

**Cheakamus Community Forest Board of Directors Meeting
December 12, 2012 10:00 – 2:00 p.m.
Ullus Community Complex, Lil'wat Nation, Mount Currie**

Attendance:

Kerry Mehaffey, Lil'wat Nation
Chief Lucinda Phillips, Lil'wat Nation
Klay Tindall, Forest Operations Manager, Lil'wat Forestry Ventures
Jeff Fisher, Squamish Nation
Peter Ackhurst, RMOW
Nancy Wilhelm-Morden, RMOW
Heather Beresford, RMOW
Tom Cole, Richmond Plywood
Angus Allison, Richmond Plywood

Presenters:

Satnam Manhas, Ecotrust Canada
Frederick Vroom, Brinkman

Peter Ackhurst chaired the meeting
Heather Beresford, RMOW, Secretary

Regrets:

Chief Bill Williams, Squamish Nation

MEETING AGENDA:

December 12, 2012 Meeting Agenda approved by all.

July 13/12 Meeting Minutes Approved by all

1. July 2013 Meeting Actions

- RichPly distributed draft road sharing agreement – on agenda
- Amortization of roads – on agenda
- Reduce planning/layout costs from \$8 to \$5 – done
- Firesmart
 - Province paid RMOW for previous work done
 - RMOW determining next steps
 - RMOW/CCF could develop joint plan. RichPly interested in landscape level planning – need to coordinate with RMOW
- CCF signed road access agreement with Wedgemount IPP. Project starts in 2013.

2. Carbon Project Progress Report

Satnam Manhas, Ecotrust Canada, and Frederick Vroom, Brinkman, made Powerpoint presentation.

Living Carbon Investments (enterprise arm of the Land Trust Alliance of BC) is doing the project in partnership with Ecotrust Canada, and Brinkman & Associates.

The CCF carbon project is the first one for a community forest in BC.

Timber supply review is first step to see if the carbon project is feasible.

Base Case:	33,000 hectares	11,000 hectares THLB	53,000 m ³ AAC
EBM:	33,000 ha	8,000 ha THLB	21,000 m ³ AAC
	o EBM has more retention areas, which lowers THLB		

60,000 tons of cumulative monetizable carbon available.

Over 100 years, EBM will create ~2,000,000 m³ of carbon compared to base case. Over time, 40% of old growth retained, by 250 years 50% old growth will be retained, but will have to cut OG initially until second growth ready.

Main carbon issues to be considered in analysis:

•Baseline:

- o Determining the business as usual scenario
- o Carbon stock (land base)
- o Carbon in wood products

•Project Results

- o Projecting the results of EBM plan

•Leakage

- o Market pressures to harvest elsewhere. Deductions are required to compensate. For CCF, 55-60% of potential carbon is deducted.

•Non permanence Buffer

- o Deduction for risk of fire or other unintended reversals
- o Safe guards for intended reversals

Additionality is a key idea. Can only count additional carbon protected beyond or in addition to harvesting under Forest and Range Practices Act.

Monitor every 5 years. Model is valid for 20 years, then redo. Big dip in carbon available at 40 – 50 years out. Can manage by mitigating leakage. Can argue that the trees here are not substitutable – meaning that old growth here has more value for tourism than harvesting.

Process – retain carbon, audit, confirm, sell. CCF can sell carbon back to 2009 because that is start date for project.

Market for carbon – Pacific Carbon Trust (PCT), off-shore, local. Province is paying \$25/ton. Highest carbon price in world. California will be a big market for buying carbon. BC carbon tax program has been successful. Risk if government dissolves the program/PCT but a world market still exists. Price of credits is essential for the size of the project. Previously \$8/credit estimated but would only be marginally profitable. Now estimating \$15/credit, for 11,000 tons per year.

Profit sharing with province – Letter received from province stating province gets 20% after costs covered for first 3 years, then moves to 37.5-50% (to be negotiated). CCF costs for preparing the sell carbon are \$270,000, mostly to Living Carbon Investments. LCI also gets 10% of carbon credit profit after costs repaid.

CCF estimated to receive \$130 – 140,000 in first five years at \$8/credit. CCF should develop more analytics to show extra value of CCF carbon credits that would justify a buyer paying a premium. Province doesn't want to sell the credits it receives from the CCF because it acts as additional buffer/insurance to protect against reversal. They're still developing policy around carbon credits. CCF should be able to sell directly to RMOW, won't have to go through PCT.

