Citizen Engagement Sessions

January 14 - 23, 2019
HGB Business

Trend is showing an increase in revenues for the Huu-ay-aht Group of Businesses

Huu-ay-aht-HGB Forestry Revenue

• 2011: $6,682,913
• 2018: $13,320,775

→ An increase of 99.3%
HGB Business

The businesses are also reducing expenses

- 2011: $7,949,042
- 2018: $6,160,979

→ A drop of 22.5%

Overall this shows a vast improvement in the net for the Forestry LP

- 2011: -$1,266,129
- 2018: $7,159,796
HGB Business

Huu-ay-aht Forestry LP Revenue and Expense
Employee numbers have shown an increasing trend between 2013 and 2018 in the percentage of citizens in full-time positions with HGB

• 2013 - 23 employees - 61% citizens
• 2018 - 14 employees - 71% citizens

% of Citizens Employed by Huu-ay-aht Forestry LP
HGB Business

Huu-ay-aht Forestry LP Employment

![Chart showing employment trends from 2013 to 2018. The chart compares employment numbers for citizens and other categories.](chart.png)
Stumpage and Dividends paid to the Government continues to increase

Total for 2013-2019 - $5,138,661.66

- 2013-14 - $650,000
- 2018-19 - $1,086,419

→ An increase of 67.14%
HGB Business

Huu-ay-aht Forestry Stumpage and Dividends paid to the Huu-ay-aht First Nations Government
Forestry Sustainability, Watershed Renewal and Referral Process

Presentation Block #2
Huu-ay-aht Forestry Guiding Principles

• Managing forest and fishery values to meet present needs without compromising the needs of future Huu-ay-aht generations.

• Managing forests based on Huu-ay-aht values.

• Balancing forest values to meet economic and cultural needs of Huu-ay-aht First Nations peoples.

• Restoring the damaged ecologies and 35 watersheds within our traditional lands.

• Conserving biological diversity, soil, water, fish, wildlife, scenic diversity, and other forest resources within our traditional lands.
Huu-ay-aht Forestry

Assets
- Tenure
- Spencer Sort
- Timber Inventory
- Forest Planning
- Equipment

Planning & Approvals
- Strategic
- Operational
- Cutting Authority

Timber Sales
- Revenue
- Cost

Employment
- Direct
- Contractors
Sustainable Forest Management

- Employment
- Silviculture
- Logging
- Culture
- Fisheries
- Soil
- Roads
- Protection
- Retention
- Wildlife
- Revenue
- Planning
Sustainable Forest Management

Strategic and Operational Plans

- Management objectives
- Management practices
- Stocking requirements
- Soil Conservation
- Silviculture Systems
- Stocking requirements
Sustainable Forest Management

Employment

There are employment opportunities in all aspects of the Forestry business. Contact us at HGB for more information.
Sustainable Forest Management

Silviculture

The tree planting pictures above are planting trees, spring of 2015, on Treaty Settlement land.

The picture to the left is part of former IR 9, now Treaty Settlement Land, was taken in 2016. The trees were planted in 2008.

In 2018 HFN Forestry planted 161,996 trees in the Spring and 183,610 trees in the fall for a total of 345,606 trees.
Forestry Standards

Huu-ay-aht Exceeds Provincial Forestry Standards

- HFN Forestry LP plants approximately 1,200 trees per hectare. Our objective is to plant within one year of harvest completion - earlier than what is required under Provincial Standards.

- Approximately 2/3 of the seedlings we plant are Western Red Cedar - this is more than what is required under Provincial Standards.

- Buffers along streams meet provincial standards and are also adjusted with input from the Watershed Renewal team and Executive Council.

- HFN Forestry LP places extra emphasis on protection of Huu-ay-aht cultural and sacred areas.

