

REGIONAL DISTRICT OF BULKLEY-NECHAKO

FORESTRY COMMITTEE MEETING
(Committee of the Whole)

Thursday, November 9, 2017

PRESENT: Chair Gerry Thiessen

Directors Taylor Bachrach
Chris Beach
Eileen Benedict
Shane Brienens – arrived at 10:38 a.m.
Mark Fisher
Dwayne Lindstrom
Thomas Liversidge
Rob MacDougall
Bill Miller
Rob Newell
Mark Parker
Jerry Petersen
Darcy Repen

Director Absent Tom Greenaway, Electoral Area “C” (Fort St. James Rural)

Staff Melany de Weerd, Chief Administrative Officer
Cheryl Anderson, Manager of Administrative Services
John Illes, Chief Financial Officer
Jason Llewellyn, Director of Planning
Wendy Wainwright, Executive Assistant

Other Kelly Izzard, RPF, Timber Supply/Geomatics Forester, Forest Analysis and Inventory Branch, Victoria, Ministry of Forests, Lands, Natural Resource Operations and Rural Development
John Pousette, RPF, Major Projects Team Lead, Omineca Region, Prince George, Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Dave Van Dolah, District Manager, Stuart Nechako District, Ministry of Forests, Lands, Natural Resource Operations and Rural Development
Jevan Hanchard, District Manager, Regional Operations Skeena Stikine District, Ministry of Forests, Lands, Natural Resource Operations and Rural Development – arrived at 10:43 a.m.
Anne Marie Sam, Nak’azdli First Nation – arrived at 10:53 a.m.

Media Flavio Nienow, LD News – left at 10:50 a.m.

CALL TO ORDER

Chair Thiessen called the meeting to order at 10:30 a.m.

AGENDA

Moved by Director Beach
Seconded by Director Repen

F.C.2017-1-1

“That the Forestry Committee Meeting Agenda of November 9, 2017 be adopted.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

DELEGATION

MINISTRY OF FORESTS, LANDS AND NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT – Dave Van Dolah, District Manager, Stuart Nechako District, John Pousette, RPF, Major Projects Team Lead, Omineca Region, Prince George, Kelly Izzard, RPF, Timber Supply/Geomatics Forester, Forest Analysis and Inventory Branch, Victoria RE: Chief Forester's Allowable Annual Cut Determination for the Prince George Timber Supply Area

Chair Thiessen welcomed Dave Van Dolah, District Manager, Stuart Nechako District, John Pousette, RPF, Major Projects Team Lead, Omineca Region, Prince George, Kelly Izzard, RPF, Timber Supply/Geomatics Forester, Forest Analysis and Inventory Branch, Victoria, Ministry of Forests, Lands, Natural Resource Operations and Rural Development.

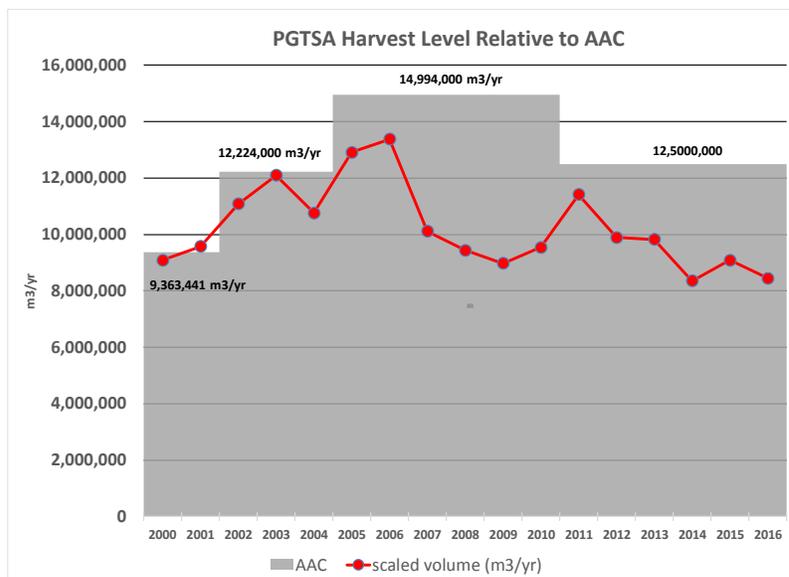
Messrs. Izzard, Pousette and Van Dolah provided a PowerPoint Presentation.

