



Canadian Kraft Paper

PO Box 1590 • The Pas, Manitoba • R9A 1L4

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Sustainable Forest Management Committee (SFMC)

MEETING MINUTES

March 2, 2017

Canadian Kraft Paper (CKP) Woodlands Office, The Pas, Manitoba

Attendees:

	Name	Organization or Affiliation
1.	Andrew Forward	Canadian Kraft Paper (CKP)
2.	Will Readle	American Industrial Acquisition Corporation (AIAC)
3.	Greg Foord	Snow Lake Fur Council / Wekusko Falls Lodge
4.	Paul Chapman	Canadian Kraft Paper (CKP)
5.	Jon Como	Manitoba Metis Federation (MMF)
6.	Bob Huck	Cranberry Portage Citizen
7.	Jeanne Besaw	Canadian Kraft Paper
8.	Robert Hanson	Swan Valley Citizen (Mafeking)
9.	Dan Soprovich	Citizen – Environmental Concerns
10.	Angela Enright	Snow Lake Citizen
11.	Ron Spence	Nisichawayasihk Cree Nation (NCN)
12.	Will Trowell	University College of the North (UCN)
13.	Mariah Bagg (for Troy Werstroh)	Manitoba Sustainable Development (MSD)
14.	Brian Roque	Town of The Pas (TOTP)
15.	Edward Campeau	Sapotaweyak Cree Nation – Elder, Lands (SCN)
16.	Laurel Palosaari	Manitoba Metis Federation - The Pas
17.	Amanda Karst	The Nature Conservancy Canada (TNC)
18.	Chris Smith	Ducks Unlimited (DU)
19.	Ron Black (Chairperson)	Flin Flon Citizen
20.	Matthew Forbes	Canadian Kraft Paper

A. Welcome

9:00 a.m. Introductions

Introduction of names, roles, and affiliations

9:10 a.m. Agenda Summary

Moved Public Concerns to afternoon

Moved SFMC Ground rules to afternoon

Inserted Chris Smith – Northern Values presentation after Industry Report



B. General Business

9:15 a.m. Review and Approve Previous Meeting Minutes

No revisions. Accepted as presented.

9:30 a.m. Business Arising from Minutes

No Business noted.

9:40 a.m. Meeting Assessment Review

Assessments reviewed and no comments. Purpose of assessment is to solicit feedback. Not obligatory.

9:45 a.m. Public Concerns Report (included in package - moved to afternoon)

9:50 a.m. Committee Member Interest Group Report

Chair discussed the intent of this section. To ensure information discussed at SFMC is purveyed back to the stakeholder parent group, and that feedback from the parent group is relayed back to SFMC. Identified these reports are somewhat lacking in both overall presence and substance. Asked the question if perhaps there are no larger concerns from the parent group, or whether the communication is occurring. No concerns expressed by the group.

10:00 a.m. Industry Report (Paul Chapman – Woodlands Manager, Will Readle - AIAC)

- i. Business Report
- ii. Woodlands Report
 1. Fibre Supply
 2. JV Partnership

Paul Chapman - provided background on the transition of company from Tolko to CKP (AIAC) in November. Spoke to the Canadian Standards Association (CSA) Z809 certification processes required at that time to transition the CSA certification from Tolko to CKP. Will require an external audit every year now as opposed to when Tolko held the certification. Tolko was able to certify the corporation and consequently external audits were held annually, but at one of several locations only. New CSA standard has been released. We need to be certified to the new standard by August of 2018. That will mean we will start the work now to undertake prep audits and an early certification audit to deal with any potential non conformances that may come up prior to the August 2018 deadline.

We have been working on a Joint Venture (JV) project with Swampy Cree Tribal Council (SCTC) for the management of the Forest Licence. We continue to develop that partnership and expect to be finalizing that in the near future.

Staffing changes – Travis Romanchuk, Fibre purchaser has moved to Slave Lake to remain with Tolko. Terry Hamilton, the Chief Operating Officer under Tolko



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recently departed the company. The operation is now under the management of Jari Vainio, and Tony Santos. Blair Rydberg is the mill manager.

Public Meetings have been ongoing for the 2017-2019 Two Year Harvest and Renewal Plan. It was submitted on Feb 28, 2017.

