



2017 CLCCF AGM MINUTES

July 14, 2018 @ 1:00 p.m.

Hope & District Office – Council Chambers 325
Wallace Street, Hope, BC

2018 AGM MINUTES

1. **CALL TO ORDER**

Director Patterson called the meeting to order at 1:01 pm.

Present:

Steven Patterson, CLCCF Director (for Yale First Nation) & CLCCF Chair

Mike Crane, CLCCF Director (for the District of Hope) & CLCCF Vice-Chair

John Mason, CLCCF Director (for the District of Hope)

John Fortoloczky, alternate CLCCF Director (for the District of Hope)

Laura Ballance, CLCCF Director (for FVRD)

Vanessa Peters Councilor Yale First Nation

Heather Stewin, Councilor of the District of Hope

Dennis Adamson, Director for Area B, FVRD

Matt Wealick, General Manager, CLCCF

Regrets:

Mike Veenbaas, alternate CLCCF Director (for FVRD)

2. INTRODUCTIONS

Director Patterson generally introduced the CLCCF Directors, shareholder (Limited Partner) representatives, the CLCCF General Manager, the Manning Elliott LLP auditor and the guest speaker, Matthew Brine – Probyn Log, Chris Gruenwald – Cascadia Environmental, Stephanie Hooker - Pathway Partners and Hope Mountain Centre.

3. FIRST NATIONS WELCOME

Director Patterson recognized that the meeting location was on the traditional territories of several First Nations.

4. MEETING SAFETY & CONDUCT

Director Patterson:

- Pointed out washroom locations and how to exit the building in case of emergency.
- As there was a fairly small public audience (about 7-8 public members) that some public questions may be entertained during the meeting.

5. SIGN-IN ATTENDANCE SHEET and REFRESHMENTS

Director Patterson:

- Requested that audience members please sign in on the attendance list.
- Said there were refreshments and pastries available at the back of the room.
- Said there were copies of the full AGM Information Package available online.

6. APPROVAL OF AGENDA

Moved by Director Patterson and seconded by Director Ballance “that the 2017 AGM Agenda be approved as presented”.

Approved by all CLCCF Directors.

7. MINUTES OF 2017 AGM

Moved by Director Patterson and seconded by Director Ballance “that the 2017 AGM Minutes be approved as presented”.

Director Patterson said that the Minutes of the 2017 AGM were supported by the CLCCF Board on June 27, 2018

Approved by all CLCCF Directors.

8. TOPICS

8.1. Board of Directors report was provided by Steven Patterson.

8.2. Board of Directors' Report

On behalf of the CLCCF Board, Director Patterson:

- Introduced new directors since last year.
- Gave the Director highlights of activities over the past year.
 - Disbursement to the CLCCF Partners
 - New - Financial Policy
 - Hired new General Manager in July 2017
 - Employed 11 Hope residents through CLCCF projects this year
 - Approved 1% gross revenue to be put towards recreation infrastructure development and upgrades in the CLCCF tenure area
 - And provide an overview on the new management model:
 - Agreement with Tolko Ind. up to spring 2016 where they provided tenure mngt. services, logging and purchase of logs.
 - Starting summer 2017, full-time GM has provided core management, professional, planning and supervisory roles.
 - 5 year agreement signed with Probyn Log to provide marketing and strategic advice to CLCCF as well the ability to finance CLCCF's forestry projects.
 - Awarded a 5 year Forestry and Engineering contract to Cascadia Environmental 2018-2023.
 - For this years operations CLCCF will follow it recently approved Corporate Plan, available on it's website.

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8.3. General Manager's Report

The General Manager provided his highlights for the 2017/2018 year:

- Harvested approximately 27,000m³
- Secured Marketing Partner for 5 years
- Started on update for CLCCF web page
- Developing working relationship with recreational groups in the Hope Area
- Worked with local high school on wildlife project
- Developed CLCCF's own FSP
- Started the process of updating CLCCF's Forest Management Plan
- Continued forestry planning work for future CLCCF forestry projects.

