Wetzin'kwa

COMMUNITY FOREST CORPORATION





ANNUAL REPORT JULY 1, 2020 to JUNE 30, 2021



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CHAIRMAN'S REPORT

Hadih (hello), and Sney kai Yah (thank you) for exploring the 2020-2021 accomplishments of Wetzin'kwa Community Forest Corporation (WCFC) by reviewing our annual report.

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 held by the Town of Smithers, the Village of Telkwa, the Office of the Wet'suwet'en with the remaining positions made up from 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 all 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 2021-2022.

Missiyh,

David de Wit Co-Chairman WCFC





GENERAL MANAGER'S REPORT



Hello everyone and thank you for taking the time to review the contents of WCFC 2020-2021 Annual Report. Once again I find myself in the fortunate position to be able to report that WCFC has enjoyed another successful year in terms of safety in operations and has done so in an economical and environmentally sustainable fashion.

The people who work, play, and or enjoy the financial benefits that the community forest provides continues to expand, while the challenges to find balance in natural resource management are ever present. Working with the community and an excellent Board of Directors to achieve community goals is truly an opportunity the team at Silvicon Services Inc. does not take for granted.

It is my great pleasure to be a part of this community forest tenure and would like to take this opportunity to thank all of the Board Members from WCFC for their continued support and confidence in WCFC operations.

Sincerely,

Jay Baker, RFT General Manager WCFC



OPERATIONS UPDATE

HARVESTING

During the 2020-2021 fiscal year 24,353m³ of timber was harvested from the tenure area with an additional 2,231m³ being harvested under a Forest License to Cut (FLTC). The majority of this volume (26,249m³) were sawlogs sold and delivered to Pacific Inland Resources in Smithers. 227m³ of dry balsam pulp logs were sold and delivered to Seaton Forest Products Ltd. In addition to these delivered volumes 2876.62 tonnes of harvesting by-product (e.g. tops, rot, defect fibre etc.) was delivered to Pinnacle Pellet in Smithers. In addition to the above volumes, an additional 107m³ was sold and delivered to small mills in the valley.

The FLTC volume utilized during the fiscal year is associated with the creation of a fuel break along Hudson Bay Mountain Road. WCFC was approached by Mountain Resorts Branch to be a partner to implement the first phase of primary biomass removal associated with the creation of a fuel break. This fuel break is designed to help protect the cabin community and ski hill infrastructure. The project is ongoing and relies on the BC Wildfire Service to provide key input into prescriptions and desired outcomes for the area.

WCFC continues to improve the overall fibre utilization from every hectare harvested, which in turn has dramatically reduced the amount of annual slash pile burning required to abate the post-harvest fire hazard. Firewood deliveries to Witset continue to occur when our operations are active.





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	151,520
Harvested volume (m³)	33,520	23,071	48,843	4,585	27,288¹	137,307
Cut from previous cut control period (m') 13,613 0 0 0						13,613
Total volume remaining in cut control period (m³)						600

¹Estimated volume to be delivered prior to year's end.

ROAD BUILDING AND MAINTENANCE

During the course of the year WCFC constructed 4 km of all season roads in addition to 5.35 km of winter road (e.g temporary roads). Furthermore our 2020-2021 road construction and maintenance program resulted in upgrading 3.0 km of existing roads to facilitate current and future timber extraction. Finally, WCFC also conducted bridge and infrastructure maintenance as required throughout the year on all of its tenured roads within the operating area and completed approximately 8 km of manual brushing of existing road right-of-ways during this past fiscal year.

HARVESTING & CONSTRUCTION CONTRACT OPPORTUNTIES

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 their associated work forces.

Wetzin'kwa would like to thank the local contracting community for providing the expertise needed to conduct our operations at a high standard. During the 2020-2021 fiscal year our primary harvesting, construction and road maintenance contractors were:

- Schippers Creek Contracting Ltd.
- o CAS Ventures Ltd.





SAFETY

2020 introduced us to COVID-19, and operations have adjusted to new safe work protocols associated with this global pandemic. Routine meetings have become more complicated as physical distancing measures were implemented. The awareness and management of potential exposures and spread control are always forefront as we, along with everyone else works through this challenging period.

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. Prior to



any work being completed 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.



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 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, annual harvest plans are mostly comprised of stands that contain





significant dead timber volumes, primarily relating to past Mountain Pine Beetle or Balsam Bark Beetle activity within the tenure area.

