



TimberWest

# Neighbours

COMMUNITY UPDATE

Volume 6, Issue 1

## Youbou land sale opens up future

**R**esidents of Youbou and Cowichan Lake can see a new door opening to the future with TimberWest's sale of its vacant lands west of Youbou.

The large property, located next to the town of Youbou on the north shore of Cowichan Lake, was sold in April.

The prime site, which boasts southern exposure and 4.3 km of lake frontage, is designated as a "Future Development Area" by the local Official Community Plan (OCP) approved last year.

"We are pleased to see this transaction close now and open the door for new opportunities and development in the community," says TimberWest's director of Real Estate, Gordon Littlejohn.

Littlejohn added that selling the 248-ha (612-acre) site was in keeping with the vision of the community.

"During the OCP public hearing process last year, people from the community indicated that this large property should not be divided and sold in smaller parcels," he says. "They clearly did not want to see piecemeal development on this critical site next to the town of Youbou."

Brook Hodson, electoral representative for Youbou/Meades Creek area to the Cowichan Valley Regional District, agrees.

"It seems to be a positive for the community. It's a happy beginning to moving forward — a new first step for the town and the area," says Hodson. "Since TimberWest shut down the mill site there's always been community interest in getting on with remediation."

He was closely involved with the planning process for Youbou's OCP last year and says that with the site designated a future development area, it's up to the new owner to come forward and propose a plan the community can comment on.

The new owner of the property is represented by developers based in Duncan, on southern Vancouver Island.



Photo: Rory Hill

**Eagle-eye view:** TW has sold nearly 250 ha of prime real estate on Cowichan Lake. The site boasts over 4 km of lake frontage and close proximity to services in Youbou.

### LOCATION, LOCATION, LOCATION

## TW assesses its real estate holdings in light of a red-hot market

Some people call Vancouver Island paradise. With its temperate climate, quiet lifestyle and magnificent beauty, it's been attracting home buyers like never before.

In 2005 alone, the island's residential housing prices increased by 22 percent — and the trend is expected to continue.

This hot real estate market has spurred TimberWest to re-examine its real estate portfolio, which includes some spectacular properties, to ensure its private land holdings are well positioned.

"Vancouver Island offers terrific attributes, so it's attracting strong interest from local, national and international developers searching for large, quality development properties," says TimberWest's director of Real Estate, Gordon Littlejohn.

"Given this level of interest, exceptional opportunities exist for TimberWest's outstanding mountain- and lake-view properties that can be

put to higher use, especially those in the residential, rural recreational and resort markets."

TW holds an extensive portfolio of residential and rural development lands in and around the fast-growing communities of Campbell River, Courtenay, Sooke and Duncan. It

also owns a number of unique water-front and resort type lands at Caycuse on Cowichan Lake and in the Port Renfrew and Nitinat areas west of Victoria.

The strategic review of TimberWest's land holdings

currently underway is scheduled for completion in 2006. The main objective: to ensure that values are being optimized and lands are being put to their highest and best economic use, be that for commercial forestry or real estate purposes.

"We expect that a significant number of real estate properties will be added to the real estate portfolio," says Littlejohn. "Our goal is to create and capture maximum value from these properties."

**The main objective: to ensure that values are being optimized and lands are being put to their highest and best economic use.**



**TW SELLS FORMER CAMPBELL RIVER DRYLAND SORT**

See story page 3 ...

## Spirit bears and more protected

The spirit bear is the official provincial mammal of BC.

The rare, white spirit bear and hundreds of other species of flora and fauna on BC's north and central coast will enjoy new habitat protection on 1.8 million ha that have been set aside by the provincial government as part of the 6.4-million ha coastal management area.

These protected areas preserve some of the largest intact temperate rainforests in the world and conserve more than 200,000 ha of the spirit bear's habitat, including the Kitasoo Spirit Bear Conservancy on Princess Royal Island.

The Kermode or spirit bear is a black bear that has white fur due to a rare genetic trait. The bear is not albino.

The move comes after 10 intensive years of input and negotiations with a wide variety of stakeholders, including First Nations, environmental groups, and companies such as TimberWest.

"We are pleased to see these rich, diverse areas protected — and to have had the opportunity to bring our expertise on second-growth harvesting and our perspective to the table," says Bruce Story, operations planner for TW's Johnstone Strait Operation. He has put in hundreds of hours working on the plan over the past 10 years.

The name "Kermode bear" is for Frank Kermode, former director of the Royal BC Museum in Victoria.

TW's Johnstone Strait Operation is part of TFL 47, which will be impacted by the new land and resource management plan. It introduces ecosystem-based management, which encourages conservation and sustainable land-use practices.

