



CHONOOK

Community Forest



ANNUAL REPORT
April 1, 2018, to March 31, 2019



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Chinook Comfor Limited Partnership

Corporate Data

P.O. Box 969
Burns Lake, B.C. V0J 1E0
Email: info@chinookcomfor.ca
Chinook Community Forest Facebook Page
chinookcomfor.ca

85% First Nation Ownership:

Wet'suwet'en First Nation
Nee Tahi Buhn Band
Skin Tyee First Nation
Cheslatta Carrier Nation
Ts'il Kaz Koh First Nation
Lake Babine Nation

15% Village of Burns Lake & Regional District of Bulkley-Nechako Ownership

Auditors: Tony Tiani & Company Inc. Chartered Professional Accountants, Prince George

Bank: Royal Bank of Canada, New Hazelton Branch

Operations: Ken Nielsen, General Manager

Board of Directors:

Miles Fuller, President— Regional District of Bulkley Nechako
Shannon Haizimsque, Vice President— Wet'suwet'en First Nation
Louise Fisher, Secretary—Regional District of Bulkley-Nechako
Adele Gooding, Treasurer—Skin Tyee First Nation
Lloyd Adams, Director— Ts'il Kaz Koh First Nation
Karl Garrett, Director—Village of Burns Lake
Dianne Evans, Director—Lake Babine Nation
James Rakochy, Director—Cheslatta Carrier Nation

