Lower Similkameen Indian Band

COMMUNITY TO COMMUNITY FORUM PROJECT

Lower and Upper Similkameen Indian Bands
Regional District of Okanagan Similkameen – Areas B and G
Village of Keremeos

-- FINAL REPORT --

Submitted by:
Lower Similkameen Indian Band

March 31, 2006

Submitted to:
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BACKGROUND

On June 17, 2005, an application for Community to Community Forum funding was developed by the Lower Similkameen Indian Band, in collaboration with the Upper Similkameen Indian Band, the Village of Keremeos, and Areas B and G of the Regional District of Okanagan Similkameen to hold 3 community to community meetings over the course of three months, beginning in July of 2005.

PURPOSE AND OBJECTIVES

The purpose of these meetings was to identify mutual objectives for managing lands and resources within the Lower Similkameen Valley, for benefiting from the use of forestlands for commercial and recreational purposes, and for strengthening the role of First Nations and local government in resource planning and management.

The key issue for discussion at these meetings was the development of a community forest to assist in the realization of identified mutual objectives for land and resource management. Previous planning exercises (Lower Similkameen Indian Band Land Stewardship Plan, Okanagan Shuswap LRMP) have identified the need to protect the area’s unique and sensitive ecosystem while providing for sustainable economic development both in the forestry sector and through the stimulation of local business in non-traditional sectors such as ecotourism and non-timber forest products.

Due to the significant presence of the Upper and Lower Similkameen Indian Bands in the area, a cooperative approach to land use planning and economic development is necessary and can lead to greater benefits for all residents.

The objectives for the three proposed community to community meetings were to:

- Identify the objectives of each party and identify common interests for Land Use in the Lower Similkameen Valley, focussing on the Community Forest Operating Area(s).

- Determine a preferred management structure and operating form for the body which will hold the Community Forest Licence.
• Develop a communications plan to ensure support from the local government and First Nations constituencies in the Lower Similkameen Valley.

The anticipated results were:

- an agreed upon list of objectives and priorities for land use, specifically in relation to the Community Forest Licence application or as affecting the operation of the Licence;

- a document which describes the legal entity which will hold the Community Forest Licence – the management structure must reflect the needs of all parties involved;

- an agreed upon operating form for the body managing the Community Forest Tenure;

- a comprehensive communications plan to ensure that residents understand, support and can provide input to the process of developing the Community Forest Licence.

PARTICIPANTS

Local Governments: Area B and G, Regional District of Okanagan Similkameen, Village of Keremeos

First Nations: Upper and Lower Similkameen Indian Bands

OUTCOMES

The Community to Community meetings were tentatively scheduled for July, August and September, 2005. Due to a number of factors, including delays in accessing funding from other organizations and local government and First Nations elections, the community to community meeting schedule was significantly altered with the final forum, which included the public, not occurring until March 14 of 2006.

First Meeting – September 14, 2005

This was a vision-setting meeting for the Lower Similkameen Community Forest. The following information was agreed to as a first draft and has since been refined by the Community Forest Steering Committee to guide the development of the Forest Management Plan and Corporate Business Plan.

Participants: Roger Mayer – Area G Director, RDOS
Walter Despot – Mayor, Village of Keremeos
George Hanson – Area B Director, RDOS
Chief Barbara Allison – Lower Similkameen Indian Band

Philippe Batini – Band Manager, Upper Similkameen Indian Band
Robert Hutton – recorder
1. **Vision and Objectives for Management of Community Forest Licence**

The Community Forest Licence will sustain viable timber and non-timber forest product-based businesses and employment, that provides benefits to all residents of the Lower Similkameen Valley.

