



Wetzin'kwa

COMMUNITY FOREST CORPORATION



ANNUAL
REPORT

JULY 1, 2018 to
JUNE 30, 2019



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CHAIRMAN'S REPORT

Hadih (hello), and Sney kai Yah (thank you) for exploring the 2018-2019 accomplishments of Wetzin'kwa Community Forest Corporation (WCFC) by reviewing our annual report.

Wetzin'kwa, the Wet'suwet'en word used in the corporate name, refers to the Morice and Bulkley rivers. It means blue-green water.

As you may be aware, WCFC is the legal entity that operates a community forest tenure for the direct long-term benefit of the residents of the Bulkley Valley. The Wetzin'kwa Community Forest Agreement is an area-based forest tenure awarded on January 1, 2007 by the provincial government that gives our communities a greater share of both the responsibility and the benefits of local forest management.

WCFC is a for-profit corporation operated by a seven member volunteer Board of Directors. Three positions are permanent and are held by the Town of Smithers, the Village of Telkwa, the Office of the Wet'suwet'en with the remaining positions made up of the community at large.

WCFC conducts its operations consistent with a set of 'Core Values' which include managing the lands, timber, and non-timber forest resources to:

- Sustain a financially viable forest resources business for the long-term benefit of residents in

the Bulkley Valley;

- Maintain and sustain functional integrity of ecosystems;
- Protect water quality in watersheds;
- Maintain a healthy balance of plants and animals;
- Recognize the Wet'suwet'en people and their culture;
- Establish long-lasting, respectful relationships between the partners;
- Expand local small business opportunities and employment where feasible;
- Provide a safe and environmentally friendly work environment;
- Enhance outdoor educational and recreational opportunities;
- Increase community involvement in resource management; and
- Reflect community values in decision making.

We hope you enjoy learning about our most recent year's operations as you review the information to follow. On behalf of the Board we would like to take this opportunity to recognize and thank all of those who contributed to the success of the community forest during the past fiscal year. We look forward to a safe and productive 2019-2020.

Sincerely,

David de Wit
Co-Chairman
WCFC





GENERAL MANAGER'S REPORT



I am very pleased to present to you the 2018-2019 annual report. My pleasure stems from the fact that WCFC continues to operate to the benefit of many residents of the Bulkley Valley. From the individuals who make a portion of their annual earnings working in the Community Forest, to the community groups who benefit from the contributions that come from WCFC's annual operations, and to of course the extensive resource user groups who actively utilize the Community Forest tenure area for their recreation and enjoyment.

As you will discover in the pages that follow, WCFC was able to remain a profitable operation during the past fiscal year while continuing to actively contribute to community development at a meaningful level. You will also notice that we have been utilizing the available Annual Allowable Cut and have been taking strides to improve timber utilization while reducing open burning. We have undertaken many efforts over the past year to find balance in our operations relating to such complex natural resource management topics as wildfire hazard mitigation and carbon sequestration in relation to growing global knowledge around climate change. As I am sure you can appreciate these are indeed complex global issues that our small local tenure is attempting to consider while meeting the overall objectives established for the tenure.

It is my great pleasure to be a part of this community forest tenure and I would like to take this opportunity to thank the team at Silvicon Services Inc. and the board members from WCFC for their continued support and confidence in our services as the woodlands management team.

Sincerely,
Jay Baker, RFT
General Manager
WCFC





Photo: Christine Bruce

OPERATIONS UPDATE

HARVESTING

During the 2018-2019 fiscal year 31,750m³ of timber was harvested from the tenure area. The majority of this volume (29,866) were sawlogs sold and delivered to Pacific Inland Resources in Smithers.

WCFC continues to explore a variety of opportunities to increase the fibre utilization from the land base while reducing the amount of fire hazard abatement burning that is required on an annual basis. During the course of 2018-2019, WCFC delivered loads of firewood to the community of Witset.

Additional volume of non-sawlog material was also delivered to Seaton Forest Products for further processing. Finally, tops and logs with severe defects were made available for delivery to the Village of Telkwa for their bio heating system and to Pinnacle Pellet in Smithers. All of this volume (~1,884m³) would have been burnt during our fall fuel hazard abatement efforts in the past and WCFC takes pride in working with our community partners to develop better utilization of the timber resource while reducing the annual debris burning required for fire hazard abatement.



