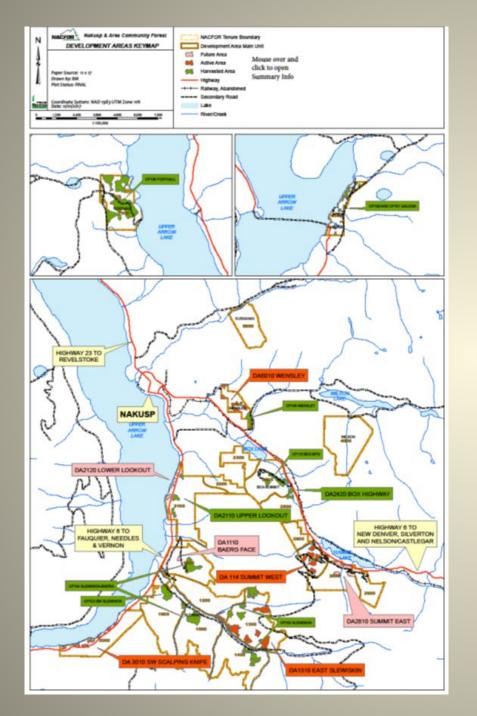
Nakusp & Area Community Forest (2013) Inc. 2016 Year In Review





NACFOR Community Forest Agreement Land Base

- Limited land base area
- Geographically separate chart areas
- Many constraints, including:
 - Terrain
 - Domestic & Community watersheds
 - Wildlife & Species at Risk
 - Wildfire Urban Interface areas
 - Visual Quality Objectives
 - Riparian areas
 - Soils and terrain stability
 - Stand and landscape level biodiversity
 - Old Growth Management Areas
 - Forest health
 - Archaeological & cultural heritage values
 - Fisheries
 - Recreation values and features Among Others!

These constraints are all managed

2016 Highlights – Harvesting and Road Projects

A total of 19,985 m³ was harvested in four development areas:

Development Area	Location	Volume (m3)	Total Area (ha)
114	Summit Lake	1,150	Road ROW
2110	Upper Lookout	7,151	19.1
2420	Box-Highway	10,584	15.2
3010	Scalping Knife	1,100	Road ROW
Total		19,985	34.3

In 2015 an old wooden bridge was removed and the stream channel restored on a tributary to McDonald Creek. In 2016 a new steel bridge was installed to access new development on the north side of McDonald Creek



Log Sales Statistics

NACFOR supplied wood to eight local and regional manufacturers in 2016, including small and medium sized mills as well as Interfor, the major industrial mill in Castlegar.

Approximately 2,230m³ or 55 logging truck loads were manufactured locally in Nakusp. Table 6 shows a summary of log sales and products in 2016.

Total Truck Loads	% of Total Loads		Total m3	% of Total Volume
27	5.5%	CEDAR POLES TO BRISCO	1,202	6.0%
7	1.4%	CEDAR POLES TO STELLA-JONES	338	1.7%
12	2.5%	CEDAR SAWLOGS TO HERRIDGE	506	2.5%
6	1.2%	CEDAR SHAKE/RAIL TO BOX LAKE LUMBER	186	0.9%
224	46.0%	SAWLOGS TO INTERFOR	8,751	43.8%
157	32.2%	SAWLOGS TO DOWNIE	7,040	35.2%
3	0.6%	SAWLOGS TO KALESNIKOFF	117	0.6%
33	6.8%	PULP TO ZELLSTOFF	1,174	5.9%
17	3.5%	FIREWOOD	651	3.3%
1	0.2%	CLEAN-UP LOAD OF SAWLOGS TO STORAGE YARD	20	0.1%
487	100%		19,985	100%

2016 Highlights – Development & Silviculture

Development

Forest development activities continued in Scalping Knife (Arrow Park) and Wensley Creek. New development efforts were focused in the East and North Slewiskin areas in the McDonald Creek drainage.