CHINOOK

Community Forest

Board of Directors 2018/19



Miles Fuller, President



Shannon Haizimsque
Vice-President



Louise Fisher, Secretary



Lloyd Adams, Director



Adele Gooding, Treasurer



Karl Garrett, Director



Dianne Evans, Director

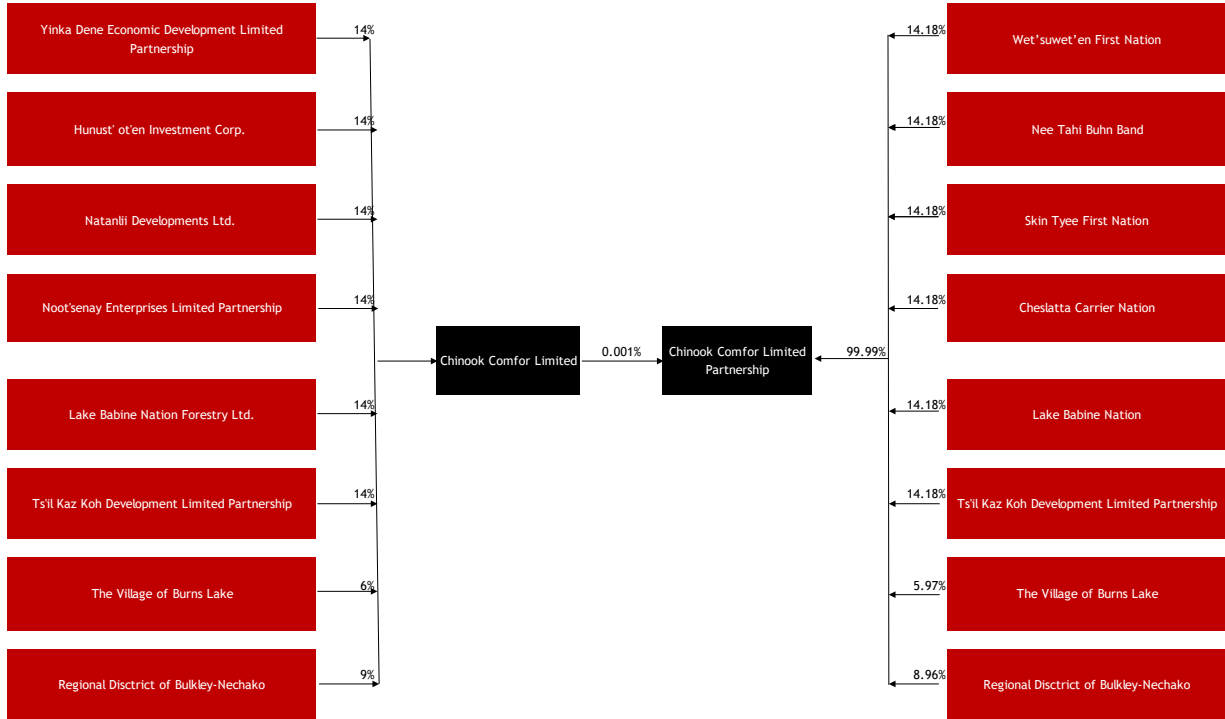


James Rakochy, Director



Nee Tahí Buhn Band

CHINOOK COMFOR LIMITED PARTNERSHIP
ORGANIZATION CHART
March 31, 2019



Name	Common Shares	Percentage of Ownership
Yinka Dene Economic Development Limited Partnership	1,415	14%
Hunust' ot'en Investment Corp.	1,415	14%
Natanlii Developments Ltd.	1,415	14%
Noot'senay Enterprises Limited Partnership	1,415	14%
Lake Babine Nation Forestry Ltd.	1,415	14%
Ts'il Kaz Koh Development Limited Partnership	1,415	14%
The Village of Burns Lake	596	6%
Regional District of Bulkley-Nechako	894	9%
	<u>9,980</u>	<u>100%</u>

Name	Percent of Profit Distributed	Amount
Yinka Dene Economic Development Limited Partnership		\$20,069.96
Hunust' ot'en Investment Corp.		\$20,069.96
Natanlii Developments Ltd.		\$20,069.96
Noot'senay Enterprises Limited Partnership		\$20,069.96
Lake Babine Nation Forestry Ltd.		\$20,069.96
Ts'il Kaz Koh Development Limited Partnership		\$20,069.96
The Village of Burns Lake		\$8,453.46
Regional District of Bulkley-Nechako		\$12,680.23
		<u>\$141,553.45</u>

Name	Units	Percentage of Ownership
Wet'suwet'en First Nation	1,415	14.18%
Nee Tahi Buhn Band	1,415	14.18%
Skin Tye'e First Nation	1,415	14.18%
Cheslatta Carrier Nation	1,415	14.18%
Lake Babine Nation	1,415	14.18%
Ts'il Kaz Koh Development Corporation	1,415	14.18%
The Village of Burns Lake	596	5.97%
Regional District of Bulkley-Nechako	894	8.96%
Chinook Comfor Ltd.	1	0.01%
	<u>9,981</u>	<u>100%</u>



CHINOOK

Community Forest

Our Strength is Our Cultural Diversity

Mission Statement

Chinook Comfor Ltd is committed to managing our renewable resource by collaborating to build community capacity. We will achieve this by creating self reliance through long term environmental sustainability for economic and social growth.

Vision Statement

Chinook Comfor Ltd. will be a leader in forest practice management, social values and economic development.

Value Statement

With our shareholders and our community forest, we live these values:

- 1) We accept responsibility for our actions. We make and support business decisions through experience and good judgement.
- 2) We recognize the importance of diversity. We are committed to making sure that everyone we interact with is treated fairly, with respect and dignity.
- 3) We will build open and honest relationships with communication.
- 4) We will pursue growth and learning.
- 5) We will deliver our best in all we do.
- 6) We will respect all individuals and value their contributions.

7) We will base all our decision making on what is best for our community.

Guiding Principles

Chinook's guiding principles are as follows:

1. Maintain community involvement which is represented by a local Board of Directors derived of First Nations and local government representatives.
2. Ensure forest resources are managed in a manner that is environmentally sustainable for the long-term
3. Maintain and enhance a high standard of environmental stewardship through innovative avenues of land base management.
4. Practice forest management that applies a balanced use of land base resources.
5. Encourage local job creation and sustainability with increased quality of life within the community.
6. Initiate and sustain partnerships between Chinook, First Nations, and the community at large.
7. Generate revenue that is sustainable over the long-term for the benefits of current and future generations.
8. Maintain and enhance current recreational sites and features in the Chinook area.
9. Be transparent in all activities.



