

## Overview of 2019

### Valemount Community Forest Limited Partnership

As of January 1, 2019, we have divided into 2 operating companies. Both companies are Limited partnerships. The new companies separate the forest activities from the Industrial lands. All the work is not yet complete but we are moving closer to completion.

#### 2019 Financials:

- We have a total revenue of \$7.0 million
- Total expenses of \$6.9 million
- Total net earnings for 2019 of \$129,940.
- Falling markets, poor weather conditions and the loss of Canfor, Vavenby and Interfor, Adams lake as wood purchasers has very negatively affected our business.

#### 2019 Highlights:

- VCF has two community forest licences and a small forest licence.
  - o K2T has a cut of 48,000m<sup>3</sup>/year
  - o K5Q has a cut of 47,000m<sup>3</sup>
  - o FL A93987 has a cut of 2300m<sup>3</sup>/year and will be operated mostly in Carrier Lumber operating areas in the Robson Valley.
  - o Total cut per year of just over 98,000m<sup>3</sup>
- VCF has harvested a total of roughly 80,000m<sup>3</sup> during 2019 from both community forests licences utilizing 4 different logging contractors. All local.
- We have completed a forest inventory and ecosystem mapping for the new community forest area K5Q. The annual allowable cut increased from 35,000 to 47,000m<sup>3</sup>/year. The total cost of the project is \$250,000. We received two grants for this project totaling \$120,000.
- We have completed a LIDAR study for all of the VCF areas. This LIDAR tool will help us reduce costs and increase efficiency and quality of our road and block development. The total cost of this project is roughly \$150,000.
- We purchased woodlot 277 in the Robson Valley for \$160,000 during the summer of 2018. We are working on silviculture surveys, brushing and have started a forest inventory and management plans.
- We planted 350,000 trees on logged blocks in 2019.
- We invested money into the Dave Henry main access roads over the past year. We have installed a bridge at 9.2km, blasted rock at 8km, re-established road to the back and have completed surveys for two future bridges. Total cost of over \$350,000.
- Our forest fire preparedness plans have not moved as quickly as we had hoped but we are making progress. We are starting harvesting on 5 blocks in the Valemount to
- Tete Jaune area in June of this year. These blocks were identified in the Fire Preparedness plans and by the local fire crew as high risk stands.

- Local contractors completed the vast majority of this work and include: loggers, truck drivers, road builders, road maintenance contractors, scalers, surveyors, tree planters, slashers and road and block development contractors. Roughly 35-40 local contractors.
- This past winter we harvested up the Dave Henry, West canoe, Westridge and Swift Creek. The Westridge and Dave Henry areas are leading spruce and balsam stands set for export to markets in Prince George. The West Canoe and Swift Creek areas are wood planned for local manufacturing.

#### Recreation:

- We are finding greater use of our operating areas due to the increased quality of the road systems.
- We are extremely happy to see the 5-Mile recreation area doing so well, it's a great success story. Well done VARDA and all the people associated that helped. The bike runs are drawing people from all over and have had a big impact on the tourism economy. We are happy to support them.
- We are working with YORA in upgrading roads and establishing new trails.

#### Staff:

- The VCF LP has a total of 4 full time staff members.
- With the increased activity of the Industrial park and of our increased harvesting and operations we needed more feet on the ground. We have a nice crew loaded with of experience, local commitment and energy.

#### Notes:

The VIP LP has no staff directly and is managed by the VCF LP.  
Craig Pryor, Manager of the VCF LP and VIP LP completed company overview.

## Valemount Industrial Park Limited Partnership

### 2019 Financials (As of October 1, 2019):

- We have a total revenue of \$179,412
- Total expenses of \$105,162
- Total net **earnings** for 2019 of \$74,250
- The VIP site is old and all the infrastructure needs to be upgraded. We are investing steadily for the future.

### 2019 Highlights:

- The new Cedar Valley Holdings shake, Shingle and Post and Rail mill is now in full production. The mill shows great promise. Employment has rose from 4 employees to 15 and growing steadily. The fibre agreement seems to be working well as the mill for the first time has a steady supply of fibre.
- A lease deal for 10 acres has been signed with Dunkley Lumber out of Prince George for decking wood purchased off the open market.
- The Valemount Stone Company leases 5 acres in the yard to store and process rock.
- Treasures of the Forest, Peter Kozakiewicz, who build specialty furniture now leases 1.5 acres. They work closely with CVH Ltd and we see this as spin off jobs.
- Remcan out of Prince George is leasing 2 acres in the yard. They are a CN rail contractor who is using the site for training new employees and to store equipment.
- Trans Mountain has leased 30 acres currently used for pipe storage.
- Trans Mountain has leased 35 acres planned for a camp area.
- Robson Valley Gourmet Mushrooms, Paul McManus have recently signed a lease agreement to set up a small operation in VIP close to the office. Water and hydro are included in the lease agreement.
- We are also in talks with two companies that want to set up small operations in the Park.
- In partnership with Trans Mountain we have fibre optics in the yard and will be hooked up to the VCF office sometime in 2020.
- VCF utilized the yard and scales this year as a reload yard and specialty wood decking area. We are finding it very useful to have clean up loads brought into the yard that we can sort out and sell to local mills.
- We have aggressively been fighting Knapweed which is an invasive species that dominated the industrial lands when we purchased the site. We are very proud that the weed is under control and that the grasses and other plant species are now flourishing. We will have an annual plan to monitor and take action when needed.
- We are continually working on infrastructure in the yard in attempts to build and create industry. This summer we hope to start to work on the yard fire fighting system. The old system's base is still there but is in rough shape and needs to be rebuilt
- We are continuing to research ways to deal with the waste fibre in the area. This issue is holding us back from setting up more manufacturing in the yard. Currently, it's a

major cost to haul waste to a larger center which makes manufacturing in Valemount very difficult. This is our number one priority.

- The VIP LP has purchased an assortment of mill equipment in 2019 and 2020. A headrig saw will be the heart of the new mill. We have started construction of the mill this spring with a very experienced out of town contractor hired to lead the build with an assortment of locals in support. We are making good progress and hope to have the mill in operation for the fall of 2020. The mill will have a small crew of roughly 7-8 people to start then go from there. Estimated cost of mill purchase and setup is \$1.5 million.