Approximately 62,000 m³ is now under development for future harvest

NACFOR continued to support the Fish & Wildlife Compensation Program Summit Lake Western Toad Project through funding contributions and in-kind work.



Potential culturally modified tree

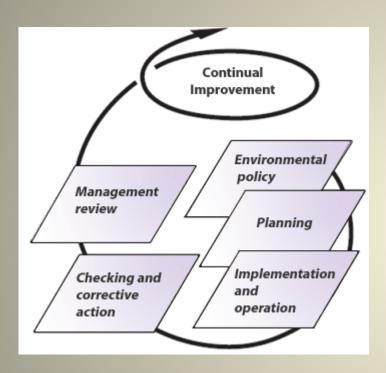


Silviculture

- 38.6 hectares (60,000 trees) were planted by a local tree planting contractor in the McDonald Creek area.
- In 2016 NACFOR stumped 41.1 hectares. Root removal is an effective treatment to control root rot in the regenerating stands of highly susceptible sites found in the Interior Cedar-Hemlock biogeoclimatic zone.
- Approximately 70,000 seedlings were sown for 2017 planting

Stump removal – CP 104 McDonald Creek

2016 Highlights – ESMS



Environmental and Safety Management System (ESMS)

NACFOR's Environmental and Safety Management System (ESMS) was implemented in early 2016. The ESMS provides a framework for environmental and safety procedures for NACFOR forestry operations. Objectives of the ESMS are:

- to develop a comprehensive, systematic and documented approach to managing NACFOR operations in compliance with legislation and acceptable environmental standards
- to provide the NACFOR Board of Directors, shareholder and public with the assurance that the CFA land base is being well managed with established policies and processes.

As a requirement of the ESMS, management reports to the NACFOR Board annually on environmental and safety performance and compliance with legislative obligations. This information allows NACFOR to assess the effectiveness of the ESMS and provide direction for continual improvement in forest management.

2016 Highlights – Managing Forest Health

Management of Douglas-fir (Fd) bark beetles is a priority for the community forest in order to minimize forest health impacts to timber supply.





Using historical information and MFLNRO detailed flight surveys, NACFOR identified two areas in the Community Forest Agreement (CFA) chart to implement a Fd beetle trap tree program.

In early April five to six mature Fd trees were felled in each location prior to beetles emerging from nearby infested stands.

The freshly felled trees attract adult beetles which then lay the next brood in the 'trap' trees.

Trap trees with the adult beetles and larvae were then cut and removed in the late fall thereby controlling the population.



2016 was a busy year for recreation trail development:



Arrow Park Trail beach access

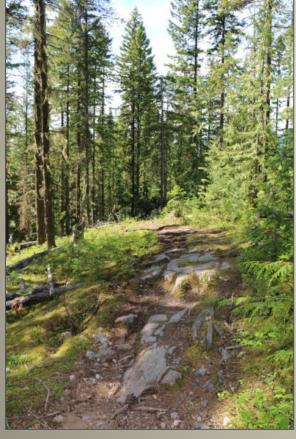
new trails were constructed at Galena Bay and Arrow Park and maintenance work was completed on the Jackrabbit Interpretive Trail



Galena Bay Trail beach access

The trails projects were supported through grants from the **Regional District Area K** (\$2,000), **Columbia Power Corporation** (\$750), **Recreation Sites and Trail BC** (\$5,000) and the **CBT Recreation Infrastructure Grant** program (\$20,300).





Recreation trails support NACFOR's management goals and objectives to manage for recreation resources and values in the community forest



Jackrabbit Interpretive Trail

2016 Highlights – Community Contributions

NACFOR Donation Program

The Donation Policy was finalized in early 2016 and the Board donated to many organizations throughout the year, helping to fund a variety of projects.