Presentation

- Major Issues and Current Condition in the TSA
- TSR Chronology
- Timber Supply Projections
- Prince George TSA Allowable Annual Cut (AAC) Decision
- Reasons for decision
- Decision Implementation
- Questions

PGTSA Harvest Level Relative to AAC

- First AAC in 1996 at 9.3 million m³
- AAC raised in 2002 to 12.2 million m³
 - Addressing the emerging Mountain Pine Beetle (MPB) epidemic
- AAC raised in 2004 to 14.9 million m³
- In 2010, Chief Forester began the process of stepping down from the uplift and set the AAC to 12.5 million m³
- Billed volume has been between 8-10 million m³/year for the past decade with a declined average since 2012-2017 of just under 9 million m³



DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

Harvest Level by District (Vanderhoof (DVA), Fort St. James (DJA), Prince George (DPG))

- 2002 – during MPB – harvest increased substantially in Vanderhoof and Prince George Districts
- Declines overtime with a significant transfer of harvest in 2010 between Vanderhoof and Prince George into the Fort St. James district
- At the onset of the MPB – large scale harvest focused on pine leading stands in the TSA

Pine Proportion of Cutting Permits

- Since the last AAC decision in 2010 – pine proportion has had a steady decline
- That decline in pine focus is what triggered the most recent pine review in the PG TSA
- Signified the shift out of large scale pine salvage

Prince George Timber Supply Area (PG TSA)

The gross boundary of the PGTSA

- ~7.6 million ha.
- ~ 80% is crown forest
 - ~80% of the crown forest is classified as “legally loggable” – where timber harvest could occur
- TSA subdivided into supply blocks
 - Block A in the northwest of the PG TSA to supply Block H in the southeast portion of the PG TSA Rocky Mountain trench
 - Historically harvesting has been concentrated in supply Block C – H, the “Core”
 - Block A-B, the “North” – historically little harvest,

Major Issues/Themes:

- The end of the MPB epidemic and a decline in salvage harvest
 - Since 2002 harvested over 2 million m³ of dead pine in the “Core”
- Wildlife impacts
 - Focused on caribou and grizzly bear
- IBS outbreak (Insect Beetle Spruce)
 - Supply Blocks E and H
- Treatment of problem forest types
 - Balsam and deciduous leading stands– very little harvesting
- CSFN (Carrier Sekani First Nations) collaboration
 - Traditional Territories 60% of PG TSA
 - 65% Timber Harvesting Land Base (THLB)
 - April 2015 – Province entered into a *Collaboration Agreement and Environmental and Socio-Cultural Agreement* collaboration with CSFN on major projects – mining and LNG but was expanded to forestry and the PG Timber Supply Review
 - Impacts of forest management on their rights and title
 -

Chronology

- Summer 2014: TSR 5 startup/CF direction
- Spring 2015: Data package released
- Summer 2015: CSFN Collaboration
- Fall 2015: IBS issue emerges
- Spring 2016: PDP (Public Discussion Paper) released
- Summer 2016: Reference Scenario/Revised Base case/CSFN analysis
- Spring 2017: Determination meeting
- Spring/Summer 2017: Supplemental Analysis/CSFN analysis presentation
- Fall 2017: AAC Rational Publication