"This is the first time this has been done anywhere in the world, so there are still a lot of unknowns that have to be resolved, including time frames and actual implementation," says Story.

"We know it can be done, but the framework needs to be laid soon so we know how to proceed with our planning."





“I’ve looked after the current LINC system along with Alison for the past 20 years or so, so I was involved from day one, figuring out what we had and what we wanted, going through an analysis and rating the vendors or possible suppliers. Now the most challenging part is taking it from a detailed spec to a working system. It’s just the normal frustrations of developing a system. It’s a complicated system that does a lot, so it’s just taking the time to get it out and get it going.”

~ **Roman Nikitiuk**, TW’s transportation superintendent, who looks after log towing and barging



▲ **LIMS wizards:** **Front (L-R):** Danny Anderson, scaling supervisor, Frontier Scaling; Peter Majnusz, project lead, 3Log Systems; Scott Reid, assistant controller, TW’s Timberland Operations. **Back (L-R):** Gordon Lindenbach, log distribution and trading contractor; Roman Nikitiuk, TW transportation superintendent; Alison Moen, TW application support analyst; Rob Schulz, project manager, Ajae Consulting; Klaus Gundermann, TW operations accountant. **Missing:** Ed James, scaling supervisor, Frontier Scaling; Clifton Lumb, TW operations accountant.

Photo: Roy Hill

“What I’m focusing on at the moment is the transfer of data for the day we go live. What is an active record in one system has to magically appear overnight in the new system, so they can continue the life cycle of a boom or a load. There are hundreds of attributes to each boom, bundle or load — things like what date it was made, where it was made, how many logs, what volume it represents, the species and grade of logs, and it often includes what we expect to use the logs for. On any one day we can have more than 1,000 active booms.”

~ **Alison Moen**, TW’s application support analyst

### A STRONG PLATFORM OF LIMS

# Major software upgrade means better, faster log management

It’s taken thousands of hours of hard work on the part of more than a dozen people — and more than a couple of frustrating moments — but TimberWest’s new log inventory management system will soon be up and running.

The intensive effort will be well worth it, however. Once the \$1.3-million project is completed and the new system, known as Log Inventory Management software, or LIMS, is operational in July, it will be a welcome replacement to the company’s Log Inventory & Control (LINC) system.

“LINC runs on obsolete, unstable hardware that can’t be upgraded. We built it in-house over the last 20 years and it’s basically outgrown itself. Although LINC was tailored for our needs and served us very, very well for a long time, ultimately the technology would have failed us,” says Kelly Gilchrist, TimberWest’s IT director.

And that’s something the company simply could not risk.

The log inventory management system is the single most critical information system at TimberWest. It tracks the flow of wood through the company and is vital for accurate inventories and audits.

“A major part of its value is it allows us to get our specialized logs, especially those with the highest value, to the right end market so we get the

best use out of the best logs,” says Gilchrist.

LIMS will provide the company with a viable technology platform for the next 15 to 20 years. As well, it has built-in capacity to handle contractor information, so it integrates seamlessly with the new company model.

After determining it made the best economic sense to use a commercial software package, the company chose to work with 3Log Systems from Richmond, which also provided LIMS to Island Timber (Weyerhaeuser’s former coastal operations).

Last April, TW’s IT department brought together a core group of LINC users from all affected departments to work with a project lead from 3Log. For this team of 10 people, the past 14 months have entailed a Herculean effort of everything from defining requirements and configuring LIMS to building interfaces to other company systems that the new technology will interact with.

“Everybody involved has shown amazing ingenuity and flexibility in getting the job done and keeping things flowing as smoothly as they have,” says John Kelvin, vice-president of Log Marketing and Sales. “It’s been no easy task getting this in place while we keep operating on a day-to-day basis.”

Training for TimberWest’s operators on the new system is well underway, and will be completed by the time LIMS is operational.

## Crystal recognition for TW’s Flying Tankers



▲ **Legendary legacy:** Terry Dixon, manager, Flying Tankers Inc., was thrilled to show off the Lifetime Achievement award on behalf of all the crews who have made the Martin Mars bombers firefighting legends.

Forty-five years of unsurpassed firefighting service by TW’s Flying Tankers Inc. have added up to the Crystal Award for 2005 in the category of Lifetime Achievement in the 6th Annual Vancouver Island Business Excellence Awards.

“They were chosen because the Tankers’ staff put their professional skills and expertise on the line every day keeping property and people safe across North America. They’ve got a reputation that’s global, and they live up to every word that gives them acclaim,” says Geri Sera, marketing rep for the *Business Examiner*, which sponsors the awards.