- Huu-ay-aht Executive Council sets aside funding for environmental stewardship and watershed restoration (option under consideration - $1/per cubic metre for all Huu-ay-aht forest lands initially).
Sustainable Forest Management
Watershed Renewal Update

Bob Bocking, LGL Limited
Watershed Renewal – Capacity and Training

- 20 citizens and 4 family members have worked on the program since spring 2017
- Over 7,000 hours since spring 2017
- Worker safety training and on the job training in fisheries and wildlife
- Commencing a Certificate program for Environmental Technicians – starts January 21st
Watershed Renewal – Project Activities

Over 20 separate projects in following areas:

- Fisheries Assessments
- Wildlife Assessments
- Salmon Enhancement
- Stream Renewal
- Riparian Renewal
- Culvert and Road Deactivation or Upgrading
- Enhanced Forestry Practices

Reporting:
So far 14 technical reports produced
Watershed Renewal – Key Outcomes

Salmon Enhancement

- Research into improving hatchery strategies and marking of all (or most) hatchery releases
- Sugsaw hatchery upgrade – increased capacity

Habitat Renewal

- Large Woody Debris – rock and wood procured
- Side Channels – designs completed
- Estuary Renewal – causeway breached
- Riparian Renewal – numerous sites in Sarita and Pachena
- Road and Culvert Deactivation
- Invasive Species Removal
Watershed Renewal – Key Outcomes

Fisheries and Wildlife Research

- Salmon abundance in Sarita and Pachena - estimating freshwater survival
- Wildlife knowledge – ungulate and large mammals

Enhancement Forestry

- Improving riparian zone protection
- Improving windthrow management
- Culvert inventory
Watershed Renewal – 2019 Plans

- Placement of 70 new Large Woody Debris structures in tributaries to the Pachena and Sarita
- Construction/remediation of a side channel to the lower Sarita near the Deep Pool (Former IR 1)
- Construction of a new side channel near the Blenheim Bridge
- Construction/remediation of the Anacla Creek channel
Watershed Renewal – 2019 Plans

- Continued road deactivation
- Remediation of ḳaḵačis (Former IR 1) and interpretive Kiosk
- Remediation of priority, and old culverts within the Sarita and Pachena watersheds
- Continued riparian restoration
- Further assessment and potential renewal work in the Sarita estuary
- Hillslope assessments
Forestry development (cutblocks) on Treaty Settlement land must go through a referral process in order to be approved.

- This review is conducted by Huu-ay-aht’s Department of Lands and Natural Resources
- It collects information on traditional use, archaeological information, and the impact on stream, slope, forest cover (tree species)
- From the information gathered the development is given a score, and is either approved or adaptations and changes must be made
- The project is not approved until all concerns are address and Huu-ay-aht is satisfied it meets their requirements
- All decisions are reviewed by ḥawiiḥ and executive council to ensure they meet Huu-ay-aht’s values
The referral process is designed to examine forestry development proposals with respect to Huu-ay-aht Forestry Guiding principles.
Certain criteria and factors must be met in the survey portion of the referral process

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<th>Criteria</th>
<th>5</th>
<th>3</th>
<th>1</th>
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<tbody>
<tr>
<td>Proximity to Water</td>
<td>0-300m (less than 150m [ocean] or 50m [rivers] triggers AIA)</td>
<td>300m-1km</td>
<td>1km or greater</td>
</tr>
<tr>
<td>Proximity to Archeological Site</td>
<td>0-300m</td>
<td>300m - 1km</td>
<td>1km or greater</td>
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<tr>
<td>Proximity to TUS Site</td>
<td>0-300m</td>
<td>300m-1km</td>
<td>1km or greater</td>
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<td>Sensitivity of TUS Site</td>
<td>Extremely Sensitive</td>
<td>Very Sensitive</td>
<td>Sensitive</td>
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<tr>
<td>Forest Cover</td>
<td>Cw major*</td>
<td>Cw minor†</td>
<td>Hw/(other)</td>
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<tr>
<td>Age Class</td>
<td>Old Growth</td>
<td>Second Growth</td>
<td>Clearcut</td>
</tr>
<tr>
<td>Slope‡</td>
<td>0-30%</td>
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<td>&gt;30%</td>
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Western Forest Products Deal Updates

Briefing on TFL 44 Deal (part of this briefing is subject to Non-disclosure Agreements)

Presentation Block #3
Parts of the following presentation have been removed for confidentially purposes as the information is subject to non-disclosure (NDA) agreements.

