

## Overview of 2018

Good evening everyone and thank you for coming. The VCF has had another very positive and busy year.

### **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.

#### 2018 Financials:

- We have a total revenue of \$7.1 million
- Total expenses of \$5.9 million
- Total net earnings for 2018 of \$1.1 Million. Same earnings as 2017.
- Our Silv and road liabilities are identified per block with a total liability of \$940,000 of which this dollar value is protected to ensure success long term.
- The VCF total equity is \$7.6 million up from \$6.6 million from 2017
- We are financially healthy, debt free and able to invest capital where necessary

#### 2018 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 35,000m<sup>3</sup>/year and soon to be lifted to 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 97,000m<sup>3</sup>
- VCF has harvested a total of roughly 80,000m<sup>3</sup> during 2018 from both community forests licences utilizing 4 different logging contractors. All local.
- We have just completed a forest inventory and ecosystem mapping for the new community forest area K5Q. We have submitted the timber supply review for First Nations review and to the Government and expect an increase in the annual allowable cut. The total cost of the project is \$250,000. We received two grants for this project totaling \$120,000.
- We have contracted TDB out of Prince George to complete 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 \$120,000. We had applied for a grant from the Rural Dividend Fund for \$100,000 but were unsuccessful. We have received the raw data and are not completing quality assurance of the product. We hope to start using the data this summer.
- We purchased woodlot 277 in the Robson Valley for \$160,000 during the summer of 2018. The woodlot needs some work with the silviculture and it needs a new inventory which we hope to start soon. This investment once up to a good standard will be worth an estimated \$250,000. It will also supply employment to locals and give us more

volume to work with. We flew the woodlot for air photos and LIDAR in 2018. We are hoping to go through all silviculture openings this spring and realign them if necessary. The next step will be starting a forest inventory of the woodlot.

- We planted 500,000 trees on logged blocks in 2018 and 310,000 trees planned for 2019.
- We are set to start brushing plantations this spring targeting mainly deciduous trees and brush that are starting to cause problems for the plantations. Local contractors.
- We invested money into the Dave Henry, Kiwa and West Canoe main access roads over the past year. With the increased annual allowable cut and the threat of spruce and fir beetle and forest fires we need to have better access in order to respond to issues in these areas.
- We are planning to install 1-2 bridges up the Dave Henry in June 2019 and hopefully another 1-2 in 2020.
- We also have pre-build roads in 2018 into blocks for future harvesting.
- Our forest fire preparedness plans have not moved as quickly as we had hoped but we are making progress. We are starting to work on cutting permit applications for 5 blocks in the Valemount to Tete Jaune area. These blocks were identified in the Fire Preparedness plans and by the local fire crew as high risk stands. We hope to start harvesting in June.
- 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.