While the salvage of the damaged timber resource remains a focus, WCFC also spends considerable energy planning and preparing for the future. Road locations and long term forest conditions are constantly assessed during the planning of timber development. Decisions relating to more permanent types of access verses short term access are critical operational decisions. 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 landscape level wildfire risk and has been working closely with the Ministry of Forest Lands Natural Resource Operations and Rural Development, BC Wildfire Services, Mountain Resorts Branch, Recreation Sites and Trails BC and the Gitdumden Clan of the Wet'suwet'en Nation to develop landscape level fuel breaks. A fuel break alters fire behaviour when a wildfire reaches it, slowing fire progression, aiding first responder access, and providing safer egress for recreational users. These efforts will continue to be a priority for WCFC in future timber development planning.

ENHANCED STEWARDSHIP

Following many years of successful resource and financial management WCFC has embarked on a more aggressive program of investments directly back into the community forest landbase. WCFC "Enhanced Stewardship" annual budget is growing and intends to invest in priority activities within the community forest tenure area that our outside of legislated requirements. WCFC's Enhanced Stewardship budget is set aside to develop and explore potential investments into the many natural

resource values the community forest landscape contains. Some of the projects that were initiated and or completed within the 2020- 2021 fiscal year included:

Pine Creek snowmobile area parking and access improvements. In the past, industrial traffic and recreational snowmobile users would often meet in hazardous winter conditions on the radio-controlled McDonell Forest Service Road (FSR). Reducing or redirecting recreational snowmobile traffic on the McDonell FSR would make the road safer for all users. Therefore, WCFC improved the designated parking at the Piper Down Recreation Site, located off the Hudson Bay Mountain Road. The snowmobile access trail that runs from the designated parking and parallels the McDonell FSR to the Pine Creek turnoff (~3km) was mulched, allowing for improved rider safety and visibility. User notification of the change in access is ongoing and promoted by the Smithers Snowmobile Association.





Wildfire Risk Reduction (WRR) fuels reduction and promotion. Beginning in the fall of 2020 Wetzin'kwa was engaged by the Mountain Resorts Branch (MRB) to assist in the implementation of a WRR prescription developed to reduce the risk of wildfire along the Hudson Bay Mountain Road. Over the winter Wetzin'kwa completed the initial mechanical treatment phases for this project. To increase public awareness on this project Wetzin'kwa produced a short video to help explain the purpose of the treatments as well as highlighting some of the work completed. This complex project required collaboration between Mountain Resorts Branch (MRB), Hudson Bay Mountain Resort (HBMR), BC Wildfire Service (BCWS), Ministry of Forests Lands and Natural Resource Operations and Rural Development

(MoFLNRORD), as well as engagement with First Nations and other stakeholders. In the fall of 2020, a new stream of WRR funding available to Community Forest Agreement holders was announced. Wetzin'kwa submitted an application and was awarded \$632,000 to develop site-level plans and for treatment implementation. Work is ongoing on this initiative and is anticipated to continue through the 2021-2022 winter and beyond.

Seymour Ridge Trail safety improvements. Seymour Ridge was hit hard by the Mountain Pine Beetle epidemic, where over 70% of lodgepole pine are now standing dead or fallen as blowdown. Recognizing the popularity of Seymour Ridge hiking trail for school groups and recreationalists, WCFC prioritized improving public safety by reducing the hazard of falling dead trees. A Danger Tree Assessment (DTA) was conducted in May, where over 400 dangerous trees were identified in the first kilometer of trail. Most of these trees exhibited extensive lateral root



decay, presenting risk of imminent failure. All identified danger trees were safely felled in June by CAS Ventures Ltd. and the BC Wildfire Service (BCWS). Alongside the danger tree work, WCFC made plans for improving and adding trail features (addition of a trailhead culvert, bridge replacements, benches) and obtained permits from the Ministry of Transportation and Infrastructure (MoTI) for expanding and improving the trail parking area. These new features are to be installed in the fall of 2021.



Aldrich Lake Recreation Site preliminary reconnaissance. WCFC continues to explore the expansion of recreational opportunities within the community forest in collaboration with the Office of the Wet'suwet'en and Recreation Sites and Trails BC (RSTBC). In the early summer of 2021, WCFC conducted a site suitability reconnaissance of a new recreation site at Aldrich Lake. The next steps of this project are to be determined in 2022/23.



Twin Falls Recreation Site. WCFC established a partnership with Recreation Sites and Trails BC (RSTBC) to repair and improve existing recreation site features at Twin Falls, with a focus on user accessibility. In June, RSTBC and WCFC hosted an accessibility review and site viewing with Glenys SnowDymond (Accessibility expert) to assess and plan viewpoint trail repairs and accessible campsite establishment. Following an extremely wet year, a significant amount of gravel washed out of the viewpoint trail in the fall of 2020, resulting in trail erosion up to 70cm deep. WCFC pledged to assist RSTBC in rebuilding the trail to Basic Accessibility standards, including levelling/compaction, surfacing with gravel, and providing frequent rest stops/benches. A new accessible campsite will be constructed below the existing parking area to accommodate a wider range of recreation site users. Construction for both projects is planned for late summer/early fall 2021.

