



September 5, 2018

## MHFC - Report to Ahousaht Chief and Council

In March of this year Ahousaht signed an agreement with Mid Island Falling to harvest timber from DL 1561 (Private Land) and Indian Reserve 20 Wahous and 22 Peneetle. Work began immediately at the Private Land upon signing the agreement.

Work had also started a week previous on Ahousaht's waterline project at Anderson Creek next to the Private Land. The timber harvesting of the waterline was an MHFC project, but the profits flowed back to Ahousaht.



*Signing of the Agreement*



*Old Growth Cedar from Waterline*

It was estimated there would be approximately 1,800m<sup>3</sup> of wood harvested from the Private Land with an estimated profit of \$95,400. The waterline was estimated to provide a revenue of \$20,000.

Upon the completion of engineering of the Private Land the harvest volume had increased to approximately 7,000m<sup>3</sup>. Additional volume was added by using a helicopter to harvest wood from the other side of the creek. The helicopter wood was offered at a reduced rate per m<sup>3</sup> as it costs approximately \$9,000 an hour for the use of a helicopter. This helicopter flew wood from the waterline, Private Land and Woodlot while in Ahousaht.

During this project there were up to 10 Ahousaht members who were employed by Mid Island Falling or MHFC and were involved in engineering, culturally modified tree surveys, bucking, operating heavy equipment, flagging, security and catering. There were also benefits to numerous water taxi's, Ahousaht Lodge and Ahousaht General Store. Mid Island Falling also made several donations and sports teams and youth programs.

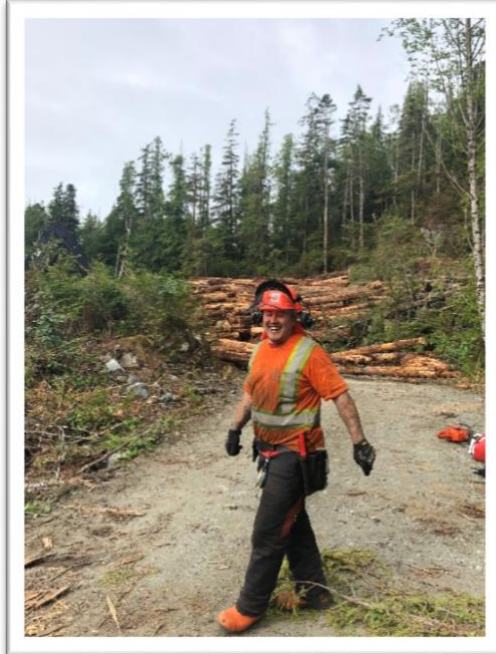
While Mid Island Falling was working in the area it was recommended to Ahousaht to fall timber at Ahousaht's new cemetery and to clear the stumps in preparation for the construction

to complete the work. Ahousaht was able to have the land cleared at no expense and was offered a fair price for the wood.

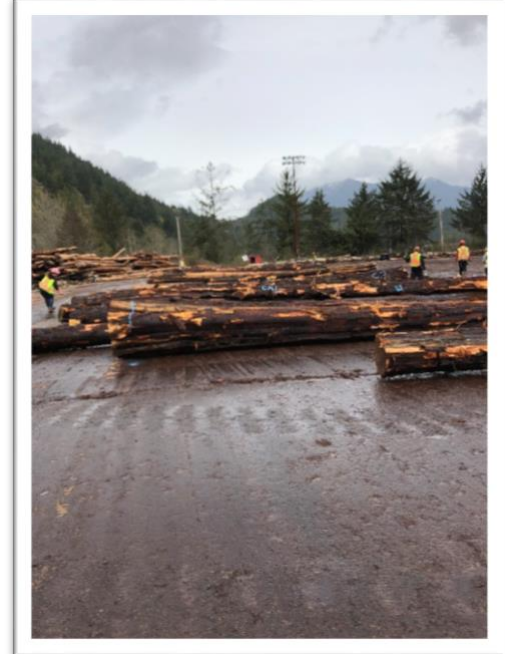
While Mid Island Falling was working on the cemetery the fallers also fell danger trees in the community at no cost to Ahousaht. Firewood was also piled at the rock quarry behind the Ahousaht Lodge at no cost to Ahousaht for its members.