2. **Objectives for Management of Community Forest Licence**

   • Ensure that management provides a sustainable yield of timber and non-timber forest products from the local landbase.
   • Protect watersheds (erosion control, natural flows and high water quality) and promote wise use of our resources by all people, including locals and visitors.
   • Increase the jurisdictional role of local governments and Bands in management of Lower Similkameen watershed lands and resources.
   • Increase that involvement of local citizens in the planning and management process.
   • Manage the forest from harvest to planting/rehabilitation through to next harvest cycle.
   • Promote healthy ecosystems that support indigenous flora and fauna, through careful management of noxious weeds, range use and off-road vehicle access.
   • Effectively balance the need to protect the land with the need to utilize the resources of the land.
   • Provide education to the public, through a demonstration forest, on the role the forest ecosystem plays in sustaining the local economy, recreation (locals and visitors) and culture.
   • Link public education and research initiatives to the local Bed and Breakfast industry.
   • Ensure that the management model for the licence maintains a profit in the long term.
   • Protect infrastructure and people from wildfires through effective management of forest fuels and forest health.
   • Ensure a consistent supply of raw forest products for use by local businesses.
   • Adopt a stewardship approach with a conservation focus, to ensure that future generations can access the same benefits from the forest as the current generation.
   • Maximize monetary benefits from the use of forest products through joint ventures and other partnerships.
   • Preserve archaeological and other sites of cultural importance through improvements in data gathering and mapping.
   • Practice innovative forestry management to increase the AAC over time.
   • Ensure efficiency in costs through a streamlined management model.

3. **Corporate Structure**

   • Five Equal Partners
   • Equal share of expenses, revenues
4. **Licence Management Model**
   - Contract management/planning service out to other licencee or to management company – i.e. 5 year term agreement with Lower Similkameen Community Forest Corporation
   - Directors hands-off on management
   - Priority always on local employment and servicing local forestry businesses
   - Clear on focus of business – long term viability, profitable

5. **Identification of Non-Timber Values**
   - Ecotourism
   - Mushrooms
   - Backcountry Recreation

**Second Meeting – December 2, 2005**

**Purpose of Meeting:**
Strategy Session with LSCF Committee on Organizational Issues

**Present:**
Roger Mayer (former Area G Director)
Walter Despot – Mayor, Village of Keremeos
George Hanson – Area B Director
Philippe Batini – Band Manager, Upper Similkameen Indian Band
(Chief’s designate)
Robert Hutton – recorder

**Absent**
Joe Nitsch – newly elected Area G Director
Joe Dennis – newly elected Chief, Lower Similkameen Indian Band

**Discussion Items:**

1. Group name
   - Lower Similkameen Community Forest Steering Committee

   **Motion:** that the name of the group be the LSCFSC
   All in favour - **Motion Passed**

2. Election of Chairperson & Decision-Making
   - 5 votes to be cast
   - Chair is compensated only for out of pocket expenses, including travel; is not paid an honoraria

   **Motion:** that Roger Mayer is appointed to chair the LSCFSC
   All in favour – **Motion Passed**
Discussion of role of Chair: Roger concerned about support for this initiative – want to make sure that newly-elected officials are also on side.

Roger’s commitment will only be until the legal entity holding the forest licence/managing the operations is/are in place.

Chair will schedule and organize meetings and ensure that all Steering Committee members are kept up to date on matters of importance.

Discussion on decision-making: Strive for consensus but will practice majority voting – 3 of 5 needed to pass.

3. Meeting schedule – once per month

4. Orientation for New LSIB Chief and Council/New Area G Director (Joe Nitch)
   - Separate meetings with Area G Director (group will take to lunch tentatively Dec 6th), LSIB Council (group will meet at Band office during the week of Dec 4-8), new Keremeos Council member (Roger only)
   - Pull together background info, including statement of intent, LRMP criteria, chronology for the initiative – Rob to provide info package to Roger by December 5.
   - Meetings to be held close together
   - Action: Steve Borcsok to bring orientation meeting request to attention of LSIB this afternoon – objective is to meet before Dec 16, when Band office closes

5. Partnership Issue – Resolution Plan
   - Orientation focus is to ensure that everyone is at same level of understanding, and that the partners are equal (in terms of shares at least).