CHINOOK

Community Forest

General Manager's Report

On behalf of the Board of Directors, I am pleased to present this report regarding the activities and operations of Chinook Comfor Limited Partnership (Chinook) for the April 1, 2018, to March 31, 2019 fiscal year.



2018/2019 was a very challenging year to say the least. From very high snow levels to a very cold spring with no moisture, and then into a drought and wildfires.

Chinook lost an estimated 9,000 hectares of its Timber Harvesting Land Base (THLB), out of 64,000 hectares to the Shovel Lake, Verdun, and Nadina fires. Seven cut blocks were also lost, and approximately \$80,000 worth in layout costs. Preliminary studies show that approximately 3-4,000 hectares of the 9,000 hectares lost will be salvageable. Fortunately, none of Chinook's spring decked wood was lost to the fires.

As a result of the fires, Chinook has many kilometres of fire guards within the community forest area. Communication with the local Ministry of Forests, Lands and Natural Resource Operations and Rural Development (ministry) staff has been constant. Prescriptions have been started within the Verdun Fire area for fireguard rehab, and local ministry staff are working through the process of starting on prescriptions within the Nadina Fire area this summer. Chinook is in the process to identify which fireguards will remain for future mitigation efforts.

Chinook was able to fast track a cutting permit resulting in 105,000 m³ this harvesting season; however, all the fibre is located south of Francois Lake, which made it challenging. Due to the fires, harvesting was eight weeks behind causing a huge capacity issue within Burns Lake. Chinook delivered 28,885 m³ of 2017/2018 spring decked wood and 12,799 m³ of its 2018/2019 harvesting season. 72,425 m³ of the targeted 105,000 m³ was harvested.

There is currently 25,955 m³ spring decked on the southside and another 33,672 m³ decked on Cheslatta's old mill site. An estimated 40,000 m³ of fireguard wood is also decked within the Nadina Fire area. Chinook has been moving this volume to different roads since April in order to help facilitate with fireguard rehab and utilize this fiber.

Chinook was successful in attaining \$100,000 in funding from the Forests for Tomorrow (FFT) program. This funding was scheduled to conduct surveys for fertilization. Chinook, along with FFT, have decided to put this funding towards surveys of non-liability plantations within the community forest area. This project surveyed 812 hectares—266 hectares require site preparation, 285 hectares were recommended for planting with no site prep, and 93 hectares require reassessing.

The remaining 67 hectares were determined to be low priority. \$488,370 was also obtained through FFT for surveys and site prep along with 900,000 seedlings.

I'm disappointed to report that Chinook was unsuccessful in attaining funds through the Forest Enhancement Society of British Columbia (FESBC) for its fire mitigation plan. Chinook applied for \$3.7 million to treat approximately 3,200 hectares. This has not detoured Chinook and a fire mitigation planning is currently in progress.

The Light Detection and Ranging (LiDAR) project flight was completed in September 2017. Although there was a delay due to the fires, the ground truthing plots for this project have also been completed. Tesera Systems Inc. is working hard to overcome the delay in plot sampling and has a finished product. Chinook will utilize this great tool for future operational planning, fire mitigation and, of course the dreaded Allowable Annual Cut (AAC) determination for the mid-term timber supply—to be completed in spring 2020, followed by the approval date in spring 2021.

As per the Community Forest Agreement K4R, Chinook will complete and professionally publish three research papers by April 1, 2021. One research paper is well under way on the topic of Old Growth Management Areas (OGMAs) and has reached draft 2. A second research paper started in September 2018 about mixed species stands and fire mitigation.

