

SECHELT COMMUNITY PROJECTS INC.
(the "Corporation")

**MINUTES OF MEETING OF THE BOARD OF DIRECTORS HELD ON THURSDAY,
November 25, 2010 AT 9:00 A.M. AT THE SUNSHINE COAST COMMUNITY FOREST
CONFERENCE ROOM, SECHELT, B.C.**

PRESENT:

Henderson, J. - Chair
Anderson, S. - Director (10:30 am)
Anderson, T. - Director
Frank, J. - Director
Pakulak, L. – Director
Pinfold, T. - Director
Rudland, E. – Director
Sitter, B. – Director

ALSO PRESENT:

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

REGRETS:

Bonderud, G. - Director (telephone participation)
Moonen, P. - Director

1. **Call to Order**
John Henderson, Chair moved the meeting in camera at 9:00 A.M.

The regular meeting was called to order at 10:03 A.M.

2. **Agenda**
The Agenda was reviewed and adopted.

3. **Minutes**

MOTION:

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the Minutes of August 26, 2010 be received and that the minutes be approved.

4. **Financial**

Richard Wilson, in his capacity as Corporate Accountant, reported on the third quarter financial statements to September 30, 2010.

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED that the September 30, 2010 quarterly financial statements of the Corporation be approved as presented.

The meeting moved to In Camera at 10:25 am

The regular meeting of the Board of Directors reconvened at 1:00 pm

5. **Management Report**

Operations Update

Silviculture: The auditors will need to assess the rationale for any reduction to the silviculture accrual proposed by management. The details of this issue will be reviewed by the Audit Committee.

Karsts: To date, there have been no karsts located within the boundaries of the Community Forest although there are some on the Coast. The Community Forest operational process for Karsts could be set out in the Community Forest Operating Plan.

CFOP Guidelines 2010-2011

The document was received and discussed by the Board. Further technical comments that may arise from this meeting can be addressed until December 12, 2010. This version will be sent to CFAC and FPAC for their information and review. The document will undergo an editorial proof to tidy up the grammar and formatting. The CFOP will be brought to the Board for approval at the next Board meeting in February.

CFOP should reflect a reference to Hidden Grove and any designation that may apply to it.

What is an urban interface? Management will prepare a report on urban interface definitions and issues that are being practiced currently for circulation to the Board.

6. **Committee Reports**

CFAC Report

Elise Rudland provided a verbal update on the CFAC meetings.

FPAC Report

Bob Sitter provided a verbal update on FPAC. FPAC meetings will reconvene when they can make progress in outstanding operational areas such as reviewing the Operational Plan, TSR and AAC Calculations.

Economic Development

Tom Pinfold provided a verbal report on the status of the Economic Development PAC. The ED Committee is working on developing a proposal with a service provider to help facilitate our Economic Development activities.

7. **New Business**

Budget 2011

A draft 2011 Budget will be reviewed by the Audit Committee

Invasive Species

The Community Forest will assign a representative to participate in future regional Invasive Species workshops

8. **Next Meeting**

The next meeting of the Board of Directors will be held on Thursday, February 24, 2010 at 9:00 am.

9. **Termination**

UPON MOTION DULY MADE AND SECONDED IT WAS RESOLVED to adjourn the meeting and proceed in camera.

There being no further business, the meeting terminated at 2:50 pm



SECHELT COMMUNITY PROJECTS INC.

Management Report 2010 Q3

This report reflects the activities in Q3 and comments on subsequent activities to Nov. 15th.

1. Operations

1.1. Logs sales

Only 582M3 of inventory is left at this time to sell.

Local customer needs are driving additional sales of logs and so far we have managed to accommodate them.

1.2. Engineering

No engineering development work was done in Q3.

1.3. Logging

No production logging has taken place since the summer except for a couple of loads for local sales. The volume scaled to date is approximately 25,000M3 with 582M3 remaining unsold. We will have about 8,000M3 of timber remaining to log under the terms of the licence.

1.4. Road Maintenance

All roads have been seasonally deactivated for the winter.

1.5. Planning

1.5.1. Timber Supply Analysis

There is nothing new on this file except that it is becoming increasingly apparent that it may not be resolved in 2011. Therefore, I am budgeting to do our own Timber Supply Analysis in 2011.