6. Action Plan/Next Steps
   - Invoicing – amounts earmarked for RDOS actually go to Similkameen Valley Planning Society (SVPS) c/o the Village of Keremeos
   - Fed, Prov and GBL contributions to RDOS but invoices will still go to SVPS
   - December:
     - Orientation meetings for LSIB (Dec 6?), Area G (week of Dec 5th if possible)
     - Possible de-briefing meeting, subject to results (LSCFSC members only)
     - Develop financial statement re costs and revenues – what is our current financial situation; if there is a projected shortfall (identify it), how can this be dealt with? Set up framework for work plan (goals, costs) for April 1, 2006 to March 31, 2007 – Action: Rob to develop draft for review at January 6th meeting
Steve B to explore if FNFP can be used to offset costs – he needs in-kind costs for the 5 parties (Rob to provide from UBCM budget; Roger to provide for each local government partner)

Submit proposal, map and data set to MoFR if Ministry gives go ahead or hold off until January if no go-ahead

- **January:**
  - Meeting to discuss formation of entity to hold licence, entity to manage operations – January 6 at 1:00 pm
  - Focus workplan for upcoming year; where are we going?

- **February:**
  - Meeting in early Feb to finalize workplan, budgets

- **March:**
  - Meeting to sign off on reports to funding agencies (fiscal 2005 funds received)

**Action:** Rob to provide all info back by Monday morning, Dec 5

**Third Meeting – March 14, 2006**

**Purpose of Meeting:**
Public Forum to update on the progress of activities.

**Present***: Roger Mayer (former Area G Director) – LSCF Steering Committee Chair
Chief Joe Dennis – Lower Similkameen Indian Band
Walter Despot – Mayor, Village of Keremeos
George Hanson – Area B Director
Joe Nitsch – Area G Director
Philippe Batini – Band Manager, Upper Similkameen Indian Band (Chief’s designate)
Rod Drennan – A/CAO, Village of Keremeos
Robert Hutton – recorder

* local government representatives

This was a meeting open to the public to provide an update on progress made over the past year. A total of 15 people attended the meeting and the comments were favourable. A PowerPoint presentation was provided to the group and copies of the presentation were made available as handouts. Key questions and issues raised by participants included the following:

*What are the benefits of the Community Forest and how do we properly assess these?*
How do people get more information on this project and how can we get involved?

How are the funds received by the Lower Similkameen Community Forest Steering Committee being managed?

Have cost-benefit studies been completed to determine the viability of operating this type of forest licence?

How can we apply for a short-term Non-Replaceable Forest Licence (to address the Mountain Pine Beetle epidemic) and not impact the long-term allowable annual cut?

Why isn’t the Steering Committee trying to put a halt to current harvesting by outside licencees?

We should utilize the Community Forest Licence to access benefits from the development of parks and Protected Areas.

What types of obligations or risks will the community be taking on by holding a Community Forest Licence?

We should be looking at a more holistic and coordinated approach to managing the forest, not just harvesting timber but getting the maximum value from all resources while protecting the environment.

Are we working with the provincial and federal parks agencies? There is a study underway to establish a National Park Reserve in the area – how might this affect a Community Forest and visa versa.

We need to have a hands-on manager who can handle community outreach and coordinate communications with business, purchasers, etc.

Electronic copies of the presentation will be made available to all persons who requested them.
Photos from the Public Meeting
**FINANCIAL REPORT**

The following table outlines the actual costs incurred to date. Additional funding has been sought and approved through the First Nations Forestry Program to complete the Forest Management and Business Plans.

