

SECHELT COMMUNITY PROJECTS INC.
(the "Corporation")

**MINUTES OF MEETING OF THE BOARD OF DIRECTORS
HELD ON THURSDAY, MAY 27, 2010 AT 9:00 A.M. AT
THE SUNSHINE COAST COMMUNITY FOREST CONFERENCE ROOM,
SECHELT, B.C.**

PRESENT:

Henderson, J. - Chair
Anderson, S. - Director
Anderson, T. - Director
Bonderud, G. - Director
Frank J. - Director
Rudland, E. – Director
Pakulak, L. - Director
Pinfold, T. - Director
Sitter, B. – Director

ALSO PRESENT:

Davie, K. - Operations Manager
Cunliffe, J. - Administrative Assistant

REGRETS:

Peter Moonen – Director

THE REGULAR MEETING WAS CALLED TO ORDER AT 9:03 A.M.

The Agenda was reviewed and adopted.

GOVERNANCE

Election of Chair

A nomination was received to appoint Director John R. Henderson as Chair.

John R. Henderson accepted the appointment of Chair for the ensuing year.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that John R. Henderson be and is hereby appointed Chair of the Board of Directors of the Corporation for the ensuing year.

Election of Vice Chair

A nomination was received to appoint Director Bob Sitter as Vice-Chair.

Bob Sitter accepted the appointment of Vice-Chair for the ensuing year.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that Bob Sitter be and is hereby appointed Vice-Chair of the Board of Directors of the Corporation for the ensuing year.

Appointment of Committee Members

a) **Audit Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that an Audit Committee be struck and that Tim Anderson, Glen Bonderud and Jo-Anne Frank, having agreed to let their names stand, be appointed.

b) **Nominations Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that a Nominations Committee be struck and that Bob Sitter, Elise Rudland and Stan Anderson, having agreed to let their names stand, be appointed.

c) **Governance Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that a Governance Committee be struck and that Len Pakulak, Tom Pinfold and Peter Moonen, having agreed to let their names stand, be appointed.

d) **Executive Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that an Executive Committee be struck and that John R. Henderson, Bob Sitter, Tim Anderson and Glen Bonderud, having agreed to let their names stand, be appointed.

Appointment of Advisory Committees “Liaison Directors”

a) **Community Forest Advisory Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that Elise Rudland and Jo-Anne Frank, having agreed to let their names stand, be appointed the liaison directors to the Community Forest Advisory Committee.

b) **Economic Development Policy Advisory Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that Glen Bonderud, Peter Moonen and Tom Pinfold, having agreed to let their names stand, be appointed as liaison directors to the Economic Development Policy Advisory Committee.

c) **Forestry Policy Advisory Committee**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that Bob Sitter and Stan Anderson, having agreed to let their names stand, be appointed as liaison directors to the Forestry Policy Advisory Committee.

MINUTES

MOTION:

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the Minutes of February 25, 2010 be received and that the Minutes be adopted.

FINANCIAL

Tim Anderson, Chair of the Audit Committee, reported on the first quarter financial statements to March 31, 2010.

Richard Wilson, in his capacity as Corporate Accountant, reported on the changes made to the format of the financial statements and confirmed that all accruals had been included in these financial statements.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the March 31, 2010 quarterly financial statements of the Corporation be approved as presented.

Appointment of Auditor

Proposals, including fee quotes, were received from two firms of Chartered Accountant in respect of acting as Auditor to the Corporation. The Board was advised that a third firm had also been approached and provided a verbal quote that was more than double the lowest cost proposal.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the Board of Directors make a recommendation to the Shareholder that the firm of MacKay LLP be appointed as the auditors for the 2010 year.

MANAGEMENT REPORT

Community Forest Operating Plan (CFOP)

The CFOP Guidelines are in the process of being reviewed and revised to reflect the next 5 years of operations. CFAC reviewed the CFOP in May. A public meeting to review the CFOP will be held in June and will then be taken back to CFAC for comments. A final draft will be brought forward to the Board in August.

Hidden Grove

The Board considered a request made to CFAC by the Hidden Grove Group for the Corporation to pay for the costs to upgrade the parking lot at Hidden Grove.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the Board directs Management to assess a concept plan for the Hidden Grove area including the Interpretive Forest and as part of this process authorizes management to spend up to \$15,500 for surfacing the parking lot.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the Management Report be and is hereby received as presented.

BUSINESS ARISING

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the policy dated for reference May 27, 2010 to allocate \$2,500 in the Budget to allow Management to provide modest financial support to local community initiatives, be and is hereby approved.

NEW BUSINESS

Community Engagement

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that a proposal for the provision of community engagement services be rejected.

Economic Opportunities Fund

The Board discussed preliminary factors of the Economic Opportunity Fund and agreed that it would be referred to the Economic Development Committee to develop criteria for the Economic Opportunities Fund and to provide an outline to the Board.

OTHER BUSINESS

Tentative Agendas

The Chair asked the Directors to review the list of agenda items and to inform staff well in advance of any topics for discussion that they would like dealt with at future Board meetings.

Stan Anderson agreed to assist Elise Rudland with the Recreation strategy plan for the August meeting.

NEXT MEETING/FUTURE AGENDA ITEMS

The next meeting of the Board of Directors will be held on Thursday, August 26, 2010 at 9:00 am.