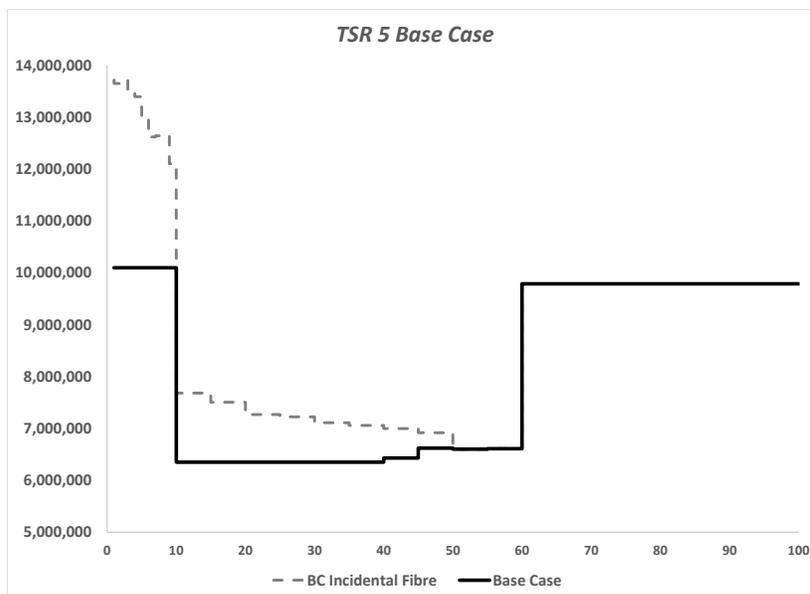
DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

Base Case Projection

Harvest projection is important but can often be confused with predictions for the decision.

- Harvest projections are a tool to explore risk and uncertainty
- One facet of a multi-faceted very complex decision making process
- Based on professional judgement of the Chief Forester
- TSR 5 Base Case
 - Explored- how long can MFLNRORD continue to focus harvest in pine leading stands while maximizing the midterm harvest level?
 - What are the implications?
 - Initial harvest level set at 10.1 million m³/year
 - 5 year (2009-2014) average harvest for the TSA
 - Sustain a focus in pine salvage for 9 years and then collapses in the projection
 - Mid-term harvest level is 6.35 million m³/year for 50 years for the mid-term harvest level after which climbs to 9.85 million m³/year
 - ~ 2.6 million m³ of fiber by catch is harvested during that term
 - In harvesting 10.1 million m³/year of merchantable volume there is ~2-3 million m³ of incidental harvest for secondary processing– eg. Bioenergy

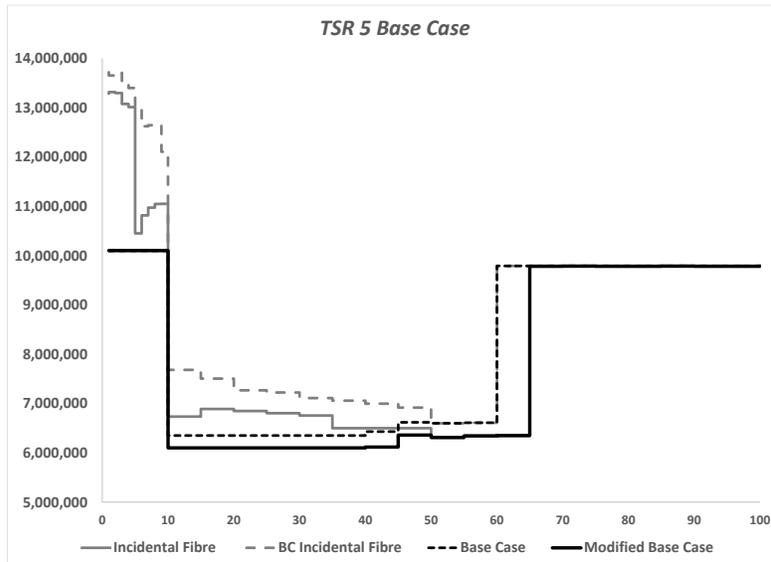


Feedback from the Public Discussion Paper (PDP)

- 9 year salvage unrealistic
- Salvage would end 3-5 years
- Modified base case to reflect feedback
- Impact on midterm timber supply and drops to 6.1 million m³ per year