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<th>In-kind-USIB</th>
<th>UBCM C-C Forum</th>
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**APPENDICES**

1.  PowerPoint Presentation delivered at March 14, 2006 Public Meeting (*attached as separate file*)
LOWER SIMILKAMEEN COMMUNITY FOREST STEERING COMMITTEE UPDATE

March 14, 2006
Purpose

To inform residents of the Lower Similkameen Valley about the history and current status of the Lower Similkameen Community Forest Initiative, and to obtain feedback that can be incorporated into the future direction for the Community Forest project
Tonight’s Agenda

• Introduction and background to the project
  – presentation by Roger Mayer, Chair of LSCF Steering Committee & Rob Hutton, Facilitator
  – Comments and viewpoints from each Steering Committee member

• Question & answer session – all meeting participants

• Recommendations / Follow up – facilitated session
Introduction


References to the Community Forest were adopted by the planning table into the final draft plan which was reviewed and accepted by the provincial government on April 11, 2001.

A statement within this document is of particular relevance:
LRMP Recommendation

... the Table recommends that in order to address the economy in the Lower Similkameen, the first priority for any additional AAC within the Okanagan TSA, except for any increases arising out of an Innovative Forest Practices Agreement (IFPA), should be allocated to the Lower Similkameen for the development of an ecologically and economically sustainable community forest in the Lower Similkameen and Ashnola drainage; there is an understanding that this initiative would be developed jointly with the Lower Similkameen Indian Band, local government, and the present licensee’s currently operating in the South Similkameen watershed (the “Community Forest”).

Excerpt from Cabinet-approved LRMP (2001)
The LRMP document represents a high degree of stakeholder involvement and acceptance, general public acceptance, as well as cabinet-level approval within government.

Clearly, a Community Forest is also a priority for the residents of the Lower Similkameen Valley.
Background, continued

The Similkameen Valley Planning Committee (now the Similkameen Valley Planning Society) initially endorsed the idea of a Valley-wide Community Forest.

At that time, Regional District of the Okanagan Similkameen Areas B, G and H, Princeton, Keremeos and the Lower and Upper Similkameen Indian Bands were involved.

Discussions between May and September of 2003 resulted in the identification of common interests and the development of a draft Partnership Statement of Intent.
The upper and lower areas of the Similkameen Valley eventually decided to pursue different community forest opportunities and the document was eventually redrafted as the *Lower Similkameen Community Forest Partnership – Statement of Intent*.

This document was signed in May, 2004 by the Upper and Lower Similkameen Indian Bands, the Village of Keremeos and Areas B and G of the Regional District – it reads as follows:
Statement of Intent
May, 2004

Preamble

WHEREAS: The Village of Keremeos, Regional District of Okanagan Similkameen Electoral Areas B and G, as well as the Upper Similkameen Indian Band, and the Lower Similkameen Indian Band have joined together with a desire for increased local management and control over our destiny, finances, programs and resources for the benefit of all citizens of the Lower Similkameen Valley.

WHEREAS: It is the desire of these entities to ensure the cohesive and long term sustainability of our natural resources within the Lower Similkameen Valley watershed.

THEREFORE: The parties here identified have decided to take a collective approach to establish a Community Forest Partnership within the Lower Similkameen Valley Watershed.
Statement of Intent
May, 2004

Vision

To develop an environmentally sustainable Lower Similkameen Valley Community Forest that will create, maintain and enhance the economic diversity and quality of life for residents, as well as ensure that natural resources are locally protected and managed.
Statement of Intent, continued

Principles

- Management practices must consider the needs of future generations.
- Decisions need to be guided by balancing the need for profitability and maximizing benefits to residents with the objective for maintaining a sustainable yield of timber and other forest resources.
- All partners have equal status in decisions affecting the overall management and direction of the Community Forest.
- Benefits must be shared fairly and equitably between the partners.
- Timber resources and associated benefits from Indian Reserve lands will be retained by the Bands and are separate from commitments made by the parties in this Statement of Intent.
- Aboriginal title and rights-related resource benefits are not affected by commitments made by the parties in this Statement of Intent.
- Enhanced forest management will be practiced through:
  - a greater focus on managing all components of the forest landscape;
  - a locally coordinated management structure;
  - a more intensive and integrated management style.
Statement of Intent, continued