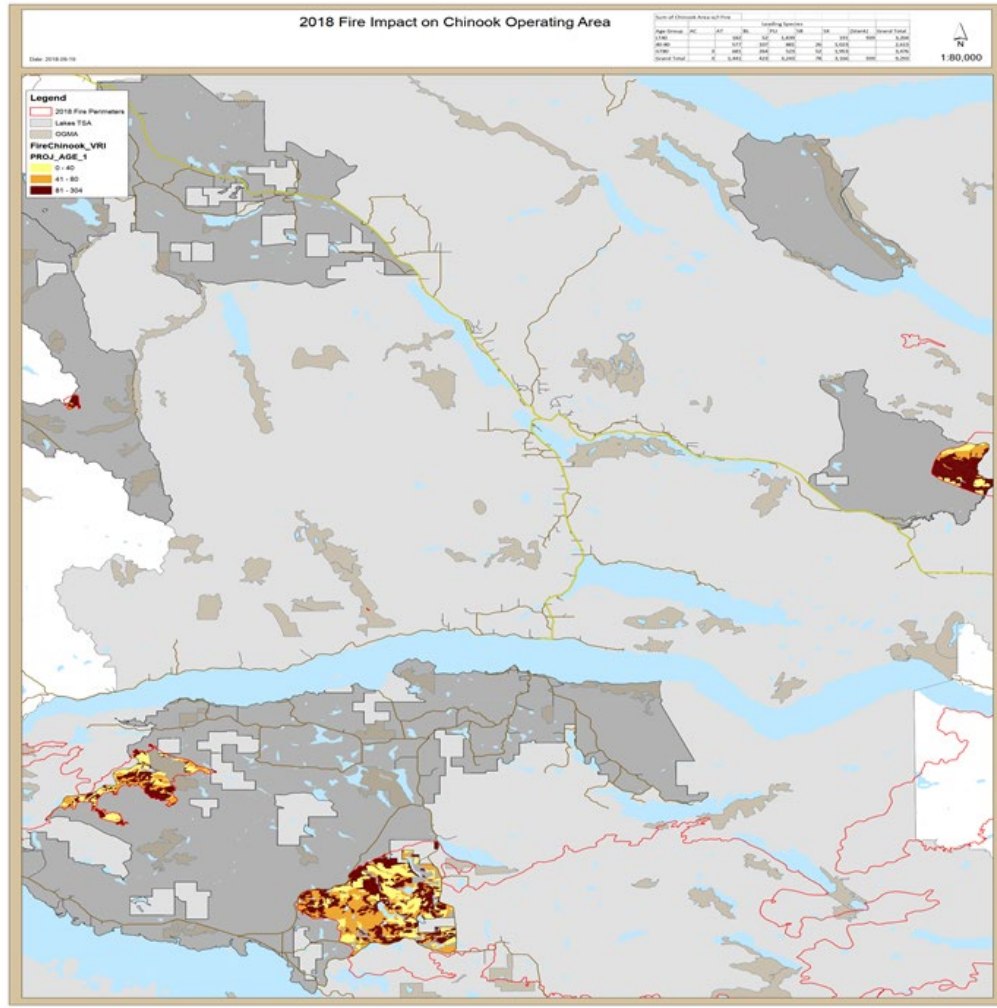
Chinook contributed 700 meters of fibre that was processed into much-needed firewood to the residents who were evacuated this summer due to wildfires once the evacuation orders were lifted. This project cost roughly \$80,000.