DELEGATION (CONT'D)

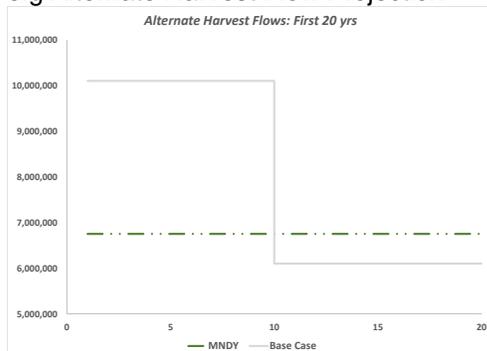
MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)



Summer 2015 Spruce Beetle issue evolved in Prince George area

- Developed a number of spruce beetle scenarios
 - If the partition was shifted to allow for harvest of spruce in the first 5 years, there would have to be a step down to maintain the 6.1 million m³ harvest levels in the midterm timber supply
 - Became focus during determination meeting
 - Process elongated
 - A number of changes occurred in the land base during the process
 - Chief Forester asked to review the implications
 - Changes in management assumptions
 - Changes to the land base on spruce beetle scenario #2
 - Looked at addressing the problem forest types
 - Removing balsam leading stands
 - Only harvesting in merchantable stands
 - Removing area based tenures
 - Short term harvest level dropped 10% to maintain the floor 6.1 million m³
 - Additional area based tenures moving forward
 - Implementation of geographic partitions
 - Spruce beetle
 - Recovery in the “Core” area

e.g Alternate Harvest Flow Projection



DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

Under Government/Carrier Sekani First Nations Collaborative Agreements the following Timber Supply Analyses were Conducted by FLNRO and Presented to CSFN:

- Stand level retention relative to CF guidance
- Patch size analysis (harvest openings)
- Nation-specific traditional territory harvest flow
- Natural Range of Variability (Biodiversity)
- Grizzly Bear & Caribou (population and timber supply scenarios)
- Watershed Health
- Spruce beetle

AAC Guiding Principles

- Chief Forester AAC decision directed by Section 8 of the *Forest Act*
- Decision based on best available information
- Decision based on '*Current Practice*' forest management as defined by:
 - Harvest performance
 - Approved Forest Stewardship Plans (FSPs)
 - Legislation and policy
 - Considerations for other values such as signed off Ungulate Winter Range (UWR), Wildlife Habitat Areas (WHA), Old Growth and Biodiversity Orders, recognized cultural heritage values, Riparian, etc.
- Chief Forester can not speculate on outcomes of land use planning processes that are the responsibility of the Government to approve and enact.
- Once government approval is given to new objectives, and new forest management practices are defined the CF can incorporate these into AAC decisions.

AAC Decision (effective October 11, 2017)

The new AAC is two-tiered. For the first 5 years, the new AAC will be 8 350 000 m³/year.

- Partitions (under Section 8(5)(a) of the *Forest Act*):
 1. A maximum of 1 500 000 m³/year is attributed to supply blocks A and B;
 2. A maximum of 6 100 000 m³/year, is attributed to supply blocks other than A and B (supply blocks C, D, E, F, G, H), of which 62 000 m³/year is attributed to deciduous-leading stands.
 3. A maximum of 750 000 m³/year is attributed to bioenergy stands, which are mature, damaged pine-leading stands with less than 140 m³/ha net merchantable sawlog volume

The AAC will be reduced to 7 350 000 m³/year for years 6 to 10 (Oct 2022 to Oct 2027).