If you have signed an NDA and wish to discuss the confidential information please email Rob Botterell at rbotterell@telus.net
Purpose of Presentation

• Overview of TFL 44 Deal
• A New Business Model for TFL 44
• Value of TFL & Operational Challenges
• Timelines
• Questions & Next Steps
Summary of Deal

1. Huu-ay-aht and Western have reached an agreement whereby Western will create a new Limited Partnership and sell a portion of the Limited Partnership to Huu-ay-aht.

2. This will be done by Western transferring the main assets related to TFL 44 to a newly formed Limited Partnership.

3. Huu-ay-aht will acquire 7% of the units in the Limited Partnership for $7.2 million and closing is expected in March 2019.

4. The deal is subject to:
   1. customary closing conditions,
   2. Huu-ay-aht government and People’s Assembly approvals in February 2019, and
   3. provincial government approvals.

5. In April, the TFL 44 business carries on under a new name and new ownership structure. (7% HFN, 93% Western).
Summary of Deal

6. The General Partner to the LP will be renamed and will have a 3 person board – 2 Western and 1 Huu-ay-aht.

7. Any additional sale of LP shares to Huu-ay-aht is subject to further negotiation.

8. Going forward, the parties will work together on a joint manufacturing vision for the Alberni Valley that considers fibre from TFL 44 and Huu-ay-aht tenures and treaty settlement lands.

9. HFN and Western will explore with other First Nations their business interests in TFL 44 and manufacturing.

10. HFN and Western are committed to exploring ways to achieve reconciliation and revitalization of the forest sector and renewal/expansion of domestic manufacturing capacity in the Alberni Valley. For example, HFN and Western are exploring a cooperative forestry management framework to support reconciliation and revitalization.

11. Western will continue to source fibre from the Limited Partnership assets to support its BC manufacturing facilities.
Huu-ay-aht Forestry Guiding Principles

• Managing forest and fishery values to meet present needs without compromising the needs of future Huu-ay-aht generations.

• Managing forests based on Huu-ay-aht values.

• Balancing forest values to meet economic and cultural needs of Huu-ay-aht First Nations peoples.

• Restoring the damaged ecologies and 35 watersheds within our traditional lands.

• Conserving biological diversity, soil, water, fish, wildlife, scenic diversity, and other forest resources within our traditional lands.
Our Goals Align: This Deal Advances Them

Common Goals

- More jobs
- Less log exports
- Effective transition from old growth to second growth
- Increased domestic manufacturing
- Improved environmental stewardship
- Increased return on investment
- Less waste & undercut
- Reconciliation
Exclusive jurisdiction + shared jurisdiction = Huu-ay-aht ḥahuułuʔ
Our ancient spirit - the foundation of Huu-ay-aht success in overcoming the impact of tsunamis, historic wars, and the colonization of the past 150 years is our three Sacred Principles

• **ʔiisaak**: Utmost respect. Personal and collective respect for the community and its people, traditional knowledge, the natural world, the metaphysical world and other peoples and communities.

• **ʔuuʔałuk**: Taking Care Of... In this context, this is about taking care of present and future generations as well as taking care of self and the resources provided by the land and the natural world.

• **hišuk ma cáwak**: Everything is One. A notion of the interconnected, interdependent and reciprocal relationship between the people, the land and the wider world(s) in a physical, spiritual and social sense.
Ancient Spirit, Modern Mind

Our modern mind is focused on using our powers of self-government, treaty, and economic development to overcome the adversity of colonization and achieve the five posts for a strong Huu-ay-aht:

- Huu-ay-aht **citizens** will be guided through self-determination to reach their fullest potential.
- Huu-ay-aht **children** will grow up safe, healthy and connected to our home and culture/values guided by our traditions and our nananiiqsu.
- Huu-ay-aht **homelands** will be a safe, healthy, appealing place where our people choose to live.
- Huu-ay-aht **lands, waters and natural resources** will provide sustainable wealth that respects Huu-ay-aht values of conservation.
- Huu-ay-aht **economy** will operate sustainably, is the major employer in the region and the major source of revenue for the Nation.
The Vision

Huu-ay-aht’s and Western’s vision for a new business model is predicated on reassembling the fibre basket in the Alberni’s and finding ways to extract more value from the timber harvested and growing the pie - all within current and future government forest policy.

