Connor have done an outstanding job, and maybe too good, since we now have to fend off a constant stream of competitors. Some gazetted and ungazetted recreation trail sections were damaged during operations and are being restored to use.

Historic harvesting practices target profitable species in easily accessible places, such as Fdi, Lw, Se which has created an uneconomically balanced timber profile in our tenure. We are now rich in lower value species in also hard to reach places. Even mixed timber types containing a higher % lower value species, such as Hw and BI have poor economic viability because the higher value species component offsets the losses. The low profit margin is amplified by an already small but rapidly dwindling pool of steep landscape cable loggers, who are, as of late, getting squeezed out of the market and also lack a skilled labour force. The remaining cable loggers are dedicated to larger licensees who can maintain year-round employment. This bottleneck creates a heavy strain on our operational flexibility as well on our conventionally accessible landscapes. We started an internal timber supply review in 2020 based on a total chance mapping concept, to help us project a balanced route through what we suspect is a looming timber supply gap. The extend of this fall-down will be driven by the profitability of these lower value species, and could lie between 20-30 years.

In summary, 2020 highlights from a woodlands perspective were

- 2 major wildfire risk reduction projects built on a LLWP with a 5 year planning horizon. Added benefits came from the opportunity to restore several stagnant problem forest types within the tenure to now diverse and productive forest types.
- Strengthened and improved stakeholder and community relationships, which plays a large role in achieving success.
- Increased actionable STI to a level of comfortable flexibility in unstable markets, which also enabled a mutually beneficial, multi-year skills investment in local and future harvesting resources
- Promoted local firewood availability and worked to expand opportunities
- A website upgrade is underway.
- We are happy to see that our members are taking advantage of the new 5 yr memberships
- Thank the Board for extending our management contract. It takes several years of heavy pushing to put projects into motion. We are now rolling and are delighted to put effort into expansion.
- Wildfire Risk Reduction: Harv 70 ha = 11,870m³
- Silviculture Accrual \$ 94,960

Looking Forward into 2021

- Economic merchantable timber on our license is dwindling and a mid-term timber supply gap is looming, especially for non-hemlock/balsam. We are undertaking an internal timber supply review with a 20 year horizon to identify available mature timber by harvest method and species economics (hem-bal) vs higher value species. We are working towards a report deadline in the 3rd quarter of 2021.
- 2020 log markets started off miserable before sky rocketing to record prices over the last half of the year and into 2021. We have stepped up a modest 2021 harvest schedule adopted in December to capitalize on these markets and are pushing for a potential AAC overcut this year to even out the lower 2020 cut in weaker markets. KDCFS is currently in the 4th year of its cut control with an approximate 20,000m³ undercut (out of 75,000m³) at the start of 2021.
- Harvesting plans for this year include multiple CPs. Timber Ridge is just wrapping up the remainder of CP 43,
- Next we will be moving to CP 42 which is in the Milford/Branch 3 area. Block 7, which was a FES funded project, was started in early December and completed over the winter. Blocks 1, 2 and 3 will be harvested next with community consultation ongoing for block 4. These blocks all have a high component of hemlock.
- CP 44 has four blocks, one of which is scheduled for harvest this year with species profile H7C2F1. Access to this permit will be via a 3km Nashton Rd extension which will be constructed by Colin Jacobs once the snow melts. Even though only one block will be harvested the road will be constructed into the other blocks to provide roaded STI for future harvest opportunities
- CP 48 is a large cable block up Cooper Face that we are actively seeking a cable contractor to harvest. This block has a high hemlock component and to make this cable block economically feasible it has to be harvested in a hot log market like we currently in. We also need to bring cable wood into our harvesting to ease pressure on conventional ground.
- Plans are in the works to extend the Branch 7 road from the current Kaslo-Shutty wildfire corridor by 2.5km up towards the ridge to add a higher landscape fuel reduction break. Construction on the first 1km is expected to take place this year.
- We are re-establishing access into the northern Lost Ledge plateau. The Lost Ledge area has been the target of extensive wildfires in the past, and with immature timber resources nearing commercial age, it is time to protect this important and significant inventory. Re-activating the Lost Ledge road system will provide opportunities for timber harvesting, wildfire risk reduction and intensive silviculture in the old burns Brenton Industries will be working on the Lost Ledge road this summer, brushing the road up to and across Lost Ledge Creek to enable access for development work. As long as timing works out with bridge design and construction the bridge across Lost Ledge Creek will also be re-installed this year too. The road will not be upgraded to hauling standards until wood starts moving out of this area.
- 2021 marks the first year \$5 M provincial wildfire risk reduction funding is directed through the BCCFA directly to Community Forests. A shout-out to the BCCFA and individual CFs who have heavily lobbied the government through 2020 to give us the credit we deserve for our key stewardship roles in wildfire education and implementation of fuel management projects, as

well as local employment. We received \$260,505 through this BCCFA funding stream in 2021, which brings us up to directing \$750,000 into the Community. Over 75% of this funding will go directly towards wildfire risk mitigation surrounding the Bucky recreation cabin. The rest goes towards block layout and FMP work around the Kaslo reservoir and on Cooper Face, leading into 2022 and later projects.

- As a step-up project we are currently applying for a grant in the CBT/CRI stream to train 3 to 4 individuals residing in Kaslo & Area D with skills and certificates applicable to the manual forest worker environment. This funding is geared towards local employment, Covid relief and wildfire implementation /education. If successful, training will target basic wildfire suppression and risk reduction work to operational forestry skills, including safe chainsaw use. Following training the crew will be employed in the already funded Bucky wildfire risk reduction project until winter and hopefully will add to our local trained labour resource for subsequent wildfire and operational projects. The crew will be supervised and partially trained by local contractor Timber Falls Forest Services (Craig Barschel). Funding is also sought to provide signage in the treated Bucky recreation area for public education.
- Timber development in 2021 will be occur across our license and timber profiles to build up our STI
- We are congratulating KORTS for their ambitious and successful single track MTB installment in the 7 Mile Recreation tenure this year.