- Partitions (under Section 8(5)(a) of the *Forest Act*):
 1. A maximum of 1 500 000 m³/year is attributed to supply blocks A and B;
 2. A maximum of 5 100 000 m³/year, is attributed to supply blocks other than A and B (supply blocks C, D, E, F, G, H), of which 62 000 m³/year is attributed to deciduous-leading stands.
 3. A maximum of 750 000 m³/year is attributed to bioenergy stands, which are mature, damaged, pine-leading stands with less than 140 m³/ha net merchantable sawlog volume
“... In this determination I expect that harvest over the next five years will be focused to the extent practicable in dead, dying and damaged stands. This includes both spruce- and pine-beetle infested stands as well as balsam bark beetle and fire damaged stands.”

“I note that if spruce beetle remains of epidemic proportions the Chief Forester may establish a partition at any time for trees alive and uninfested at the time of harvest to account for the recovery of dead fiber in spruce beetle-impacted stands.” - Chief Forester

DELEGATION (CONT'D)

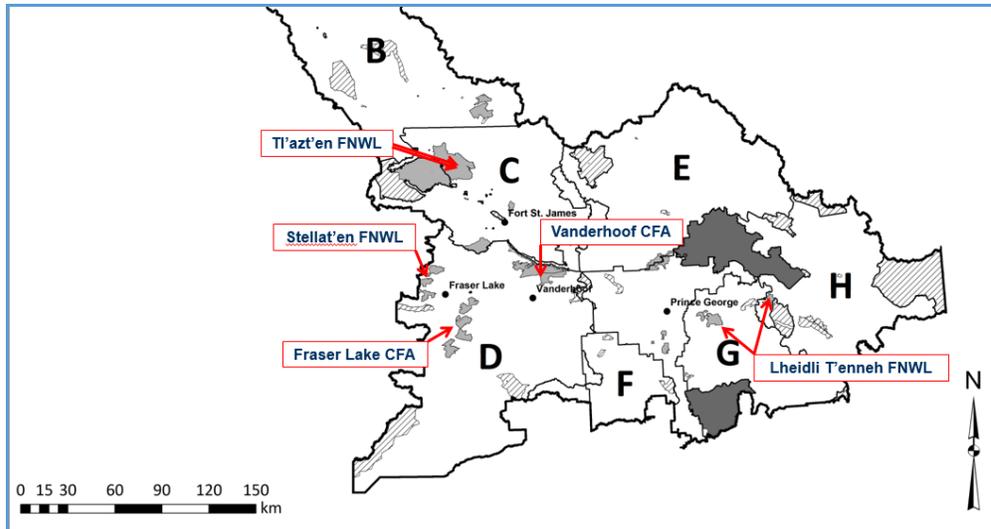
MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

Quantifiable Forest Management Changes Since March 2016

- Removing pure Balsam stands ($\geq 80\%$ BI) decreases the THLB by ~ 6% (~ 185 000 ha); decreases short-term harvest level by 29%
- Removing 5 approved area-based tenures decreases the THLB by ~ 2.3% (~ 72 720ha).

The combined reduction to the THLB is ~ 8.39% (~ 258 000 ha).

Area Based Tenures - First Nations/Community Forests



Quantifiable Forest Management Changes Since March 2016 (cont'd)

- Reducing the contribution of deciduous stands to 62 000 m³/year (from 400 000 m³/year in base case reduces the short-term harvest level by ~ 7%.
- Changing the managed stand age threshold from 1987 to 1980 (establishment date) shifts ~ 150 000 ha of THLB from Natural stand yield curves (VDYP) to Managed stand curves (TIPSY) yield curves and increases the short-term harvest level by 29.7% relative to the base case.
→ BASED on young stand monitoring (YSM) plot data

Socio-Economic Impacts

- SEA Analysis - harvest level of 10.8 million cubic metres generated;
 - \$132 million/year stumpage revenue,
 - supported 8200 direct, indirect and induced full-time employment
 - an annual government tax revenue of \$169 million.
- If annual consumption declines to the AAC of 8.35 million cubic metres;
 - stumpage revenue will decline to \$102 million
 - full-time employment from the forest industry will decline to 6300,
 - annual gross government revenue will be reduced to \$132 million

Implementation

- **Expectations**
 - Directly related to timber supply review or stewardship issues which require urgent action
- **Recommendations**
 - Stewardship and/or sustainability issues highlighted during the TSR which the CF recommends

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

All Expectations and Recommendations are dependant on available capacity (FTEs) and funding.