TERMINATION

There being no further business, the meeting terminated at 1:43 pm



SUNSHINE COAST COMMUNITY FOREST

BUILDING VALUE FOR OUR COMMUNITY

OPERATIONS REPORT

2010 – Quarter 1

May 15, 2010

This report reflects operational activities in Q1 as well as comments on subsequent activities to May 15, 2010.

1. Operations

1.1. Engineering

Our engineering work has been limited so far this year other than for ensuring permits are in order for our current Cutting Permits. We expect our annual engineering work (to “replace” this year’s logging) will be completed in Q3.

1.2. Logging

Logging in the first quarter was undertaken in March, due to a significant reduction in stumpage effective March 1. (Our stumpage was \$5.50 in 2009 and had been forecasted to decline to \$3.75. In fact, the rate for 2010 is \$0.55/m³.)

The volume logged and scaled to the end of March was 8,416m³. (The volume scaled as of May 15th is 18,755m³.)

The ambrosia beetle was early this year and we had to jump around a little to reduce the damage to the high value wood resulting in some lost time. Wind storms also resulted in a few days lost time in falling.

1.3. Road Construction

Higher than anticipated ballasting costs increased road costs.

1.4. Planning

1.4.1. Timber Supply Analysis

There has been little progress on this project since the last board meeting. As directors will recall, our TSA was based on new inventory information supplied to us by the MoFR. This information had taken several years to gather not only for the Sunshine Coast Forest District but also for the Squamish. Part of the process was that the information had to be verified and quality tested. We learned early this year that the information / work failed those tests for a number of reasons. Currently, the MoF, Pricewaterhouse Coopers, the licensee that proposed the work and the consulting company that did the work are trying to work out solutions to the situation.

We have retained an analyst who is ready to submit our information to Timberline as soon as we are advised that the inventory information has verified to be correct and the MoFR has approved the information to be used.

1.5. Forestry

1.5.1. Licence Rollover

As we advised the Board in February, management decided to delay initiating this process to allow Powell River to lead with their application thereby reducing our costs in a new process. With the recent turnover in MoFR staff, they halted their application until all the staff changes at the Region are completed. The MoFR just finished laying off 200 staff and additionally another 200 are expected to be laid off next month.

Management is working together with the other CF's in Powell River to have all our license applications processed at the same time.

1.5.2. CFOP

The CFOP update process was initiated at the last CFAC meeting in April. Brian Smart and Warren Hansen are leading this and, following a public meeting planned for June, will bring forward a report and recommendations for Board approval in August.

The plan is to identify about 135,000m³ of timber that we would include in our harvesting plans and to review our operating guidelines.

The public process includes:

- CFAC, FPAC review and input.
- Public meeting in June.
- Block Walkabouts, as recommended by CFAC.
- Draft plan to CFAC for comment in July.
- Approval by the Board in August.
- Public viewing of the approved plan in September.

Board members are encouraged to be involved at any part of the process.

1.5.3. Blowdown Assessment

Periodically a blowdown assessment is done to see if we have achieved our goals in minimizing the effects of wind damage. This is part of managements due diligence in looking at the results of our block plans and making adjustments to future block planning. The measurement of our effectiveness is whether or not we had “catastrophic’ blowdown. Blowdown is natural and expected in any natural forest. When we create openings, whether they are forestry based or other, blowdown is expected.

Again, we looked at areas both inside and outside the CF to determine wind patterns. The results of the assessment were that:

- We had no events that are major.
- We identified some areas where, based on results of wind patterns outside the CF, we would plan differently in areas around creeks or sensitive topographies.
- Recovery of some blowdown may be required or planned.

1.6. Recreation

1.6.1. Hidden Grove

Management has been working with the Hidden Grove group since the Board determined its intentions for recreation in that area.

It should be stated that there has never been any promise or agreement to provide funding for all the costs of infrastructure at Hidden Grove. We agreed to pay to clear the parking lot (at a cost of \$2,500), in part because we had equipment nearby. The discussions with Mr. D’Arcy were that the HG group would obtain donated trucks and materials. Management also agreed that, if we could provide further help, we would support them.

The Hidden Grove group attended the last CFAC meeting and made a pitch for SCCF to pay for all the costs pertaining to the Hidden Grove parking lot. Management committed to meet with the group to identify exactly what costs they were requesting be covered.

The amount required to meet their wish list is estimated to be \$15,500.

2. Economic Development

2.1. Value Added

Glen Bonderud and Kevin Davie visited a mill in Ruskin and talked to the owner about the market, market ideas and options regarding secondary manufacturing opportunities. We also toured the mill which was cutting old growth cedar.

2.2. Best Coast Initiatives

We sit on a committee looking into expanding the industrial activity at Hillside Industrial Park which is owned by the RD. it is expected that there will be about four meetings.

3. Community Engagement

3.1. BCCFA AGM

The agenda has been finalized and our focus of support should be on the Association making a deal with BCTimber Sales and with the Province with respect to Branding.

3.2. Schools

We had a successful truck stop at West Sechelt Elementary and will be doing one at Cedar Grove Elementary on May 26th.

3.3. Annual Report

The Annual Report was well received with considerable positive feedback being received. The winners of the Lucky Draw contest were all very happy!

3.4. Chinese Delegation

We welcomed a forestry delegation of six people from Hubei Province in central China and took them on a tour of the Community Forest in early May. The delegation was most impressed with the amount of forest we had and the clean scenery. During further discussions, it was evident that they were keenly interested in securing more logs to supply their mills.