WCFC current cut control position is depicted below. Please note that the table below is based on the calendar year and does not correspond directly to WCFC's fiscal year.

	2017	2018	2019	2020	2021	Total
Annual allowable cut (m³)	30,304	30,304	30,304	30,304	30,304	121,216
Harvested volume (m³)	33,520	23,071	50,350	0	0	106,941
Cut from previous cut control period (m³)	13,613	0	0	0	0	13,613
Total volume remaining in cut control period (m³)						30,966



ROAD BUILDING AND MAINTENANCE

During the course of the year WCFC constructed 6.6km of all season roads, 3.6km of winter road, and upgraded 1.0 km of existing roads to facilitate timber extraction. WCFC also conducted bridge and infrastructure maintenance as required throughout the year on all of its tenured roads within the operating area. Lastly, 4.8km of road was deactivated as it was no longer required for ongoing operations.

HARVESTING & CONSTRUCTION CONTRACT OPPORTUNITIES

WCFC maintains a local contractor select bidders list to ensure that the contracting opportunities generated from the community forest's operations provide a direct benefit to local communities and its associated work force. The harvesting and road building operations completed in the 2018-2019 fiscal year resulted in contracts with a combined value in excess of \$1,340,000.

Wetzin'kwa would like to thank the local contracting community for its efforts in providing the expertise needed to conduct our operations to a high standard. During the 2018-2019 fiscal year our primary harvesting and construction contractors were:

- Northern Industries
- Rob Bredow Contracting
- Schippers Creek Contracting

SAFETY

WCFC has a long standing commitment to provide a safe work environment during all phases of operations. The woodlands work is done by BC Forest Safety Council SAFE Certified companies and prior to any work being completed by a contractor under contract with WCFC, a safety pre-work meeting is conducted to ensure all known safety hazards are identified and appropriate safety measures are in place. Routine inspections on safe work practices are incorporated into supervision inspections and all operators make available their safety management systems and documentation for review by WCFC.



Photo: Christine Bruce

The provision of a safe work environment and reinforcement of safe practices resonates through the daily operations on the community forest tenure. It is with great pleasure that we can report no incidents of serious injury or fatality associated with operations since the establishment of the community forest tenure.



OPERATIONAL DEVELOPMENT CONSIDERATIONS

The planning of annual harvesting is a complex process. WCFC strives to strike a balance in timber development activities in consideration of all natural resource values. We continue to seek out all possible salvage opportunities relating to forest health damaging agents. A couple of the key goals of this strategy are to reduce impacts on the long term timber supply from non-recoverable losses associated with these damaging agents and to reduce the landscape and stand level wildfire fuel loads where possible. As a result, permits developed are mostly comprised of stands that contain significant dead timber volumes, primarily relating to past mountain pine or balsam bark beetle activity within the tenure area.



While the salvage of the damaged timber resource remains a focus, WCFC also spends a considerable amount of energy in planning and preparing for the future. Road locations and long term forest conditions are constantly assessed and considered during the planning of timber development. Decisions relating to more permanent types of access versus short term access are critical for operational efficiency and environmental impact. Appropriate considerations must be made for long term access into a new area, both in terms of short and long term economic constraints in addition to habitat management, recreational considerations and the need for access by first responders in the event of a catastrophic wildfire event.

The operational considerations relating to the type of timber to harvest and the access requirements desired are just a couple of factors involved in annual activities. Wetzin'kwa continues to work towards reducing its annual slash burning and continues its active participation in the implementation of the Ministry of Environment, Bulkley Timber Supply Area Smoke Management Plan. The plan attempts to ensure fuel hazard abatement

conducted through open burning is done so utilizing best management practices for crucial items like pile shapes, content, curing times and ultimately the venting conditions when burning is conducted.