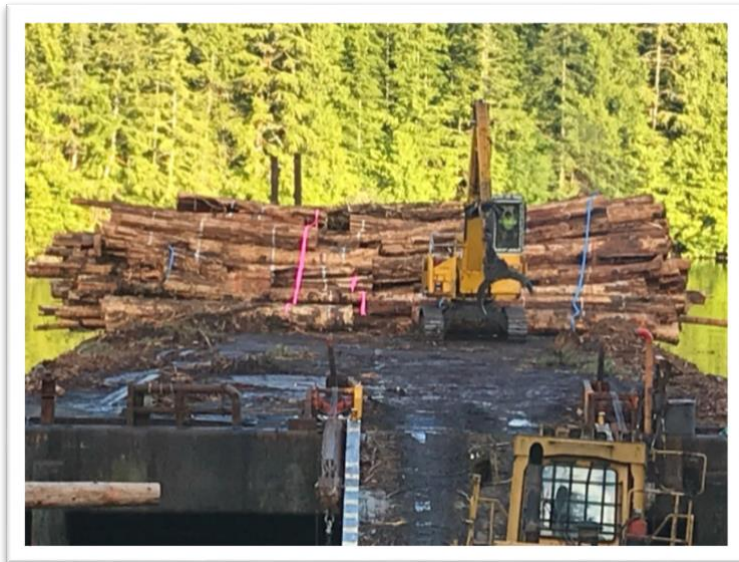
*Hoe-chucking wood*



*Davey Donahue*



*Ahousaht wood being scaled*



*Ahousaht wood being loaded on to barge*



*Johnny John hammering & marking wood*

In total 3 barges came in to Ahousaht and were loaded with wood from the Woodlot, Waterline, Private Land and Cemetery. Approximately 10,000m<sup>3</sup> was harvested in total from these areas with approximate revenues of \$350,000.

<b>Area</b>	<b>Volume m3</b>	<b>Revenue</b>
Waterline	2,531.679	\$20,253.43
Cemetery	630.390	\$15,196.78
Private Land	7,252.983	\$312,984.20
<b>Total</b>	<b>10,415.052</b>	<b>\$348,434.41</b>

The project is now working in to phase 2 to harvest wood from IR 20 Wahous and 22 Peneetle. The road permit in the Tree Farm Licence to access the IR's has been approved by the Ministry of Forests and the wood from the road has been released to Ahousaht from Mamook Natural Resources as the road is in their Tree Farm Licence.

The INAC Timber Permit is final and the wording for an Ahousaht ACR was sent out September 5<sup>th</sup> for review. The ACR wording is being provided by DISC and both documents are being prepared for signing at the September 11<sup>th</sup> meeting in Ahousaht. MHFC, Steve Mitchell (Mid Island Falling) and the Registered Professional Forester will all be in attendance. MHFC passed by motion along with the recommendation of the Registered Professional Forester the Timber Permit and ACR be signed by Ahousaht.

Road construction and falling in the IR's will begin simultaneously upon signing of the Timber Permit by all parties. It is estimated all harvest activity will be complete by the end of December. Once it is complete a waste assessment will be completed, and DISC may do a post harvest follow up. Silviculture obligations will begin the following year during the planting season.

Once harvest activity is complete there will be a reconciliation of volumes harvested and final payments of the bid price less the deposit, stumpage and waste will be paid to Ahousaht. Stumpage and waste which is payable to The Crown is held by Disc in Ahousaht's Capital Account for Ahousaht and Ahousaht must request this money back.

There will be employment opportunities offered to existing crew and if needed new crew members. There will also be other benefits to Ahousaht business and services as well local business and services.

<b>Area</b>	<b>Est. Volume m3</b>	<b>Revenue</b>
IR 20 and 22	13,000	\$744,660
Stumpage	\$28/m3	-\$364,000
Waste	\$1.50/m3	-\$19,500
		<b>\$307,970</b>

Again, Mid Island Falling is responsible for paying the stumpage and waste to The Crown and these funds are held in trust by DISC in Ahousaht's Capital Account and must be requested back by Ahousaht. All Revenue will be paid to Ahousaht once the funds are released from DISC.

These numbers are all estimates but there is the potential for Ahousaht Chief and Council to earn approximately \$1,000,000.00 from timber harvesting this year!