Cash donations total:	\$39,100
In kind donations total:	\$6,180
(value of firewood donations)	
Administrative costs:	\$3,520

Total Donation Program \$48,800

Type of Project	Cash Donation
Youth & Senior	\$6,199
Arts & Heritage	\$6,000
Recreation	\$7,267
Health & First Responders	\$6,434
Events	\$5,000
Social	\$4,500
Other	\$3,700
TOTAL CASH DONATIONS	\$39,100

2016 Highlights – Community Contributions Logging Truckloads of Firewood

Name of Organization	Type of Donation	
Stepping Stones Children's Centre – Online Auction Fundraiser	2 truckloads of firewood (2015/2016)	
Nakusp Volunteer Fire Brigade – July 1 st Fireworks fundraiser	1 truckload of firewood	
Burton Volunteer Fire Department – Silent Auction Fundraiser	1 truckload of firewood	
Arrow & Slocan Lakes Community Services	2 truckloads of firewood	
NSS Grad 2017	1 truckload of firewood	
TOTAL COST TO NACFOR	\$6,180	

Local organizations really value the logging truckloads of firewood that NACFOR is able to offer for donation. Those locals who burn wood to heat their homes get pretty excited at the opportunity of winning all that firewood in a raffle or as winning bid in a silent auction.

2016 Highlights – Community Contributions

NACFOR worked with Arrow and Slocan Lakes Community Services (ASLCS) to deliver a program to support **ASLCS diversity clients**.

Goals of the firewood project were to provide paid work experience for two people to work with a coach and supervisor for six weeks – in a *"real work for real pay"* environment.

The clients developed skills including:

- how to work as a team
- communication
- developing and implementing a plan
- come up with work efficiencies
- how to provide customer service.



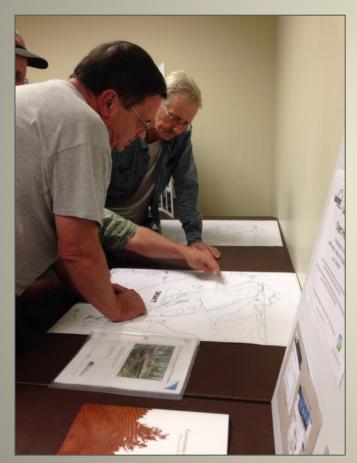
The clients also learned how to operate equipment safely – including chainsaws, hand tools and the wood splitter

Another goal of the project was to provide affordable firewood to people in the community.

NACFOR donated two loads of birch firewood and coordinated the project work site at the storage yard.

2016 Highlights – Community Engagement

NACFOR continued to provide communications to the public through website updates, Facebook posts and the annual open house.



Looking over maps at the NACFOR open house

NACFOR was proactive with communications regarding logging at Summit Lake in response to public concern.

- A FAQs document and information bulletins on Western Toad Management in the Summit Lake area were published on the NACFOR website.
- NACFOR's position paper on toad issues at Summit Lake was published in local papers and distributed widely within the forest industry.

Western Toad Management in the Summit Lake Area

The Basics:

Where are western toads found?

Western toads can be found throughout Canada and the United States, from the Rocky Mountains to the Pacific coast, and from sea level to alpine areas. In British Columbia the western toad is found within most biogeoclimatic zones and forest districts throughout the province.

Closest to Nakuşp and area, western toads are found in the Arrow Lakes Valley and along its tributaries, in the Slocan Valley including areas around New Denver, Silverton, Castlegar, and in the Kootenay Lake area from Nelson north to Duncan Lake. Specifically around Summit Lake they are found up and down the lake with highest breeding areas concentrations along the south shordline. See Figure 2. The western toad is also found in Box Lake and other lakes in the area, on both sides of the Arrow Lakes.



Contents	
Where are western toads found?	
About NACFOR's Summit Lake Operating Area	1
Where do western toads live; what kind are they?	2
Why do toads need to be managed?	
What are the specific concerns about toads in the Summit Lake Area?	2
What is being done to address the SummitLake concerns?	3
What is NACFOR doing to address concerns? NACFOR Work Completed & Next Steps	3
Map, SummitLake Operating Area	5
References	

2016 Highlights – Educational Partnerships

The partnership developed in 2015 continues to provide a framework for collaboration and communication with local schools and teachers.