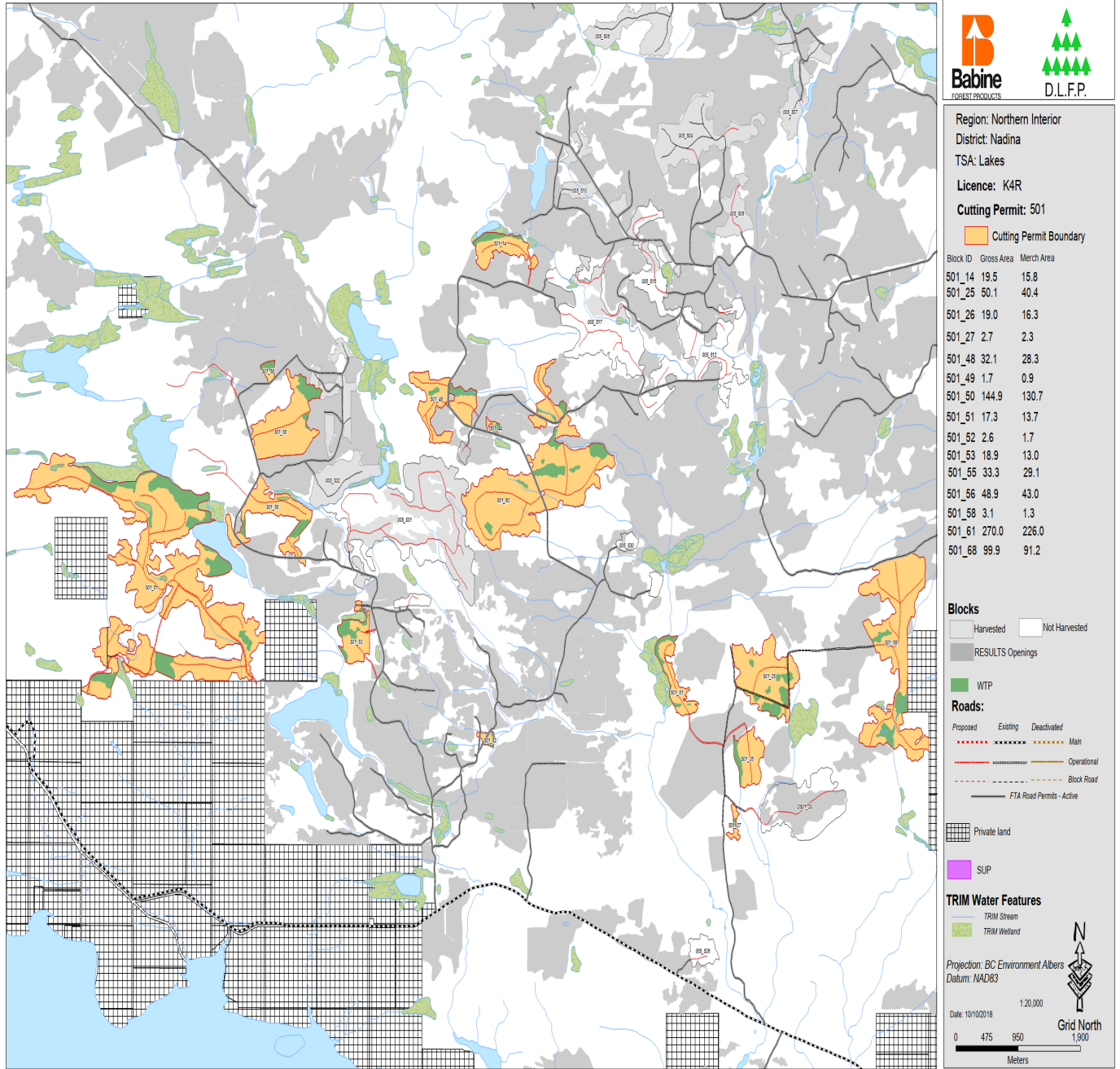
Chinook consists of the following five areas within the Lakes Timber Supply Area:

- | | |
|---------------------|-----------------|
| 1) Babine West | 31,034 hectares |
| 2) Babine Lake East | 8,876 hectares |
| 3) Maxan/Bulkley | 11,948 hectares |
| 4) Burns Lake East | 9,984 hectares |

5) South Francois Lake	68,402 hectares
Total land base	130,244 hectares
Timber Harvesting Land Base	66,272 hectares
Annual Allowable Cut (AAC)	150,000 m ³
Five-Year-Cut Control	580,000 m ³
Harvested	357,095 m ³



2018-19 Winter Harvesting Blocks



Chinook to Date

Silviculture:

2017-2018

ACTUAL	Douglas Fir	Pine	Larch	Spruce
733,005	108,835	267,360	26,440	330,370

2019 Planned

Estimate	Douglas Fir	Pine	Larch	Spruce
1,219,320	42,230	459,170	8,650	709,270

Total of 1,952,325

2016-19 Chinook Has Harvested 357,095m³ of its 580,000m³ 5 Year Cut Control Timber

Forestry Operations	Logging	\$9,641,565
	Trucking	\$5,356,425
	Silviculture	\$1,785,475
	Consultants	\$714,190
	Block Layout	\$1,078,542
Total		\$18,576,197 Directly back into the community
First Nations Contracts		\$1,431,091
Crown-Stumpage/Annual Rent		\$426,169
Cash Payments to Unit Holders		\$990,874

President and Committee Reports

President's Report

After two years of Chairing the Chinook Community Forest Board, I am happy to say the group has pulled together in a united front on moving Chinook forward. There have been growing pains and this is to be expected with a new company and a green board of directors. I am extremely happy with all the work our committee members have put into building a governance document, donations criteria, and financial management.