And information regarding CLCCF plans and Budget:

Plans and Agreements

- Community Forest Agreement (December 14, 2011): 25 year replaceable agreement with the MFLNRO.
- CLCCF Corporate Plan 2018: develop a CLCCF FSP and Management Plan, be two years ahead in engineered cutblocks, improve public engagement, harvest at least one years cut, improve recreational infrastructure within CLCCF's tenure area.
- CLCCF Management Plan: management goals for timber and non-timber forest resources, resource inventories and allowable annual cut. CLCCF looking to update using LIDAR and TEM data
- Forest Stewardship Plan: contains stewardship objectives, strategies or results for various timber and non-timber forest resources. CLCCF is drafting a plan of their own.
- Probyn Agreement – Marketing and Finance
- Cascadia Environmental – Forestry and Engineering
- Tolsons Enterprises – Logging and Road Building

Budget

• Total revenue:	+\$ 3,950,000
• Total admin & planning expense	- \$94,300
• Total Operations expenditures:	- \$ 2,949,233
• Silviculture Expenditures	- \$88,000
• Recreation upgrade Expenditures	-\$65,000
• Cash as of March 31, 2018:	+ \$783,528
• Net cash assets forecast for March 31, 2019:	= <u>\$ 1,536,995</u>

Assuming all budget forecasts.

8.4. Financial Report and Audited Financial Statements

Brandon Kelley, CPA, CA from Manning Elliott LLP:

- Provided a summary of his experience as an auditor with Manning Elliott.
- Explained the role of management, that this was overseen by the Board of Directors and that Manning Elliott recently completed an independent audit for the 2017/18 fiscal year of the community forest.
- Gave a summary of the audited financial statements for the 2017-18 year.
- Provided an overview of the revenues and expenditures compared to budget for the completed 2017-18 fiscal year.
- Said that this was regarded as a 'clean opinion'.

8.5. Current and Future Vision, Operational Projects and Planning Activities

Log Market Review – Probyn Log

Probyn representative, Matthew Brine, presented who they are, what they do, and how they work CLCCF. He also reviewed the process that the CLCCF partnership follows to make sure CLCCF Board of Directors understand every aspect of the operations and make decisions at key points throughout the process. Matthew also touched on where CLCCF logs have been sold to date, and future markets.

2018 to 2022 Harvesting Plans – Cascadia

Cascadia representative, Chris Gruenwald, presented who they are, what they do and CLCCFs short and long term harvesting plans. Chris went through, in detail, drainage by drainage, where CLCCF's proposed cutblocks are located and the details associated with each block. Chris also touched on a new online mapping application that will be available to the public in the near future.

Long-term Plan

- Completed in 2016
- Combination of office and field planning
- Planning Volume Summary:
 - Engineered Cutblocks: **50,000m³** (1.6yrs AAC)
 - Planned (ready to proceed): **200,000m³** (6.5yrs AAC)
 - Field Recce Required: **375,000m³** (12yrs AAC)
 - Field Recce Complete (needs time): **100,000m³** (3yrs)
- Maintain database of Planning Blocks:
 - Living document that is updated over time
- Can accurately track planning volumes/blocks

2019-2021 Harvest Plan

- Harvest Blocks:
 - Silver Lake: SL002, SL008, SL015
 - North Emory: EM002, EM004, EM007, EM010, EM011, EM012
 - Nickelmine: NM001/002, NM003, NF1047, NF1048
- Total Projected Volume: 95,400m³
- Block Layout Commencing July 16th

Silviculture update – Tulameen

Unfortunately, the Tulameen representative was unable to make the meeting to present the silviculture activities, therefore the CLCCF general manager presented the silviculture update. They went as follows:

- 2014 Planting: 43,560 seedlings planted on 35.0 ha.
- 2015 Planting: 49,700 seedlings planted in 50.1 ha.
- 2016 Planting: 66,200 seedlings planted in 55.5 ha.
- 2017 Planting: 127,680 seedlings planted in spring.(98.5 ha)
- Planting to date: approx. 287,140 seedlings planted, about 57% Douglas-fir, 34% red cedar and 9% balsam fir.
- Tolko is growing 40,000 additional trees at PRT for fill planting in 2019.
- Tolko Industries is responsible for all Silviculture obligations and costs for blocks

harvested to the end of 2016.

- Moving forward CLCCF will be responsible for completing the silviculture requirements for the blocks harvested by CLCCF. All previously harvested blocks harvested by Tolko are Tolko's responsibility.
- CLCCF is currently growing 85,000 trees at PRT for planting Spring 2019
- Survival /stocking surveys are done in the fall proceeding the spring plant to determine stocking status and any required fill plants.
- Brushing surveys start in year 3 and determine best possible timing and methods of any brushing required.
- Blocks are on target to be free growing by year 13-15.