Next steps

- Collecting, compiling evidence for base line, wood product, leakage and permanence.
- Run carbon model
- Final agreements with province
- Validation/verification
- Carbon credit sales.

Now working on model. Hope to finish by end of January. Audit in February by a third party. LCI will select a validator, currently getting quotes. Could possibly do FSC certification at same time.

ACTION: RichPly to provide questions/information for EBM model for carbon project to confirm assumptions.

Concern with amount of time government will take to approve TSR number. They want Forest Management Plan updated and resubmitted in order to approve carbon project.

ACTION: CCF to develop a strategy for how carbon credits will be used and in what type of projects.

Keep information internal until further discussions/decisions made with government.

ACTION: BOD provides comments on TSR by end of January.

PCT has approached Ecotrust to provide a brief description of the project so it can review and make an offer to buy CCF carbon credits. RMOW doesn't have a written agreement to buy credits, but is interested.

ACTION: BOD authorized Ecotrust to share information on CCF carbon project with PCT.

3. Road Policy

Tom Cole led discussion.

Seeking a road policy. Draft 2 distributed to BOD. Looking for something to assist with day to day operations, and to provide a consistent framework.

Province/MOF will be asking CCF and RichPly to take over certain roads in the new year. CCF should know what roads it wants to manage for forestry and recreation use. Cheakamus Lake Road & Ancient Cedars road will be high priority to determine who will manage & maintain. Unclear how Resource Road Act will affect this. Commercial rec operators, communication companies with towers, etc. need to be involved. Liability is a big issue.

Three Tiers of Roads:

1. Forest Service Road (FSR) - held by Crown
2. Industrial Road Permit – over time will need to determine which roads CCF wants to manage.

3. Non-status – some are trails, wilderness roads, etc.

ACTION: BOD review July 30 road policy draft provided by RichPly Comments to Peter by January 30, 2013.

ACTION: CCF meet with RMOW to discuss joint road management plan.

4. 2012 Administration Budget Review

- Not much revenue, only logged 7,000 m³
- HST return of \$50,000
- Road/rec site maintenance covered by \$5000 from Rec Sites & Trails BC
- Just wrote cheque to RMOW for \$10,000 as payment against debt

5. 2012 Logging

- Completed Brew 1 & 2. Logged in May, completed in June. Profitable. Working on residual payout.
- Firewood sale to Canadian Snowmobiles completed.
- RSTBC – CCF cooperated with tree removal in Cal-Cheak campsite
- Finding contractors to take on small sales of 5,000 m³ is not popular with bigger companies. Need a range of projects to entice contractors.
- Projection is log prices will go up at U.S. housing starts increase in 2013.
- Road to Metal Dome upgraded. Skid trails built on Blackcomb Snowmobiles' tenure and left behind for snowmobile/ATV use.
- Brandywine trail access improved.

6. 2013 Logging Plan

- Tom requesting \$481,000 from RichPly for road program
- Brew03 – early May. 13.8 hectares; 5500 m³
- Cheakamus 10 (by gate up to Black Tusk microwave tower). Low/medium/high retention blocks. Needs to have an interpretive component to meet WIF objectives. Want to move gate up higher. High recreation area. Road work needed. 20 hectares total. 4400 m³.
- Cheakamus 16 – Jane Lake Road south of Cheakamus Crossing. Trying to use old road system to create loop through Basalt Valley. Moderate retention. Early June depending on snow pack.
- Fee03 – 6500 m³
- Powder7 – Dority and Edna Creek area. Road looped through already. Working with Blackcomb Snowmobile. Looking at the Cultural Management Area as potential access. July into September to build road. Harvesting in 2014. Need to discuss activity in CMA with First Nations. Squamish OK with planning access. Draft plans ready in January.

ACTION: Tom and Jeff to discuss.

- Rainbow04 – south of Function Junction on west side of highway. BC Hydro to be approached to assist with road development to connect to Flank. Wildfire management approach for this unit.
- Fuel treatment projects – CCF would need ~\$5000/ha subsidy to make such projects economic. Assumes composter would want the wood waste.

ACTION: Tom to bring draft plans to FWAC in February.

7. 2012 Recreation Projects

- Loggers Lake – CFOW grant for outhouse. Complete. Removed swing trees in August.
- Ancient Cedars – completed trail, parking and road improvements with WB Habitat Improvement Team, Rotary. Funded by WB Environmental Fund. Signs will be completed in 2013.
- Brandywine Trail access improved.
- Cal-Cheak campground – hazard trees removed
- Squamish Nation contract for outhouse maintenance at Alexander Falls and Cal-Cheak.