Fibre supply is not where we would like it to be. Inventories for spring break up are low at this point. We hope to see some alternatives come through that will allow for some spring deliveries.

Mill upgrade approved for the superheater. This is a major component and a reliability issue. The project is a large one and planning is underway for a shutdown in September to do this work.

Question on sales. The sales have been picking up, although markets are soft. We have been working to re-capture lost customers. Generally speaking, things are okay at the moment, although we had a period of time when the warehouse was so full of paper it was almost a safety hazard.

Question on JV. The First Nations have identified they would like to have a greater role in forest management activities and decisions.

Question on Boiler. Super heater is a component of the boiler.

Question on economy of energy. We continue to target Hog fuel. It is still a better cost than “Bunker C” oil if we can access it.

Question on lack of MMF involvement in the JV. SCTC approached the company at a critical time in the sale. The company didn’t reach out to any group specifically, but did enter into an MOU with SCTC to develop a partnership.

Question – can the MMF become involved? We can set up some kind of contact between the JV and the MMF. Let’s meet outside the meeting here and figure that out.

Question – Kississing road/Hobbit road – has the company been working with Mathias Colomb Cree Nation (Pukatawagan). We haven’t been looking at any work there in the short term. We have been focused on getting the JV up and running. There is some ground work laid in planning a road extension there collaboratively with MCCN and Manitoba Highways.

Questions – what about Saskatchewan fibre? We have been taking chips and logs from Saskatchewan if and when it is available. We have longer term commitments with Edgewood in Hudson Bay and a few other smaller mills.

Question about Dickstone road in Grass river? The Right of Way (ROW) has been cleared and some grade is constructed. No bridge installation. Work there has been stalled as a result of several factors. One of significance is the Jack Pine Budworm outbreak and salvage harvest south of the FML on Highway #6.



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Questions regarding SR FRI – is it complete? The province completed the Timber Supply Analysis. Not sure where you can find it but it has been completed. Check in with the Province.

Question – how far south do you plan to harvest timber? Always problems with the 53rd parallel. We will make sure to talk about that at Matthew's "Two year Operating Plan" presentation later in the day. There is a contingency block identified in the area north of overflow.

Will Readle introduction and background. AIAC has 20 years of history of acquiring and recovering companies that are struggling or closing. AIAC tends to keep businesses operational by allowing them to manage at a local level. Sales are coming back up. Production, sales, and operations are going well, and things have stabilized from the shut down ramifications in the sales and production departments. New managers brought in are focused on improving the paper production and quality, and that is seeing results. Also some of the other managers brought in are "turnaround" specialists, and they are assisting and guiding the business aspect of how the company runs. We are investing where Tolko would not. Very enthusiastic about the JV. We think there is great things that can come from the partnership.

Question – is it possible to elaborate more on the JV. There are 6 objectives identified by SCH, 2 by CKP. It's a 50/50 partnership. Focused on Forest management. Intended to be collaborative, equal, and supposed to deliver on some things the communities have been asking for over the last 15 or 20 years. Our approach is to listen, and then try and find solutions to the requests. There will be a board of directors that works to achieve the goals of the JV.

Question – wonder if you will be going so far as to integrate aboriginal people into the workforce. There is a clear statement in the objectives of the joint venture that speaks to that. The JV development has been discussing that issue and trying to identify how that can be created and integrated.

Question – Is it Manitoba Keewatinowi Okimakinak (MKO) involved? It's SCTC. But also other communities can come on board. The three FML communities not part of SCTC were not aware of the Memorandum of Understanding (MOU) that was signed in November, but have been invited to participate. The conversation in the development of the partnership has revolved around recognizing the need to have an "on-boarding" mechanism within the context of the partnership to ensure that communities that desire to be participatory in the Nekote (First Nations company) side of the partnership are able to do that.



Question – is there a formal name? No not yet. “Jointco” is the reference name at this point. Nekote is a legal entity formed by SCH to be the participant, the 50 percent partner, in the Joint Venture.

Question – I would like to see the MMF included in this. We can identify a time and place to have that conversation. CKP can line up that for the MMF. Let’s make contact after the meeting to identify the right people.

Question – How can communications be improved regarding all of the things that go on? Since we have acquired the company and been working in the JV development, we hear that there is a need for a better communication plan. We can share more once things are finalized.

Comment – the SFMC will eventually be working under the Jointco umbrella.