NACFOR coordinated several field trips with School District 10 classes in 2016



Nakusp Elementary School tree planting and invasive plant education in May – in partnership with the Central Kootenay Invasive Species Society

nine classes from grades 3 to 7 with a total of 120 students

tree planting took place on community forest; the invasive plant activities were carried out at McDonald Creek Park





Planting was followed by a big picnic at McDonald Creek Park.

2016 Highlights – Educational Partnerships



Edgewood Elementary School National Forest Week hike

during National Forest Week in September NACFOR hosted a hike on the new Arrow Park trail for students from Edgewood Elementary School

students spent the day learning about forests and the natural environment, played plant ID bingo and practiced survival skills on the beach.....



2016 Highlights – Educational Partnerships

Selkirk College: once again the Castlegar campus second year forestry class completed a field lab assignment collecting CP development data for DA 1210 in McDonald Creek.

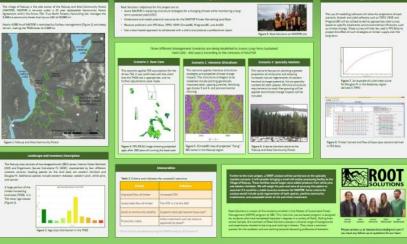
✓ This partnership supports NACFOR's strategic goal to provide training opportunities for entrylevel forest workers and youth.



The group of students from the UBC Masters of Sustainable Forest Management program developed a silviculture strategy for the NACFOR land base.

Outcomes of the project included reconsideration of the CFA allowable annual cut and allowing for silviculture practices to anticipate climate change.





2016 Highlights – Governance & Business Activities

The Board of Directors were busy in 2016 – in addition regular monthly meetings, two special meetings were held to discuss Board recruitment, policy review and strategic initiatives.

Director Bill Tobey and a management representative attended the BC Community Forest Association annual meeting and conference in Lake Cowichan.



Board members participated in several field trips to view harvesting, silviculture activities and recreation trail development



Looking Forward - Key Directions & Initiatives for 2017

Harvest Activities

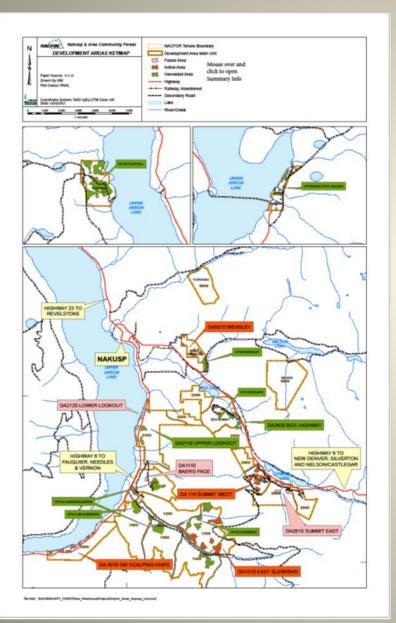
- Projected harvest of **35,000 m³** to meet the December 31, 2017 cut control period where the 5 year harvest level (100,000 m³) needs to be balanced;
- Approximately 6 km of new road construction;
- Harvest activities will focus on Scalping Knife, Summit Lake, East Slewiskin and Wensley Creek chart areas.

Silviculture

Plant approximately 75,000 trees;
10 hectares of root removal;
Sow seedlings for 2018 planting program;
15 hectares of brushing.

Management activities, strategic and business planning initiatives will be on-going in order to meet forest management objectives, CFA obligations, and economic targets.

Looking Forward - Key Directions & Initiatives for 2017



Future Harvest Areas Under Development

- Development activities will be ongoing in East Slewiskin, North Slewiskin, Wensley areas.
- Development opportunities will be assessed in NE Scalping Knife and West Box Mountain

Short and mid-term planning initiatives include archaeological, terrain stability and visual assessments for new development and ongoing research to support western toad research in the Summit Lake area.