FOREST MANAGEMENT

A concern in many communities in BC is wildfire threat, and the Bulkley Valley is no exception. The Wetzin'kwa Community Forest is in close proximity to the Town of Smithers and Village of Telkwa, and, has been impacted by the mountain pine beetle epidemic. The dead pine left behind by the beetle has created variable levels of dry fuel hazard, both in mature stands and in recent salvage logging





All photos on page: Christine Bruce



blocks. With the right conditions, a fire could result and put community values and property at risk. To address these concerns within the WCFC area, risk management is critical, and reducing the potential fuels on the landscape is a consideration.

To fund the planning of a fuel hazard reduction initiative, WCFC received a Forest Enhancement Society of BC grant. This year, the data collection and prescription development phases of this project were completed. Potential high-hazard areas were identified based on available inventory information and field data collection was conducted in various stand types to allow for an analysis of the level of fuel loads and subsequent recommend potential treatments to reduce wildfire threat. The results of these assessments were then built into treatment prescriptions that depict strategies to reduce the fuel hazard within the community forest. Working towards reducing the wildfire threat on the land base remains a priority for WCFC.

Global issues such as climate change and forest carbon management are also topics that the current board of directors and management team work on as they relate to the local community forest tenure area. Mr. Stephen Howard, Director at Large has been instrumental in helping WCFC to develop a draft “*Carbon Goals and Strategies*” document that is assisting in the efforts to better understand and incorporate carbon management into WCFC operations. These topics are global in scope and therefore an ongoing management item for the long term. However, based on recent public comments and input into WCFC’s operations, they will continue to be a consideration in the overall management of the tenure area.



SILVICULTURE

During the spring of 2019, Jason Kruger from Summit Reforestation made contact with the town of Smithers (Gary Hanson) and Village of Telkwa (Lindsay Lange) representatives on the WCFC board of directors. Summit Reforestation is a Smithers based firm specializing in tree planting throughout Western Canada. Summit had developed a relationship with Canmore Chrysler, a car dealership in Alberta that was promoting to its customers that it would plant 25 trees for every vehicle sold. Summit Reforestation arranged to provide the seedlings and the planting expertise to plant 16,000 trees within WCFC at no charge. The community forest is grateful to Summit Reforestation and in turn Canmore Chrysler for arranging for this investment in the future forest condition in our area.



SURVEYS

Approximately 439 hectares of silviculture surveys were completed in the past fiscal year:

- 233 ha were stocking surveys conducted two or three years after planting
- 188 ha were walk-through surveys intended to monitor stands for forest health and general performance at stand age 5-10
- 18 ha were free-growing surveys completed to determine if minimum obligations had been achieved.

Of note, free growing survey results are starting to indicate some of the earliest harvesting completed under the WCFC tenure are now achieving “free growing” status.

SILVICULTURE ACCRUAL / LIABILITY

Silviculture accrual calculations are based on conservative estimates of various silviculture investments required to achieve free growing stands. The current accrual rate is set at \$4.50 per m³ of harvest.

To date, WCFC has accrued significant revenue to address projected and/or potential silviculture treatments that may be required on existing plantations. A recent reconciliation of accrual amounts verses all actual costs incurred indicates that for all phases, total expenditures are under budget. Wetzin'kwa has committed to reviewing the accrual provisions in the future as more of the initially harvested stands achieve free growing status and may make adjustments to the accrual amounts over time.





WCFC GRANT PROGRAM

ABOUT

The Community Grant Program was established to distribute profits from the operation of the Wetzin'kwa Community Forest tenure back into the community. The program's objective is to provide support for a broad range of projects and initiatives that will return the greatest long-term benefit to Bulkley Valley residents. This year, the grant program was pleased to increase the maximum amount provided to grant recipients, and hopes that this will enable organizations to fund larger initiatives with a greater positive result to the community.

ELIGIBILITY

In order to qualify, proposals must be for activities carried out in the Witset, Smithers and Telkwa area by secular, not-for-profit organizations or registered charities. Grant funding may be applied to capital expenditures, staffing costs and/or program planning.