Expectations

- Harvest performance monitoring
 - Balsam-leading stands and balsam fiber
 - Deciduous-leading and deciduous fiber
 - Douglas-fir leading stands
 - Bioenergy profile stands
- Ministry staff to consider established biodiversity thresholds for old forest, interior old forest and young seral patch size in the Order Establishing Landscape Biodiversity Objectives for the Prince George TSA when developing tenure opportunities for licences specific to deciduous-leading stands.
- Continue to support data collection and analysis for the Young Stand Monitoring program.
- Develop best practices for stand and landscape level retention in MPB salvage and spruce beetle sanitation/salvage harvesting
- Maintain the focus on spruce beetle sanitation harvesting, and the removal of live infested trees at the leading edge of the outbreak.
- Monitor spruce-beetle sanitation harvesting and rate of spread of the spruce-beetle infestation, and provide regular reporting to the Chief Forester
- Engage collaboratively with First Nations to establish management objectives (such as FSWs, UWRs, WHAs and OGMAs) to conserve biologically and culturally significant areas
- Enhance caribou management and to improve research and monitoring of the Prince George TSA's caribou populations.
- Monitor and report to the Chief Forester on the status of connector roads and haul patterns
- Monitor use of Grade 4 cut control credits
- Monitor and report annually on harvesting activities by First Nations' territory.
- Develop local timber management targets and strategies for the Prince George TSA, consistent with *Provincial Timber Management Goals, Objectives & Targets*.

Recommendations

- Secondary stand structure
- BMPs for watershed health, support Regional research
- Strengthen wildlife conservation
- Guidelines for retention and harvesting for spruce beetle – considering other values and constraints
- Develop forest management regimes to mitigate impacts to grizzly bear
- Review and update policy re: Douglas-fir
- Strategic access management planning
- Improve identification and mitigation for impacts to CHR
- Guidelines for enhanced protection of riparian habitat

Chair Thiessen expressed appreciation to Messrs. Van Dolah, Pousette and Izzard for presenting the PG TSA to the Forestry Committee as it has large implications to the western portion of the Regional District of Bulkley-Nechako.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

Director Miller commented in regard to jobs per cubic metre and the viability of communities. He also noted that the Chief Forester's Implementation- Expectations and Recommendations are good initiatives to make certain that she is receiving good information to ensure the accuracy of the AAC. He spoke of the need to focus and consider seed stocks and stand management along with implementing density management and pre-commercial harvesting monitoring. Discussion took place regarding stocking standards per regeneration of hectare. Director Miller mentioned that harvest utilization needs to be a priority and he spoke of concerns of the full utilization of timber. There needs to be examination beyond the AAC determination and evaluation on how to incent all stakeholders to utilize and use every amount of fiber. Mr. Izzard noted that the Timber Supply Review process is retrospective process and review the current conditions and forward projections. It determines forward based practices built on what has been done in the past. The forward based practices are reviewed in the Integrated Silviculture Strategy process, which are taking place currently in the Stuart Nechako and McKenzie areas. The examination of the implications of using different seed stock and different practices in the future to improve forest management is provided to the Chief Forester for consideration for the Timber Supply Review Process. It is a continuous cycle.

Director MacDougall commented that BCTS (BC Timber Sales) has beetle damaged and/or wind thrown timber that they are not selling and the licensees are not interested in removing but could be a potential opportunity for small independent operators. Mr. Van Dolah mentioned that the Chief Forester from the new AAC determination will determine a new apportionment to the stakeholders. The licensees will meet to undertake a timber salvaging reallocation process. Bioenergy licenses have and are also being offered salvaging licenses which overlap in some areas with BCTS. There are challenges with the small scale salvage program in areas where BCTS is considering development. BCTS understands the drop in AAC and that there are other interests in regard to salvaging timber. Mr. Van Dolah spoke of Bill 12 legislation introduced this year that allows BCTS to partner with First Nations and continues to have the volume and market pricing system benchmarks under BCTS's program and 50% of revenue is provided to First Nations. There are different levels of success in southern B.C. but there has not been utilization of Bill 12 in the north as of yet.

