



Responses to questions from the August Public Information Meeting

June 15, 2015

Questions directed to the Board

- 1. Re: Report from the Board of Directors. Is there a written report? If not, why not? If so, is it available at the MCFC office?**

There is no written report. The Board Chair reports out regularly on in-camera items at the quarterly public Board meetings. There is not much to report as the bush has been shut down for break-up and the Board hasn't met that much.

- 2. You mentioned that a meeting took place re: dispersal of grants/funding. When did the meeting take place? Will you tell us which groups got funding and the amounts? Why was this granting of funding so delayed? I understood that funding was to be announced in April.**

There were several meetings to discuss the granting process. During the budget process the granting was delayed. As well the grants committee needed to familiarize themselves with the MCFC granting process. Grants of \$5450 have been approved (approximately \$24,000 requested) and the recipients will be posted on the MCFC website once they are notified.

- 3. Grant submissions were to be in by the end of January 2015. The budget was approved prior to the April 1st 2015 meeting at which the Board indicated that grant approvals would be made by the following week. What is the status of these requests?**

See number 2 above.

- 4. Are we planning for changes to the MCFC Board structure – we now have six director positions with one vacancy: Also are there any major changes planned for 2015?**

We are looking at that. Any changes to the Board structure will be done in October as that is the date for our AGM.

- 5. At Village Council you set up interim Board for what was supposed to be for 6 months. That has since passed. Could you please tell us what the time line and structure of the new Board will be?**

The shareholder is currently reviewing the structure of the Board and looking at setting up an advisory board. We are looking at how that would work. See also number 4 above.

- 6. When and by how many and from what area of the community will additional Board members be appointed?**

The shareholder is going through a review of the structure of the Board and talking about setting up an advisory board. The Board membership will be based on the needs of the community forest corporation itself and not necessarily from where these people live. See also number 4 above .

- 7. How can we ensure that the tax payers who are the shareholders of the Community Forest are served in their best interest?**

Directors are legislated to act in the best interest of the corporation under the Business Corporations Act.

- 8. Have all the present Directors signed the “confidentiality” and director oath to work in the best interest of the corporation? If not, why and who?**

No. Under the Business Corporations Act directors are legislated to be open and honest and to act in the best interest of the company. All MCFC policies are being reviewed by the Board.

Director Reichert has since signed the forms.

- 9. Is it true that directors of the community forest can be held liable for any knowledgeable wrong doings if they ignore them?**

Yes, it's called condoning. The Board is speaking to a lawyer in that regard.

10. What is the Board's policy regarding maintaining back country access for recreational activity?

One of the things that the Board will be looking at in the future is ways the community forest can assist to keep backcountry access available to help promote tourism.

11. Are we ever going to be able to ask our questions verbally and if not understood – to be able to question further?

The Chair will bring this forward to the Board for decision and post the answer on our website. Any changes will take effect at our next public meeting.

Question directed to Director Alan

12. I see the Regional District Director sits as a director on the McBride Community Forest Board. I'm curious as to why the Regional District Director is sitting on the McBride Board. Does the Regional District Director sit on or plan to sit on the Dunster Community Forest and the Valemount Community Forest Boards as well, which are all within Area H? If not, what is the attraction for the RD Director to only sit on the MCFBoard?

I, as Regional District Director was invited by the shareholder to apply to the McBride Community Forest Board as a Director to provide a broader community perspective to the board while upholding my fiduciary duty to the Corporation.

After writing the letter of request, we, the board and I, were told by the Regional District of Fraser-Fort George administration that, in light of the 2013 B.C. Supreme Court decision in Schlenker v. Torgimson, I could not represent the Regional District Board on the MCFC Board, however I could sit as an interested party to provide a broader community perspective to the MCFC board.

That is currently my standing now, however, I am the elected representative of RDFFG Area H and I am cognizant of that fact in every action I take and every meeting for every organization that I attend.

I strongly believe that what is positive for Area H is has a positive effect on Valemount and McBride and vice versa. I regularly attend meetings with various community organizations and continue work cooperatively and collaboratively with the communities and organizations throughout the region.

I strongly hold that the continued health of the McBride Community Forest Corporation is in the best interests of all the residents of our community, those who live in the Village and those who live Area H. I see no conflict in doing my best to help the Corporation succeed.

If anyone has any further questions or requires more clarification, please do not hesitate to contact me. I can be reached at 250-569-7825.

Questions directed to the General Manager

- 13. What is the Board's long term plan for sustainable volumes from the forest of the valley. That is, how are you planning for future generations to be able to harvest the volumes we can harvest today?**

All community forests are required to do periodic (every 5-10 years) timber supply analysis. This involves taking inventory of the forests in our agreement area, netting out the constrained areas, determining the remaining land base available for timber harvest, and then modelling the growth of that timber. The sustainable rate of cut (or annual allowable cut (AAC)) is set to match the annual growth of the available timber, therefore, it is available in perpetuity. Our last timber supply review set our AAC at 50,000 m3 which we modelled to be sustainable 250 years into the future.

- 14. How do you keep in touch with inventory levels of the community forest without doing block layout and designated boundaries?**

As per current policy all our blocks are laid out prior to harvest and GPS'd post harvest. All this is recorded in our Phoenix data base system and reported annually to MFLNRO in the RESULTS reporting system.

- 15. Fleet Creek bridge – approximate cost? Any other significant liabilities to cover?**

We have budgeted approximately \$80-100,000 for this bridge repair but won't have a more accurate cost estimate until we receive bids to do the work. There are no other significant road or bridge liabilities that we are aware of. As mentioned in the review of the 2014 financials, our most significant and ongoing liability is our silviculture liability (obligation to reforest all the areas we harvest and grow the newly established stand to a free growing state.) which typically fluctuates between \$800-900,000.

- 16. Are you (community forest) trying to purchase or take over all of Carrier's Forest License?**

You may have heard that MCFC has been working with the Valemount Community Forest (VCF) to purchase Carrier Lumber's forest licenses (FL) in the Robson Valley. Our initial proposal was to purchase both of Carrier's FL's, divide them evenly and provide each community forest with an equal expansion. This proposal has since been down sized to just involving Carrier's small FL of 75,000 m3 AAC. If successful, both MCFC and VCF would receive new community forest agreements with allowable cuts of 37,500 m3 each.

- 17. It appears you are not getting market value for the logs you sell. Why not?**

We are getting market value for the logs we sell. Under our small market logger program we charge an administrative fee per cubic metre of wood harvested. We continuously monitor the average BCTS total stumpage charged for the relevant pricing zones and our admin rate is very much in line with that.

- 18. How much does a contractor get per logged tonne? And how much does MCFC get?**

This is variable depending upon the stand, market condition, whether we contract log or sell this wood under our small market logger program. Under our small market logger program we have been charging about \$20-22/m³ for white wood and less for hemlock sawlogs. We charge \$3.12/m³ for grade 4 cedar. Under this program the logger markets the wood himself and gets whatever he can for the wood. If we contract log we negotiate a logging rate. This is variable depending upon the stand conditions, location, type of logging required, etc... We will be moving to more contract logging in the future and are looking at a system that Carrier Lumber and Valemount Community Forest use, which has a negotiated base logging rate, and cost additives based on site and stand variables.