Looking Forward - Key Directions & Initiatives for 2017 Applied Research

Strategic Initiatives

New strategic forestry initiatives on the radar for 2017:

- detailed hydrological modeling of the McDonald Creek drainage;
- management of Wildlife Habitat Features;
- developing a migratory bird strategy for NACFOR's operating area; and,
- researching the use of drones for conducting different resource analysis.

Western Toad Research

NACFOR will continue working with the Ministry of Forests, Lands and Natural Resource Operations and the Fish & Wildlife Compensation Program Summit Lake Western Toad Project. Ongoing surveys on western toad movements and terrestrial habitat use will inform our forest practices in Summit Lake and throughout our operating area.

Looking Forward - Key Directions & Initiatives for 2017

Land Base Initiative - an on-going initiative to expand the NACFOR land base and bolster the allowable annual cut (AAC)

This has two sub-projects:

- the first is a NACFOR Land Base Stabilization project which will be an effort to identify, status and examine a number of areas outside of designated forest licensee chart areas that will be pursued as additions to the NACFOR license area.
- The second sub-project is completion of a **NACFOR AAC Rationalization project** which includes completion of a 20 year plan blocking and analysis exercise designed to dovetail with a Timber Supply Review for the community forest. The project is well under way.

NACFOR Governance

A major effort in strategic planning and business planning is anticipated for 2017, undertaken by the Board and management, to set the course and provide a framework for NACFOR looking forward to future operations.

Looking Forward - Key Directions & Initiatives for 2017

Wildfire Interface Protection and Fuel Management – an initiative to explore funding and opportunities for managing the risk of wildfires in the community forest area and surrounding communities.

In collaboration with the Village of Nakusp and the Regional District Central Kootenay, NACFOR will take the lead on two UBCM funded Strategic Wildfire Protection Initiative (SWPI) projects:

- Project 1 is an update to the Community Wildfire Protection Plan (CWPP). A funding application will be submitted to UBCM late April and with approval the program will move forward. The CWPP will assess, prioritize, and provide recommended actions to mitigate wildfire threat in Nakusp and RDCK Area K communities. The plan will also provide direction for subsequent fuel management projects and provide access to future fuel management funding. The CWPP project would be partially funded through the UBCM SWPI program with contributions from the Village of Nakusp, RDCK and the NACFOR Legacy Fund.
- Project 2 is development of a **FireSmart program** for Nakusp. FireSmart is a community led program intended to educate, promote, and implement wildfire mitigation efforts on private lands. FireSmart is fully funded through the UBCM SWPI program. A volunteer board of NACFOR and Community members has been formed to oversee this project.

Challenges for 2017

Log Markets – NACFOR will continue to be faced with the challenges of selling wood in local and regional markets. NACFOR is attempting to sell more wood to local manufacturers. As a log seller NACFOR is still a small player in a tightly controlled marketplace that has relatively few buyers for our products. There is a tightening supply of timber with generally strong demand but relatively flat pricing for premium logs. Cedar and premium Douglas-fir log value did increase in 2016 and we are anticipating similar levels of log pricing and strong demand going forward. However, softwood trade action from the USA may have an effect on our operations in an indirect manner as sawmills begin paying tariffs to enter the US lumber market. This may translate into sawmills wishing to pay less for logs to offset the tariffs.

Social License – The profit distribution program has established the framework to provide funding for community development projects and non-profit groups. Ongoing educational partnerships, training initiatives and research projects support training opportunities for forest workers, promote forestry-related activities in the community and improve public knowledge and access to forest resources. NACFOR will continue to examine needs and opportunities of both the business aspects and the community in order to craft a strategic direction that can further develop and maintain community connections, while maintaining a financially strong business entity going forward.

NACFOR - Community Forestry

"Empowers people living in forest communities to manage local forests in a way that is respectful of local values and priorities"