Wetzin'kwa's board of directors has established the following categories:

1. Arts and Culture
2. Recreation
3. Environment, Conservation, and Natural Resource Management
4. Social Services
5. Community Economic Development



PROCESS

Each April-May advertisements are posted in the local paper, website, and on the Facebook page indicating the annual intake period has commenced. Grant applications (up to a maximum of \$15,000) are received up to May 31st.

Grant reviews are conducted by the board following a regimented process that culminates in an all-day meeting during the third week of June.

The grant review and award process is a time consuming affair that is not taken lightly by the Board of Directors. The grant applications received always exceed the annual budget (\$250,000) available and it is worth noting that final decision making around grant awards is extremely difficult.

LEGACY PLANNING

WCFC has established a Legacy Fund intended to ensure the community grant program is sustainable even in years where limited or no harvesting has occurred. Over the last decade it has been exciting watching the grant program successes. The Board believes very strongly in the social benefits of this key program of WCFC.



2018/19 GRANT PROGRAM RECIPIENTS

The WCFC would like to congratulate the following successful applicants in the 2018/19 Grant Program:

Organization Name	Project Title
Lake Kathlyn Protection Society	Weed Harvester Refit
BV Research Centre	Northern Conference for Wildfire Resilience
Smithers Mountain Bike Association	Bluff Expansion Project - Seymour Ridge to Nervous Shakedown Connector
BV Hospice Society	Corporate Sponsorship
Valley Youth Fiddlers	Fall Workshop
Horses Touching Hearts Therapeutic Riding Association	Therapeutic Riding Horse
BV Research Centre	Augmented Reality Sandbox School Program
Telkwa Community Initiatives Society	Telkwa Apple Festival
Smithers Community Services Association	Old Train Station Roof
Glenwood Hall Committee Association	Glenwood Hall Enhancement
Bulkley Back Country Ski Society	East Boulder Creek Privy and Safety Maintenance
Groundbreakers Agriculture Association	Learning Gardens and Forests
Telkwa Community Church	Quilters From the Heart
The Grendel Group	GRENDELGrow - Greenhouse Project
Canadian Ski Patrol - SmithersZone	Equipment Renewal
Northern Society for Domestic Peace	Bulkley Valley Critical Incident Response Team Training
Smithers Community Band Society	Marching Band Instrument Campaign
Sing Smithers	Festival of Voices
Smithers Ski & Snowboard Club	Safety Netting Enhancement
Northwest Institute	Backyard Podcast: Documenting Climate Change Impacts in the Bulkley Valley
Smithers Chamber of Commerce	"Lawnchair Lounge" Music on Main
Friends of the Smithers Library	Summer Reading Club -- Indigenous Content Student
Friends of the Smithers Library	Program & Event Coordinator
Skeena Knowledge Trust	Information Accessibility
Smithers Gallery Association	Education Programming Coordinator



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Organization Name	Project Title
Northwest Animal Shelter Society	Pole Barn Revitalization 2019
BV Cross Country Ski Club	Mowing and Plowing Equipment
BV Folk Music Society	Smithers Youth Guitar Camp
Smithers Community Services Association	Food Skills for Families
Royal Canadian Legion - BR63	Audio/Video System Upgrade
Dze L K'ant Friendship Centre Society	Dze L K'ant Friendship Centre Siding Renovation Project
Round Lake Community Association	Sound Equipment Storage Room
Rural Writers Collective	2019 Rural Writers Retreat
Driftwood School Restoration Committee	Driftwood School Renovations and Project Planning
Wet'suwet'en Treaty Office Society	Youth Culture Camps
BV Agricultural & Industrial Association	Bulkley Valley Exhibition - 100th Year Volunteer Booth

WCFC distributed **\$290,467.00** from the 2018/2019 Grant Program to successful community applicants. This was awarded at an event hosted by WCFC in July 2019.

The WCFC annually accepts applications for the Grant Program and is looking forward to providing financial support to more community initiatives over the long term.





STAKEHOLDER DONATIONS

WCFC works very hard to respect and acknowledge its key stakeholders (Office of the Wet'suwet'en, the Village of Telkwa and the Town of Smithers) on an annual basis. During profitable years this respect manifests itself in part as stakeholder donations to these three entities.