Director Newell spoke of the need for enforced harvesting practices in regard to increasing salvaging operations and that the burning of slash piles is a great concern. Some of the slash piles located in his region that are being burnt are located within 3 kms of the pellet plant. Mr. Van Dolah mentioned that in the PG TSA they are implementing new tenure tools called Fiber Supply Licenses to Cut that address the post-harvest residual. Once a fiber recovery area is identified and based on economics to have material brought to pellet facilities the District Manager can issue a "Do Not Destroy" Order. Once an order is issued they cannot burn the piles incenting licensees to form business to business relationships with a secondary harvester to give access to those secondary materials for processing. There have been some issues when the legislation was first developed but those are being resolved. Prince George has a Fiber Supply License to Cut issued and FLNRORD is in the process of issuing a license in the Stuart-Nechako area.

Discussion took place in regard to 1,320 m³ equaling one job in the forest industry. This is an estimate and requires further research to determine the exact number.

Chair Thiessen spoke of the remanufacturing mills and their challenges in securing fiber vs. the fiber that is leaving the country. Mr. Van Dolah noted that FLNRORD is working to find opportunities for fiber. He noted that there are challenges in regard to the demand on the fiber in regard to the various stakeholders. FLNRORD is monitoring and having to find solutions to the potential challenges and issues.

DELEGATION (CONT'D)

MINISTRY OF FORESTS, LANDS, NATURAL RESOURCE OPERATIONS AND RURAL DEVELOPMENT (CONT'D)

Mr. Van Dolah mentioned that the Regional Tenures team is investigating proportional reduction options due to the upcoming downturn in the AAC and the process will require full consultation with First Nations, stakeholders and communities. The apportionment decision will take approximately one year to complete and will be the decision of the Minister of Forests, Lands, Natural Resource Operations and Rural Development.

Mr. Izzard commented that a detailed technical summary of the analysis is available upon request.

Chair Thiessen thanked Messrs. Van Dolah, Pousette and Izzard for attending the meeting.

MINUTES

Forestry Committee Meeting
Minutes – July 21, 2016

Moved by Director MacDougall
Seconded by Director Brien

F.C.2017-1-2

“That the Forestry Committee Meeting Minutes of July 21, 2016 be received.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

CORRESPONDENCE

Ministry of Forests, Lands
and Natural Resource
Operations – Forest Stewardship
Plans: Are they Meeting
Expectations? (August 2015) and
District Managers' Authority over Forest
Operations (December 2015)

Moved by Director Brien
Seconded by Director Benedict

F.C.2017-1-3

“That the Forestry Committee receive the correspondence from the Ministry of Forests, Lands and Natural Resource Operations – *Forest Stewardship Plans: Are They Meeting Expectations? (August 2015) and District Managers' Authority over Forest Operations (December 2015)*.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

NEW BUSINESS

Utilization of Burnt Wood
from the 2017 Wildfire
Events

Director Lindstrom brought forward for discussion the utilization of the burnt wood from the 2017 wildfire events in the province. Chair Thiessen mentioned that while in Williams Lake recently the forest industry was determining fiber usage. He spoke of discussing the matter with the Minister of Forests, Lands, Natural Resource Operations and Rural Development to encourage the ministry to utilize the burnt wood.

ADJOURNMENT

Moved by Director Brien
Seconded by Director Parker

F.C.2017-1-4

“That the meeting be adjourned at 11:41 a.m.”

(All/Directors/Majority)

CARRIED UNANIMOUSLY

Gerry Thiessen, Chair

Wendy Wainwright, Executive Assistant