Goals

- To achieve a fair return of revenues generated from licence management and revenue sharing of stumpage and other natural resource royalties.
- To provide employment opportunities for all parties’ constituents.
- To ensure a sustained harvest level throughout the watershed and to potentially increase the annual allowable cut, through innovative forest practices.
- To provide for the highest return and best use of the resource, using sound environmental practices.
- To enhance and promote the educational and research value of the resource.
- To maintain a long-range view for deriving benefits and managing the resource.
- To develop and maintain a working partnership model that may be emulated by other local government and aboriginal government organizations.
Statement of Intent, continued

Our Commitment to the Partnership

- To maintain a strong partnership, reduce rumour and increase trust, the Partners agree that proper communications must be maintained. This will be facilitated through an appointed staff position who will act as the primary contact for official external communications.

- To ensure complete openness and transparency in our activities, each Partner will disclose any conflict of interest issues whether directly or indirectly associated with this partnership.

- To ensure that our management practices are environmentally, socially and economically sustainable, the Partners will strive to educate themselves and provide information to their constituents on ‘best practices’.

- The Partners agree to resolve conflicts internally, wherever possible, within the ground rules defined and agreed to by the Partners.

- The Partners commit to identify and work to overcome any internal political challenges that may hinder progress in achieving our mutual goals.
Statement of Intent, continued

Actions

1. The Partners will define a system of decision-making practices to deal with the range of issues affecting the Community Forest and the constituents of the Lower Similkameen Valley.

2. To ensure transparency, the Partnership will develop defined measures for accountability.

3. To ensure proactive communications, guidelines for disclosure will be developed, for instance, what needs to be disclosed and how.

4. To reduce the potential for conflict and to effectively deal with conflict as it arises, a simple mechanism for avoiding and resolving internal conflicts will be developed.
Proposed Operating Area

The maps in the following slides depict (1) the proposed operating area for the Community Forest Licence in relation to the Regional District and Forest District boundaries, and (2) areas which are likely to be the focus of harvesting over the next 50-75 years.

The third map shows areas of greatest susceptibility to Mountain Pine Beetle attack.
The May 2004 Statement of Intent was provided to the then Minister of State for Forestry Operations.

Shortly thereafter, the provincial government announced that a Community Forest Licence opportunity was formally being considered for the Lower Similkameen.

Unlike most other announcements, the Lower Similkameen Community Forest Partnership was not asked to apply directly for a licence, due to the lack of information available to determine an Allowable Annual Cut or AAC for the area.

The government had indicated that they were expecting to provide up to 20,000 cubic metres per year for a licence.
Our hope is that the Minister of Forests and Range will issue a Direct Invitation to apply for a Community Forest Licence in the near future. Once the invitation is made the complex process of applying for and receiving a Community Forest Licence can take from several months to a year to complete. The process is shown in the following slide.
Current Situation

Since the News Release, the Lower Similkameen Community Forest Partnership has become the Lower Similkameen Community Forest Steering Committee and has developed:

- a budget to conduct a preliminary assessment of AAC available over the next 75 + years (project nearing completion)
- a brief proposal outlining the concept, proposed corporate structure, principles and objectives (project nearing completion)
- a model for equitable sharing of benefits
Current Situation, continued

Funds have been committed or received by:

- the Union of BC Municipalities ($8,537.50)
- Provincial Western Economic Partnership Agreement or WEPA ($8,000.00)
- Federal Western Economic Development ($8,000.00)
- Gorman Bros. Lumber ($4,000).
- RDOS ($4,500.00 - $1,500 each from Areas B, G and the Village of Keremeos)
- In addition, a proposal to the First Nations Forestry Program has been submitted in the amount of $75,000 for the April, 2006 to March, 2007 period – funding approval was granted on February 23
Current Situation, continued

Work Phases to Develop LSCF Business Plan:

- Develop Partnership Agreement – completed
- Define Corporate Structure – completed
- Define Operating Area – completed
- Establish Corporation – underway
- Conduct Forest Resources Inventory – underway
- Determine Long-term AAC – underway
- Begin Preparation of Licence Application – to do
- Complete Forest Management Plan – to do
- Complete Forest Stewardship Plan – to do
- Develop Operating Plans – to do
- Compile Comprehensive Business Plan – to do
Today, there are approximately 20 operating or approved Community Forests in BC.