Goal is to have a long term sustainable manufacturing sector that reduces reliance on log exports and east coast barging.
A New Business Model for TFL 44

This vision provides a path to the achievement of key Huu-ay-aht interests:

• jobs, training, and business opportunities for Huu-ay-aht citizens close to home (Anacla),

• increased revenues from forestry sector, including exploring milling on TSL, to support programs and services for Huu-ay-aht citizens,

• a “seat at the table” when forest management decisions are made affecting Huu-ay-aht Territory.
Forecast Harvest Levels

- TFL 44 (2017): 793,555 m³/year
- HFN Hahoulthee (2005): 435,000 m³/year
- Combined HFN Crown Tenures (2010): 84,000 m³/year
- TSL+private (2018): 58,000 m³/year

Years from 2016
Forecast TSL Harvest Levels

Actual harvest for Treaty Settlement Lands from 2001-2016 and projected 800k m³ uplift from 2017-2021. LTHL achieved in 2041.
Joint Exploration

Huu-ay-aht + WFP are working together with the BC Government

• Provincial support for overall approach
• Facilitate the necessary approvals to permit the purchase by Huu-ay-aht of 7% of TFL 44
• Jointly explore novel solutions to rebuild the economic viability of TFL 44
• Support BCTS participation in cooperative forest management framework discussions to rebuild fibre basket
• Jointly identify provincial programs that can be accessed to support new TFL 44 business acquisition/operation
Motions to be considered at the People’s Assembly

• Approve amendments to the Financial Administration Act that are necessary to proceed with the TFL 44 Transaction, by providing for the creation and borrowing of funds for the purposes of Huu-ay-aht special investment bodies.

• Approve a regulation under the amended Financial Administration Act that creates two Huu-ay-aht special investment bodies and allows for borrowing related to the transaction.

• Approve a 200,000 cubic metre non-replaceable forest licence on treaty.
Citizen Q&As

Some of HFN Citizen’s Top Priorities:

• Sustainable forest management
• More jobs for citizens
• Exceeding provincial forestry standards
• Other?
Citizen Q&As

What will be in this deal for citizens?

• Jobs, training, and business opportunities for Huu-ay-aht citizens close to home:
  • Including expanding the opportunity for our citizens to become entrepreneurs. This could be the perfect training opportunity; we could be the operators on our land.

• Increased revenues from forestry sector will support Huu-ay-aht citizens.

• Dividends are being considered and more information from Executive Council is to come.

• It’s Important to diversify the HFN economy - this enables us to bring people home and earn a good wage. They now have a subdivision where people can live and build their homes here (in Anacla).
Citizen Q&As

Aren’t we trying to reduce harvesting?

• Yes, the sustainable forestry plan will allow for a lower harvest on TSL over the long term.
• One of the reasons we are looking at LNG is to also allow the Nation to reduce the amount of harvesting on our land.

How much will the harvest be reduced after?

• Our Forestry Team has analyzed the long term forestry profile to ensure harvesting is done in a sustainable way, meaning a larger cut will take place and will be followed by reduced cutting in the future.
• Huu-ay-aht is working with leading forestry experts on the plan that will ensure any harvest done will be in line with HFN’s guiding principles and follow our forestry practices.
How to Find Out More

- Information will be posted to the Huu-ay-aht website
- Information shared on Huu-ay-aht’s social media channels
- Executive Council is always available for home visits and calls
- Contact Heather Thomson, Communications Manager with any questions: heather.t@huuayaht.org or 250-723-0100 (office) or 250-720-7776 (cell)
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(Thank you)