C. Program

10:30 a.m. SFMC Ground Rules Review (Moved to afternoon)

Addition Chris Smith (DU)

Speaks to Look North announcement by current Prov Gov. Two years ago the Province started an initiative of a boreal plan and held summits in northern Manitoba. The meetings were about how to establish a common understanding and approach for development and conservation of the boreal in Manitoba. A group called Northern Values <http://www.northernvalues.com/iframe/index.html> took on a life of its own out of that. It is not a government group. Tim Johnston, former mayor of Thompson, pushed the torch on that and engaged with several northern communities to identify what a plan for development of Manitoba might look like. Came up with a declaration of northern values for the boreal. A round of summits for the Look North <http://www.gov.mb.ca/looknorth/index.html> (new Conservative Gov initiative) coming up in several communities in Northern MB.

10:45 a.m. 2017-2019 Two Year Harvest and Renewal Plan Presentation

(Matthew Forbes – Operations Forester, Andrew Forward – Forestry Superintendent)

Matthew Forbes presented the Harvest and Renewal Plan that the company has been developing. It was submitted on Feb 28, 2017 to Manitoba Sustainable Development for review. Three Community meetings were unable to be scheduled prior to the submission of the plan, and those meetings will occur in March. Feedback from those meetings will be forwarded to the MB Gov to include with the plan. Plans for Harvest and contingency plans were presented by Matthew for all three Forest Sections. Continued after Drone Presentation.

12:00 Lunch (provided)

12:30 p.m. Drone Use in Forestry – Drone Flight and Presentation



(Eric Quiring – Harvesting Supervisor)

Eric Quiring presented his drone and camera equipment to the group. Showed photography and mosaics stitched including 3D renderings of the Chip Pile at the millsite, an active harvest area in the Halfway, and a 10 year old harvest block. Website Dronedeploy.com is the application site he uses to manage the information and create the work. The group went outside for a demonstration of the drone's flight and its capabilities. A fascinating technological advancement with future expected use in the forest industry.

Cont'd Two Year Harvest and Renewal Plan

Andrew Forward presented the renewal portion of the Two Year Harvest and Renewal Plan. A lot of discussion regarding vegetation management and the use of herbicide in Forestry versus the use of herbicide in agriculture, hydro ROW management, or municipal settings. Andrew identified that several communities have identified or expressed they do not support the use of herbicide for vegetation management. Follow up is planned with those groups to try and better identify the explicit concerns and mitigate them if possible.

Road closure and decommissioning plans were reviewed with the group. Some roads planned for closure have been identified by other user groups as important to their needs. We plan to meet with those groups to find a mutually acceptable solution.

2:00 p.m. Coarse Woody Debris Report Presentation and Review (Fiona Donald – Oxalis Consulting)

Fiona Donald presented her findings on Coarse Woody Debris surveys conducted as part of indicator 1.1..1.1.1 development. Questions regarding some of the statistical analysis were discussed and some follow up and development will be required. The information indicates that existing models in other provinces are likely very useful reference points. Will need to further refine what the indicator means to achieve, and develop how that happens in a future meeting. Some photo examples from other areas that use photo guides were included in the presentation.

3:00 Ground Rules (Terms of Reference) Review

The Ground Rules document was reviewed with some proposed changes. The word consultation is used in the document, and it was suggested that be replaced with appropriate language to reflect the gathering of feedback from stakeholders,



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to ensure no confusion regarding Section 35 Consultation conducted by the Provincial Government with Company held information gathering sessions.

Also some further definition regarding the Resource section and the application of provision of funding to non-DFA participants. The Company identified it wanted to ensure that the Ground Rules identify non-DFA participants require prior approval regarding reimbursement of expenses to ensure costs are well managed.

A section regarding the history of transformation/amalgamation of the FRAC and SFMC was requested to have the wording changed to better reflect the circumstances at that time.

The revised document will be sent with the minutes showing the changes and accepted at the next SFMC meeting.

Public Concerns Report

The public and aboriginal concerns table are included in the meeting packages for review. Tabled presentation and discussion to the next meeting because of time constraints.

3:15 p.m. Meeting Assessment forms, expense forms

Meeting assessments and expense forms were collected

3:30 p.m. Adjournment

Next Meeting is May 25, 2017