I look forward to leading the Chinook Board for another year if it's what they decide.

Miles Fuller, President

Governance Committee

June 8, 2019

The Governance Committee, consisting of 3 directors, Adele Gooding, Dianne Evans and Louise Fisher have continued to go over policy and procedure for Chinook Community Forest. We now have solid policies in place that govern how CCF conducts their business and for our Manager to follow. Our last two policies that were approved were Finance and Communication Policies. The Board strives for transparency and the policies that are in place are easily accessible for all unit holders. The Governance document is also a good tool for any perspective directors. The Governance Committee has also conducted a yearly review of each of our policies and have made appropriate changes with Board approval. The Governance Committee requested that the members of the Executive Committee do an annual review of our General Manager, which occurred. We are in the process of conducting a self-evaluation review of the Board.

Louise Fisher, Chair

Operations Committee

The Operation Committee, consisting of directors President Miles Fuller, Director James Rakochy, Director Karl Garrett and general manager Ken Nielsen try to meet once a month to discuss on going forest health and operations. Focus of committee is to insure good sound forest management. Fires of 2018 have given this group considerable work on forest health issues.

Ken Nielsen, Chair

Donations Committee Report

The Donations Committee was comprised of three Board members, Adele Gooding, Dianne Evans (whom Lloyd Adams replaced) and chair Louise Fisher. Our General Manager, Ken Nielsen also participates on the committee. The Board has very carefully looked at our donations policy to ensure that we are being fair to our community. It is always a challenge to construct policy that fits within Chinook's guiding Mission and Vision statements and serves the community well. With limited funds, we continue to carefully scrutinize our policy so that if we have to decline an application, we have sound policy in place. In the last fiscal year, Chinook Community Forest donated \$74,476 to 17 groups in the Lakes Timber Supply Area.

Chair

Louise Fisher



April 1, 2018 to March 31, 2019

	Date:	Donated to:	Reason:	Amount:
1	12-Apr-18	Burns Lake Minor Hockey Association	2nd year of 3-Year Sponsorship	\$ 500.00
2	09-Apr-18	100 Burns Lakers Who Give a Damn	Annual Fundraiser--Royal Canadian Legion 2018 Recipient	\$ 100.00
3	19-Apr-18	Burns Lake Community Garden Association	Community Greenhouse Project	\$ 16,439.04
4	01-May-18	Cheslatta Carrier Nation	Community Camp out	\$ 500.00
5	7-May-18	Burns Lake Little League	Team Sponsor for Jerseys and Caps	\$ 450.00
6	31-May-18	Burns Lake & District Chamber of Commerce	Tourism Book	\$ 5,000.00
7	15-Jun-18	Burns Lake Native Development	Aboriginal Days	\$ 4,000.00
8	15-Jun-18	Burns Lake & District Chamber of Commerce	Canada Day	\$ 500.00
9	15-Jun-18	U13 Girls Provincial Championships	Soccer	\$ 2,000.00
10	15-Jun-18	Colley Mount Recreation	Trout Creek Hall Revitalization	\$ 7,137.00
11	15-Jun-18	Burns Lake Fall Fair Society	Building Upgrades	\$ 15,000.00
12	15-Jun-18	Lakes Animal Friendship Society	Spay & Neuter Clinic	\$ 9,350.00
13	15-Jun-18	Lakes District Arts Council	Arts	\$ 4,000.00
14	15-Jun-18	Northern Health	Kiosk	\$ 2,000.00
15	15-Jun-18	Lakes Family Enhancement Society	Regional Provision Services	\$ 2,000.00
	1-Nov-18	Skiing with Schools	Kids ski program	\$ 5,000.00
	1-Nov-18	Cheslatta Carrier Nation	Christmas Party	\$ 500.00
TOTAL				\$ 74,476.04