Flying Tankers Inc. was formed by a consortium of forest companies in 1959 after several catastrophic fire seasons. Since 2001, the service has been solely owned by TimberWest, which aggressively markets the bombers’ firefighting services.

“This was a great surprise. We were all excited by this recognition, which really is honouring the hundreds of excellent people who have made the bombers so effective for firefighting all these years,” says Flying Tankers manager Terry Dixon. The award was accepted in Victoria by TW’s manager of forestry programs, John Phillips.

## Future growth



Photo: Roy Hill

More than 3.8 million seedlings were planted on TW public and private lands this spring. Another 2.5 million are scheduled to be planted this fall, for a total of 6.3 million in 2006.

While Douglas fir (*Pseudotsuga menziesii*) made up 90 percent of the seedlings planted, seven other native tree species were planted as well:

- Grand fir — *Abies grandis*
- Western red cedar — *Thuja plicata*
- Red alder — *Alnus rubra*
- Western hemlock — *Tsuga heterophylla*
- Western white pine — *Pinus monticola*
- Sitka spruce — *Picea sitchensis*
- Yellow cedar — *Chamaecyparis nootkatensis*

In 2005, TimberWest planted approximately 5.7 million seedlings, up from 5.6 million in 2004.

## Circle route a traveller’s delight

**More and more people are driving the scenic new Pacific Marine Circle Route — and even more are expected this summer.**

The circle route, which was completed last June, connects Victoria, Sooke, Port Renfrew, Lake Cowichan and Duncan. It was made possible through TW’s donation of \$1 million in value toward the BC government’s acquisition of a 26-km stretch of a former TW logging road from Mesachie Lake nearly halfway to Port Renfrew.

“Quite a few people have come through on it this spring already and commented on what a beautiful drive it is,” says Jim Humphrey, president

of the Cowichan Lake District Chamber of Commerce. “Last summer we saw many more people travelling out from Sooke and Victoria for the day than we normally would.”

Linda MacMillan, president of Sooke Harbour Chamber of Commerce, says that the road surface is much smoother and better maintained now.

“Starting this summer and moving forward, I think we are going to see even more business from it,” she says. “It’s bound to benefit everybody.”





▲ **Fostering understanding:** Chief Harvey Alphonse of the Cowichan Tribes and TimberWest CEO Paul McElligott renewed the MOU between their two organizations at this year's annual general meeting in Vancouver.

## Sharing work and values with First Nations

Some working relationships accomplish far more than work. One excellent case in point is the contract between Duncan-based Khowutzun Forest Services (KFS) and TimberWest.

A recently renewed Memorandum of Understanding, which was first signed by the company and Cowichan Tribes in 2005 to work together for mutual benefit, has led to TimberWest hiring KFS for silviculture and firefighting services on the company's private timberlands.

"TimberWest and the Cowichan Tribes wish to build a relationship based on trust, mutual support and open communication. Through the MOU we are able to facilitate working opportunities for them, and hiring Khowutzun Forest Services to do work for the company is just one aspect of that," says TimberWest's manager of Public Affairs and Government Relations, Steve Lorimer.

Khowutzun Forest Services, which employs 24 First Nations people from the Cowichan Valley area, performs a number of duties that help TimberWest maintain the forest health of its timberlands. These include brushing and vegetation control so that crop trees TW plants get off to a good start, burning woody debris to prepare the land for reforestation and reduce the risk of forest fires, and first response on-the-ground fire suppression.

TimberWest has also set up an arrangement so that Khowutzun Forest Services is working with an experienced silvicultural contracting company to learn productive, high-quality tree-planting practices.

While all of these services help TimberWest achieve its stewardship goals, they also provide benefits to the local First Nations community.

"Our program in silviculture at this time is a not-for-profit program. Our profits are our workers realizing good-paying employment opportunities that are more than just seasonal," says Cedar Elliott, assistant manager with Khowutzun Forest Services.

The new contract with TimberWest has meant the 12-year-old company can diversify its activities and offer year-round employment. As well, KFS employees receive specialized training and experience that can boost their employability in any community.

But that's not the only mutual benefit arising from the TW/Khowutzun Forest Services relationship. Using a First Nations company to work in the forest also taps into a reservoir of specialized knowledge and values.

"All of our workers have traditional ecological knowledge. When they are out in the forest, their culture guides them along the same principles that TimberWest likes to see," says Elliott.

"We've always been taught to respect everything out in the forest because it's all interconnected. That's a shared value."



Photo: Khowutzun Forest Services

▲ **Team effort:** Irvine Canute (left), Cedar Elliott (centre) and Kevin Stevens (right) of Khowutzun Forest Services discuss a brushing and vegetation control project for TW's timberlands.