Most of these have strong First Nations involvement and many are on par with the proposed Lower Similkameen Community Forest in terms of the proposed harvest level.

Community Forestry in BC is relatively new and unproven in terms of long term financial viability.

The potential benefits of increased local control over resource management, increased local employment and revenue generation, as well as the possibility of a diversified local economy, have attracted a growing number of rural communities to this type of forest tenure.

The provincial government seems supportive of additional community forestry opportunities in the future, although there has been a recent moratorium placed on the creation of new licences.
Community Forest Corporation

What is a Community Forest Corporation?

A Community Forest Corporation is a standard registered corporation, governed under the *Business Corporations Act* of BC (2004).

An example of a Community Forest Corporation with similar makeup to that proposed by the Lower Similkameen Community Forest Steering Committee is the Creston Valley Forest Corporation. This Corporation has five shareholders, including:

- Town of Creston
- Regional District of Central Kootenay
- Creston Development Authority
- Lower Kootenay Indian Band
- East Kootenay Environmental Society

The Shareholders elect additional community members to form a Board of Directors of ten persons.
Community Forest Corporation, continued

There are a number of other Community Forest Corporate bodies in British Columbia, including locally the Princeton and District Community Forest Corporation and the Revelstoke Community Forest Corporation.

Each is set up to represent the unique objectives of the community or area served by the Community Forest Licence.

Other Community Forest Licences are held by registered Societies or Cooperatives.

The primary purpose in establishing a corporation is to hold the Community Forest Licence. Financial and contractual functions would likely be handled under an arms-length body, in order to reduce exposure to taxation.
Community Forest Corporation, continued

Rationale for Establishing a Corporate Entity

- A corporate entity is separate from the organizations which each shareholder currently represents.
- The Ministry of Forests and Range requires that a Community Forest Licence be held by a Corporation, Society or Cooperative – typically the legal entity is in place before the licence can be awarded.
- The Steering Committee is pursuing a Non-Replaceable Forest Licence (NRFL) in the short term as a means to establish a cash flow and begin to stimulate local economic activity (*this is explained later on*). A corporation is an appropriate body to hold this type of licence.
Community Forest Corporation, continued

The Steering Committee members intend to develop a Joint Venture Agreement prior to receiving the CF Licence.

This Agreement will involve the five shareholders in the Community Forest Corporation and will describe how benefits will be shared.

Once the Joint Venture Agreement is in place, partnerships and other business relationships can be entered into, e.g., with log buyers, forestry management services providers, etc.
Understanding that a Community Forest Licence will not be in place for at least a year, the Steering Committee has discussed a possible joint venture with Gorman Bros Lumber to access a forest licence through the recently-announced AAC uplift to tackle the Mountain Pine Beetle epidemic.

This would not only address the Pine Beetle threat in the Lower Similkameen watershed, its could provide short-term revenue for the Community Forestry Corporation.
Where To From Here?

Acquiring a non-replaceable forest licence now can assist in developing a positive cash flow and building human resources capacity – this will greatly assist the establishment of the Community Forestry operation once that tenure is in place.

Taking action now to address the growing Mountain Pine Beetle problem, may also reduce the long term impacts to harvest levels, ecological diversity in watersheds, and the threat of catastrophic wildfires.

The Steering Committee and Gorman Bros will be proposing to the provincial government that a significant volume over a five year period be direct-awarded to the Lower Similkameen Community Forest Corporation.
Conclusion

- Questions
- Issues
- Recommendations
- Follow Up Items