1.5.2. Community Forest Operating Plan

The final guidelines have been attached to your board package. These have gone through the public process and FPAC. Responses to those that made comments will be sent to them directly. This is the boards' opportunity for final comments, input or questions regarding the guidelines. This opportunity is open till Dec 3rd after which I will bring to the first board meeting in 2011 for formal approval.

1.5.3. LIDAR

We have received our Lidar data and are using it already to understand how it works and the information that we can glean from it.

A demonstration will be done over lunch at the board meeting. [Please send any questions in advance of the presentation so we can incorporate those into the presentation.]

1.6. Forestry

1.6.1. Permanent License Application

The consultation period between the SIB and the Ministry of Natural Resources Operations (MNRO) has expired. We are awaiting response from the District Manager regarding the next steps.

1.6.2. Silvicultural Accrual

Our annual review of the silvicultural accrual has indicated that we should reduce this to \$3.50/M3 instead of the current \$4.25 (which reduces the total reduction by \$69,000.) Our silviculturalist in his annual review, has calculated lower costs of all our plantations in getting to free to grow status. This lower amount is retroactive to 2007 and will have a significant positive impact on our retained earnings, which will be adjusted at yearend.

1.6.3. Karsts

A question of Karsts was raised and what we are doing about them.

There are legal requirements and management guidelines when observing or locating special features such as Karsts in our proposed blocks. These guidelines and policies require plans for managing Karst features in our chart area even if they are not close to a block. The map showing the location of potential Karst features on the Sunshine Coast shows none in the CF area. Two areas where the geology indicates potential sites are north of Wormy Lake and in the upper reaches of Gray Creek in the Tetrahedron Provincial Park.

If, during our field work, we determine there is a Karst feature, then the location would be mapped and we would follow the guidelines in determining management strategies, if required.

1.7. Recreation

1.7.1. Hidden Grove

The parking lot has been surfaced and the HG group is very happy with the SCCF. The next step is to start the planning process with them about the trails outside the HG area.

1.7.2. Garbage in the Woods

The executive approved funding to remove/cleanup some garbage on our roads with some summer students. We removed about 2300kg of garbage and didn't put a dent the problem. This is a huge social issue as garbage dumping in the forest has increased since the RD raised its tipping fees. The SCCF cannot fix this problem and there is not enough money for us to keep on policing this.

2. Economic Development

2.1. Value Added

We are participating with the BCCFA bridges project which is assembling a data base of Community Forest and Woodlot log sources for small sawmills in the regional areas of BC. The objective is to increase market share for small operators and licensees so they do not have to rely on the majors to sell logs to. I sit on the management committee overseeing this and the consultants we hired were from the Sunshine Coast.

3. Community Engagement

3.1. SCCF Safety Forum

This was held on Sept. 30th with presentation from WorkSafe BC and the BC Forest Safety Council. It was attended by twenty local contractors and the discussions were very good. It may be that next year we only have one set of presenters so that there is more time allotted for questions. The most significant fact was that WorkSafe BC assessments have dropped 25% for logging companies due to reduced fatalities and injuries.

3.2. Newsletter

The newsletter was well received, partly due to the headline. Invasive species certainly caught the attention of readers and resulted in numerous calls to the office for more information. The newsletter was a very easy read with larger type and we had numerous compliments on it. The poll will certainly give us a good idea of the effectiveness of using mail as the delivery system.

3.3. SCCF Public Meeting

The Community Forest Fall Public Meeting was held on October 21, 2010 at the Seaside Centre. An estimated 30 people attended the meeting, including 2 Councillors from the District of Sechelt. SCCF contractors such as Brian Smart, Warren Hansen and Jamie Killackey attended the meeting and provided brief presentations.

3.4. Hidden Grove Walk

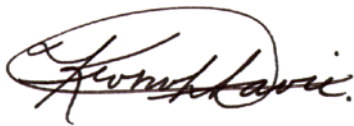
A walk was held on Oct 24th and was well attended.

3.5. Public Poll

This year's poll should be completed by the end of the month.

3.6. DoS Mtg

The SCCF attended a Committee of the Whole meeting at the DoS.



Kevin W. Davie
Operations Manager