8. EBM Handbook

- Public comment period complete
- Revisions will be complete by end of February

9. Forest Stewardship Council

- Estimate \$22,000 to do audit. Too expensive. May be able to have carbon auditor do FSC audit at same time (cost savings).
- RichPly would like CCF to review/develop own policy for small streams rather than using FSC standard. FSC created around high value fish streams. Ephemeral streams don't have same values so why have same 30m buffer? This would give clarity on the ground.

10. Cultural Management Areas

- Some meetings with stakeholders held. Squamish Nation member now involved.
- Cultural cedar areas identified in Lil'wat CMA. Lil'wat want small scale forestry criteria included.

ACTION: Tom & Jeff will complete Squamish CMA plan over winter.

11. Cultural Cedar Project

- Grant not received in 2012. Money will be needed for trail and signs to location.
- Tom has found other areas similar to Ancient Cedars. Should CCF identify them? Tom currently calling them Wildlife Tree patches to protect from logging. Does CCF want to build trails? Squamish may want to use some of these trees for cultural purposes.

12. Public Engagement

- 2 public open houses, 1 workshop (EBM handbook – October).
- Post workshop feedback compiled by Peter to website

13. Forest Growth Monitoring

- Localized manual created for CCF. 2 plots in Callaghan. 11m plot diameter, each tree numbered.
- May need plots for carbon project. Could they be combined?

ACTION: PA will distribute the manual.

14. Strategic Planning Session

2012 goals reviewed.

- Open house in March, EBM workshop in October
- EBM handbook draft completed in September, and out for public review
- Access management plan – road atlas complete; now folded into Trail Planning Working Group & RMOW Recreation Master Plan. FWAC will still provide comment.
- FSC audit – too expensive to do in 2012. Looking for options.
- BCCFA conference declined – too expensive.
- Callaghan commercial recreation tracked – Tom is watching for referrals. CCF should get on the provincial referral list.
- Log 25,000 m³ – only logged 7,000 m³. Late snow pack didn't help.
- Reforest – up to date.
- Earn \$100,000 – earned \$50,000 through HST rebate, otherwise \$20,000 in the hole.
- Payback \$22,000 to RMOW – paid \$10,000 plus Peter worked off some time
- Reach carbon agreement with RMOW – ongoing but looking promising
- Loggers Lake outhouse installed – complete
- Cheakamus CMA complete – ongoing
- CSA agreement – ongoing
- Showcase co-op project with Blackcomb Snowmobiles – ongoing
- Ancient Cedars trail/parking/signs improvements – substantial progress in 2012, signs to be completed in 2013.
- WOP Ski Trail from top of lifts to Madely Lake – deferred
- RMOW Composter agreement – draft presented but not finalized.

2013 CCF Goals:

- Host two public workshops in March and October
- Minimize the amount of old growth logging asap
- Complete a high level 10 year logging plan by December - focus on logging second growth forest and minimizing old growth logging
- Update the CCF website and provide more photos
- Complete two small scale forestry/logging projects by December
- Log 25,000 m³
- Reforest 40 ha
- Earn \$100,000 in 2013
- Complete the road policy/Standard Operating Procedures. Sign agreements with 6 road users
- Host a public meeting of road users (including cell tower operators)
- Sell carbon credits – 11,000 tons by December
- Complete a Firesmart agreement with all users.

- Complete a wild fire model analysis for the CCF by June
- Produce carbon credit guidelines including who to sell to/not to sell to. And how to use the revenue generated
- Renegotiate the RichPly forest management agreement – including other options
- Complete the Callaghan Cultural Management Area plan by April
- Complete the Cheakamus Cultural Management Area plan by August
- Complete two recreation projects.
- Pay back \$20,000 to the RMOW by the end of the year.
- Reach agreement with the RMOW on carbon offsets in the CCF. Receive \$50,000 in sales by March 31.
- Showcase the cooperative project with Blackcomb Snowmobiles and announce to the public by September
- Complete the signs/trail project to the Ancient Cedars,
- Reach agreement with the RMOW composter on the amount of wood waste that is required and removed annually.
- Complete a new Forest Management Plan including the EBM plan, TSR, carbon plan by June and have it approved by the provincial govt.

15. Other Business

- Next meeting in March in Whistler. For agenda:
 - Tom will need logging plans approved. FWAC first in February for comment, then to BOD.
 - TSR approval
 - Carbon plan approval

ACTION: PA will distribute government letter re: carbon profit sharing agreement