In 2018-2019, the WCFC was able to provide each key stakeholder a contribution of \$35,000 to utilize as they see fit.





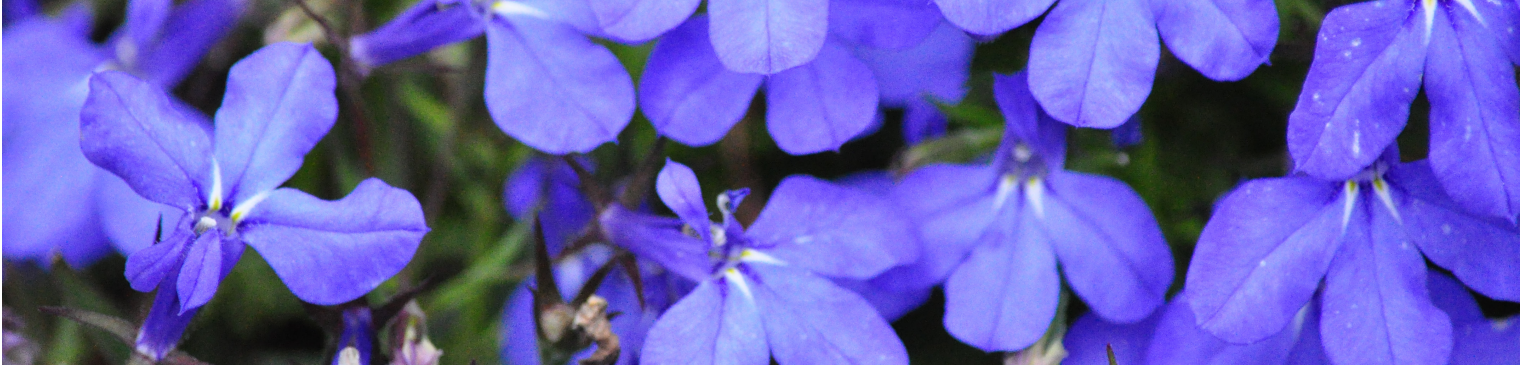
COMMUNITY FINANCIAL BENEFITS

WCFC provides a wide range of financial benefits to the community, in addition to the Community Grant program and Stakeholder Donations. WCFC seeks to involve the community in local forest management, and involvement includes sharing the financial benefits of successful management.

Summary of Community Financial Benefits (2018-2019)

Item	Amount	Description
Stumpage	\$56,263	Generated from the sale of timber and used by the Province for health care, education, infrastructure, etc.
Annual Rent	\$11,212	Paid to the Crown and utilized by the Province for health care, education, infrastructure, etc.
Community Grants	\$290,467	Distributions by the WCFC to a wide array of community groups and projects.
Smithers Community Services Association	\$600	Christmas hamper program
BV Foundation	\$3,300	Provision for the award of bursaries for students from the three communities associated with the WCFC.
Stakeholder Donations	\$105,000	Provided to the Stakeholders (town of Smithers, village of Telkwa, and the Office of the Wet'suwet'en) to utilize as they see fit.
Salvation Army	\$600	Food bank contribution
BV Cross Country Ski Club	\$29,304	Profit sharing arrangement to the mutual benefit of the participants
TOTAL	\$496,746	





CORPORATE DATA

BOARD OF DIRECTORS



DAVID de WIT

Director, Office of the
Wet'suwet'en



STEPHEN HOWARD

Director, representing the
community at large



LINDSAY LANGE

Director, Village of Telkwa



LORELEI SMAHA

Director, representing the
community at large



GARY HANSON

Director, Town of Smithers



CHRISTINE BRUCE

Director, representing the
community at large



COLIN MacLEOD

Director, representing the
community at large

FOREST MANAGEMENT



JAY BAKER, RFT

General Manager,
Silvicon Services Inc.



DAVE LOUWERSE, RPF

Operations Manager,
Silvicon Services Inc.

ADMINISTRATION



CRYSTAL TREMBELAS

Administrative Assistant,
Silvicon Services Inc.