SILVCULTURE

WCFC planted 474,072 seedlings during the 2020-2021 fiscal year. This aggressive planting program can be further broken down into two separate seasons. The bulk of the seedlings (396,720) were planted in the summer of 2020 with the remaining (77,352) trees planted in the spring of 2021.

WCFC made the decision to have an extensive summer planting in 2020 as we were aware that the 2020 spring planting program was going to be the largest in the history of the Province. We became concerned with contractor availability and subsequent pricing for reforestation efforts.



Summer planting is typically a much smaller program in the Province and therefore contractor availability improves and associated planting costs can be reduced. The risk to this strategy however is that in the event of a hot and dry summer, planted trees can experience significant mortality due to growing season drought. In addition, summer planting typically allows more time for competing vegetation to become established which can hinder the growth of seedlings in the early stages of reforestation.

An additional consideration when deciding to complete a summer planting program is that we intended to do some extensive fine fuel reduction work on many of the planting areas. We wanted the spring and early summer snow free months available to complete this work and did not want seedlings on site that could be damaged by mechanized mulching and chipping efforts designed to reduce fine fuels over time.

The end result was that we did have some good luck: the summer of 2020 was the wettest one on record, and so we had no drought concerns. In addition, we were lucky in terms of the challenges that spring planting presented relating to COVID-19. Many spring planting programs had significant delays and much higher than anticipated costs as a direct result of COVID-19, however by the time WCFC planting program was commencing the issues relating to tree planter safety associated with COVID-19 had been largely resolved.

The contractor community involved in these planting efforts included:

- Windfirm Resources Inc.
- Whanau Forestry Ltd.
- RK Forestry Consultants Ltd.





SURVEYS

Approximately 730 hectares of silviculture surveys were completed in the past fiscal year:

- 170 ha of planting pay plots
- 113 ha of planting pay plots and regen survey
- 65 ha were stocking surveys conducted two or three years after planting
- 191 ha were walk-through surveys intended to monitor stands for forest health and general performance at stand age 5-10,
- 191 ha were free-growing surveys completed to determine if minimum obligations had been achieved.

Of note, Free-growing Survey results continue to indicate some of the earliest harvesting complete under the WCFC tenure are now achieving "Free-growing" status. WCFC's current tally of Free growing stands is 332.3 ha.



SILVCULTURE 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 WCFC board of directors was pleased to increase the amount provided to grant recipients.

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 and May, advertisements are posted in the local paper, on the website, and on the Facebook page indicating that the annual intake period has commenced. Grant applications (up to a maximum of \$15,000 per grant) 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 available (\$250,000) making final decision around grant awards an extremely difficult process to adjudicate.



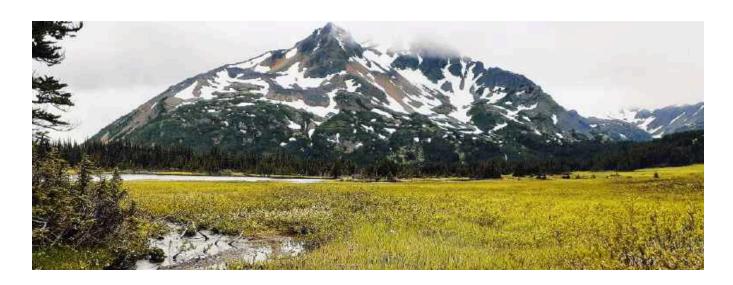
LEGACY PLANNING

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 to watch the grant program succeed. The Board believes very strongly in the social benefits of this key program of WCFC.

2020/21 GRANT PROGRAM RECIPIENTS

WCFC distributed \$302,130.04 from the 2020/2021 Grant Program to successful community applicants.

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.



2020/21 GRANT PROGRAM RECIPIENTS

The WCFC would like to congratulate the following successful applicants in the 2020/21 Grant Program:

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Organization Name	Project Title
BV Hospice Society	Corporate sponsorship 50% of coordinator salary
CICK Smithers Community Radio Station	Legacy & Sustainability Project
BVAIA_BV Exhibition	Crowd Control 2021
Canadian Ski Patrol (Smithers Zone)	Equipment Revitalization Project of the CSP Smithers Zone, 2021
Northern Society for Domestic Peace	Sexual Harassment & Assault Resources for Remote Work camps
BV Gymnastics Assoc.	Sprung Floor Replacement Project
BV Cross Country Ski Club	Trail Improvements
Seymour Lake Conservation Society	Controlling the growth & spread of yellow floating heart in Seymour Lake
Evelyn 4-H Club	4-H Honey Bee Project – Honey Extraction Education
BV Research Centre	10 th Year Remeasurement of Whitebark Pine Restoration Project
Smithers Mountain Bike Assoc.	Parking Lot Expansion: Ptarmigan Rec. Trail
Smithers Volunteer Firefighters Assoc.	SVFFA Wildland Water Pump Replacement
Smithers Volunteer Firefighters Assoc.	SVFFA Wildland Firefighting Equipment Investment (year 2)
BV Research Centre	Carbon permanent sample plots
Valley Youth Fiddlers	VYF Truffles Song writing Program
BV Recreation Society	Canyon Creek Bridge
Telkwa Seniors Housing Society	Aldermere House – Community Room
Kyah Wiget Education Society	Totem Pole /outdoor language experience
Kyah Wiget Education Society - Icount	Employing Wet'suwet'en Youth with summer garden care
Groundbreakers Agriculture Assoc.	Youth on Farms, local food in school, good food tool library
Round Lake Community Assoc.	Bulkley River Recreation Site Trail System Upgrade
Treehouse Housing Assoc.	ECE Peer Mentoring
Smithers Curling Club	Replacement brushes and sliders for Curling clinic
Northwest Animal Shelter	Pole Barn Storage completion and Adoption Centre 2021

Organization Name	Project Title		
BV Research Centre	BVRC Seminar Series Support		
Dze L K'ant Friendship Centre	MMIWG Mural Project: security cameras		
BV Museum	Collections Online Upgrade		
Back Country Horsemen	Ground Maintenance Equipment, Storage Facility & Firesmart Project		
Smithers Multicultural Society	Heritage Days: We are culture		
Bulkley Valley Otters Swim Club	Inspiring Youth – Benefitting All		
BV Foster Parent Assoc.	Foster Parent Caregiver Support Network		
Royal Canadian Legion_BR63	POS upgrade		
Central Park Building Society	Heritage floor refinish		
BV Collaborative Learning Society	Climb High Youth Outdoor Adventure Program		
BV Tool Library	BV Tool Library Launch		
Friends of the Smithers Library	Community Programming for Youth & Adults		





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 2020-2021, the WCFC was able to provide each key stakeholder a contribution of \$40,000 to assist in the funding pressures they have fulfilling their respective mandates.





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 (2020-2021)

Item	Amount	Description Description
Stumpage	\$119,853	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, edcuation, infrastructure, etc.
Community Grants	\$302,130	Distributions by the WCFC to a wide array of community groups and projects
Smithers Community Services Association	\$500	Support for the 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	\$120,000	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	\$500	Food bank contribution
TOTAL	\$557,495	



CORPORATE DATA

BOARD OF DIRECTORS



DAVID de WIT
Director, Office of the
Wet'suwet'en



LINDSAY LANGEDirector, Village of Telkwa



GARY HANSON
Director, Town of Smithers



MARGARET OLMSTEAD

Director, representing the

community at large



Director, representing the community at large



KIRA WESTBY

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

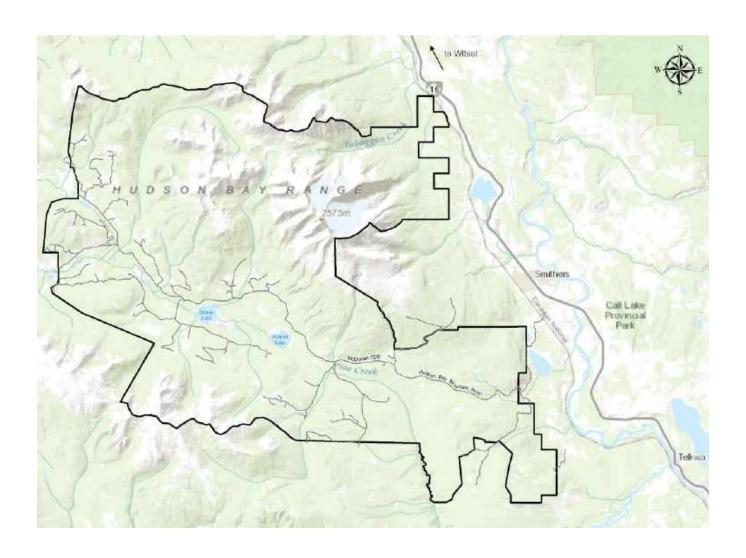
Administrative Assistant,
Silvicon Services Inc.

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LOCATION MAP



APPENDIX A:



FINANCIAL STATEMENTS



WETZIN'KWA COMMUNITY FOREST ANNUAL REPORT 2020/2021