Recreation update – Pathway Partners and AdvantageHOPE

- Pathway Partners and Hope Mountain Centre representative, Stephanie Hooker, reviewed recreation activities in the area and how Pathway Partners and AdvantageHOPE to upgrade the recreational infrastructure in the Hope area and have had preliminary discussions with CLCCF to work on CLCCF's behalf within the Community forest area to meet the same objectives.

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8.6. New Business: none noted.

8.7. Appointment of Directors

The shareholder (Limited Partner) representatives confirmed the following:

Moved by Vanessa Peters Councilor Yale First Nation seconded by Heather Stewin, Councilor of the District of Hope:

“The Cascade Lower Canyon Community Forest Limited Partnership hereby appoints the following to continue as Directors for the Cascade Lower Canyon Community Forest General Partner Corp:

- ▶ Mike Crane (Director to represent the District of Hope),
- ▶ John Mason (Director to represent the District of Hope),
- ▶ Steven Patterson (Director to represent the Yale First Nation),
- ▶ Laura Ballance (Director to represent the Fraser Valley Regional District),
- ▶ John Fortoloczky (Alternate Director to represent the District of Hope), and
- ▶ Mike Veenbaas (Alternate Director to represent the Fraser Valley Regional District).”

In favor: Vanessa Peters Councilor Yale First Nation, Heather Stewin, Councilor of the District of Hope and Director Dennis Adamson (FVRD) at the meeting. No Limited Partner opposed or abstained.

9. QUESTIONS FROM THE FLOOR

Various questions and comments came from the audience during the meeting, the presentations and during question period:

- Were CLCCFs Log Marketing Policy followed?
 - Yes, logs sales were distributed, 41% logs sales within the Lower Mainland, 40% with Coastal BC, 9% to the interior BC and 10% exported outside of Canada. According to the CLCCF Board this was much better than expected and still maintained a much higher profit margin than CLCCF had done in the past.
- Why don't we mill locally?
 - The CLCCF Board explained it was due to excess milling capacity province wide, and the ability for a new mill in Hope to compete with larger, more efficient mills.
- The FVRD can't be a signature to the CLCCF, why isn't it Area B?
 - The CLCCF Board explained that Area B is not a legal entity and therefore the FVRD had to sign participate in the CLCCF corporate structure on behalf of Area B. CLCCF would look into the question further and get back to the community member.
- What was the cost of Lidar and what has it been used for?
 - Chris thought the initial cost to obtain LiDAR (not including TEM) was ~\$65,000. It has been used primarily for Forestry Planning and has saved the CLCCF significant money in planning expenses. As a fair estimate it was suggested \$1.5/m³ was the savings from doing the planning work without Lidar. An estimated \$58,500 savings on CLCCFs last project alone. Therefor the lidar has paid for itself already.
- Is the CLCCF interested in participating in the Fire Smart program where it is appropriate to do so?
 - Yes, and CLCCF can work with interested parties to utilize Strategic Wildfire Prevention Initiative (SWPI) funding to mitigate fire hazards in areas under the control of CLCCF and adjacent to local residents private property. The first step would be to develop a Community Wildfire Protection Plan. The local resident will follow-up with the CLCCF General Manager
- Why does CLCCF Burn and not utilize the waste from logging.
 - CLCCF would like nothing more to utilize its logging waste rather than burn it. However, the current government policy creates financial hurdles, therefore even if CLCCF was to give its waste wood away, the receiver of the waste would lose money completing the second scale, paying the government royalty fee, and hauling the debris to its designation. This doesn't include CLCCFs direct costs to harvest the block in a different manner required for the waste to be accessible at roadside.
- CLCCF has just provided a disbursement to the Partners, how was it determined that this was ok financially to do so?
 - The disbursement was based on CLCCFs new Financial policy, that includes a process to calculate the funds required to have in reserve so that CLCCF can continue on with business for two years if log markets drop to a point that it doesn't make sense to harvest timber.
- What is the difference between Probyn's responsibility's and the new General Manager's?
 - The General Manager manages CLCCF in its entirety, from office management and public engagement to overseeing forestry projects. Probyn provides Marketing advice and finances CLCCF's harvesting projects.
- Comments from the Partners: acknowledgement of and thanks to the work of their volunteer

directors.

10. ADJOURNMENT

Moved by Ballance; seconded by Patterson: "To adjourn the 2018 Cascade Lower Canyon Community Forest Annual General Meeting".

In favor: all CLCCF directors.

The meeting was adjourned at 3.40 pm.