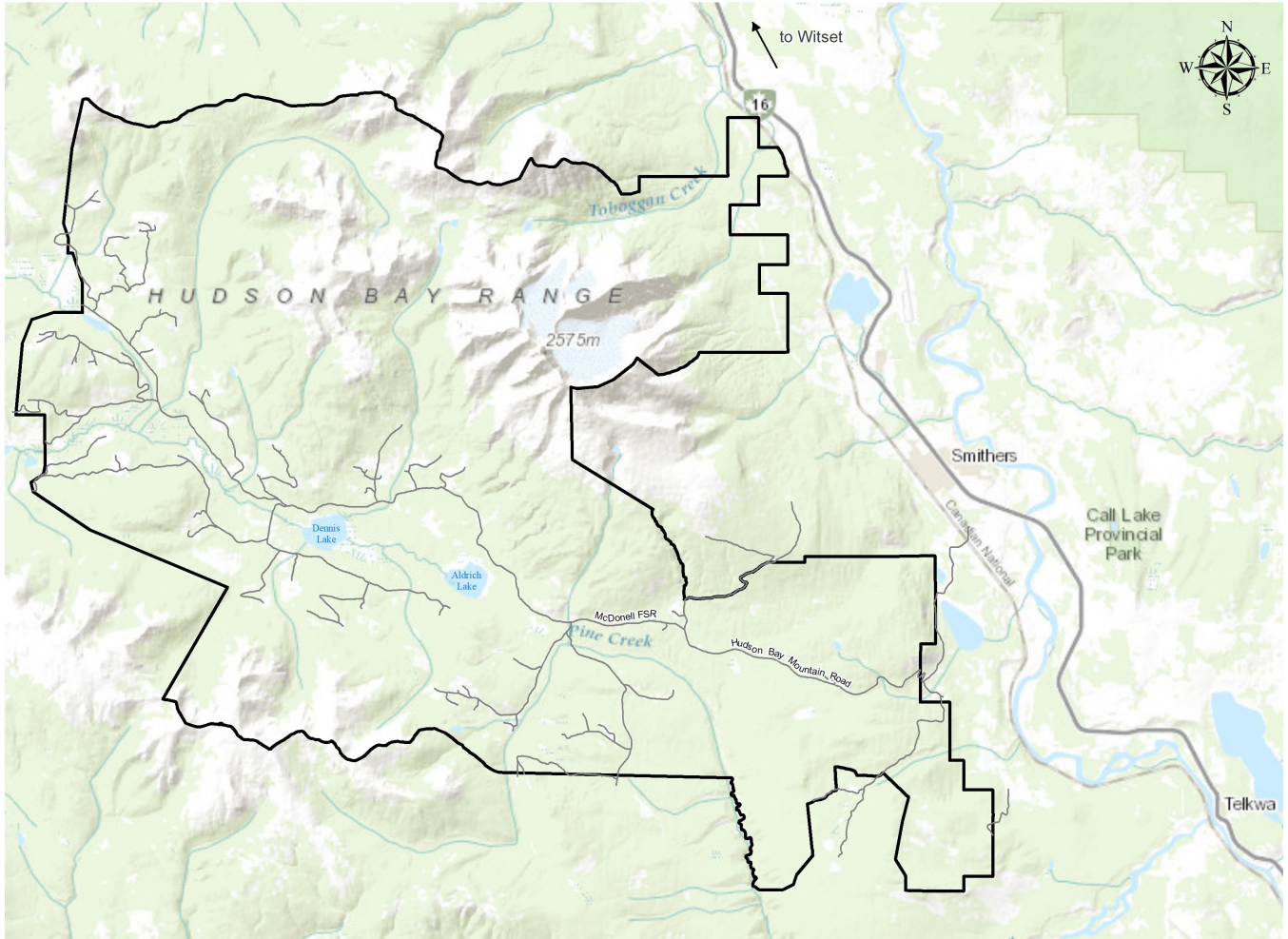
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CONTACT

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LOCATION MAP



APPENDIX A:



FINANCIAL STATEMENTS



MISSION STATEMENT

Wetzin'kwa Community Forest Corporation will manage a profitable community forest tenure while providing good forest management stewardship that will sustain forest resource values for future generations.