## Firefighting warriors

They call themselves the Khowutzun Warriors, and fighting forest fires is their specialty. While the crew formed earlier as part of Khowutzun Forest Services, two fire trucks donated by TimberWest in 2005 gave them much more momentum. The Warriors fought a total of five fires last summer, four on TW land and one on Crown land. "Having the trucks and all the equipment — the pumps and the bladder bags — means we can respond to fires a lot quicker. It's a big morale booster, too, even to use it in practices," says crew boss Robert Laing. While the work is somewhat dangerous and exciting, it's also satisfying and builds confidence for the firefighting crew, he says. "They can see a physical accomplishment and that's rare. In some jobs you don't see that for a long time."



## Campbell River First Nation buys old log sort site

Ninety-two much-needed homes, new soccer fields and perhaps a baseball diamond, and some commercial development that will generate revenue for the Campbell River First Nation: All this is slated for a 14.4-ha (35-acre) property located on the Old Island Highway, which the band has purchased from TimberWest.

The site, which the Campbell River Indian Band sold to one of TW's predecessor forest companies in the 1920s, was used as an industrial log handling site. Over the years, TW and its predecessors expended considerable funds on improvements, including fishery habitat restoration and environmental cleanup.

"This is a good news story," says TimberWest's director of Real Estate, Gordon Littlejohn. "These lands were originally Indian Reserve property that was subdivided off many years ago. The lands contain historical trails and rights held by the Campbell River Indian Band."

The sale concludes lengthy negotiations of an agreement, which started in 2003.

"We are delighted we were able to come up with the financing to purchase this property," says chief Robert Pollard. "Right now we live in the estuary and we have no more housing available. We have 98 people on our housing list, and we hope we can accommodate 92 new homes."

The band has started the procedure to have the site retuned to its former status as reserve lands, a process that could take two years.

"This transaction is important in terms of TimberWest's initiative that they want to have partnerships and involvement with First Nations," says Jodee Dick, economic development officer for the Campbell River First Nation.

"It shows their willingness to follow through on what they've been saying."

## TW buys logs from Cape Mudge band

Groundwork laid by Ken Price, TW's First Nations liaison for fibre supply, has paved the way for a new transaction between the company and the Cape Mudge Indian Band in Campbell River.

After offering a successful bid, TimberWest purchased about 4,000 m<sup>3</sup> of logs from the band's reserve lands located on Quadra Island. The logs will be sorted and watered, then sold for highest and best use.

"This is our first significant log purchase agreement with First Nations in the North Island area, and what we hope is the first chapter in an ongoing business relationship with the Cape Mudge band," says Rick Jaccard, timber purchaser for TW.

Recently, the band was awarded further harvest rights on Quadra. It's all part of the 2004 Forest and Range Practices Act, which saw 20 percent of fibre supply in BC taken from existing major licensees. Some of that fibre supply was subsequently redistributed to First Nations and community-based forestry enterprises.

Because TW previously held the harvesting rights for the Quadra Island lands, it has shared with the Cape Mudge band digital mapping information the company generated, which will be of considerable use. TimberWest also helped the band establish a supply line for seedlings for reforestation.



# Salmon saviours

✿ The Pacific Salmon Foundation is an independent organization dedicated to rebuilding healthy, sustainable and naturally diverse Pacific salmon stocks.

✿ TimberWest has a comprehensive program of environmental protection measures to manage normal and exceptional weather conditions. In some cases, like the Beaver Creek incident, the company will redirect some of its contract logging crews to stop harvesting activities and focus on keeping culverts and ditches functioning during the onslaught of rain and related runoff.

## Pacific Salmon Foundation and TimberWest combine forces in Alberni

**H**heavy winter rains that spelled trouble for fish habitat in Port Alberni's Beaver Creek area also spurred TimberWest to provide some extra assistance to the Pacific Salmon Foundation (PSF).

The company contributed \$15,000 to the foundation to improve fish habitat in the area after prolonged storms over several weeks in February caused erosion and washouts. The combination of heavy rain and melting snow resulted in runoff that adversely affected land and streams throughout the Alberni Valley.

"This type of weather pattern had not been recorded in over 25 years," says John Phillips, TW's manager of forestry programs.

"After reviewing the weather-related concerns with Fisheries and Oceans Canada and other agencies, we became aware of some of the issues in the Beaver Creek area, and we wanted to offer our help in some way."

The donation is in addition to the long-term agreement TimberWest signed five years ago to provide PSF with \$60,000 in annual funding to improve fish habitat in Vancouver Island streams.

"We were impressed with TimberWest's unsolicited offer," says the foundation's executive director, Paul Kariya. "Their long-term commitment has already contributed \$17,000 to our salmon recovery projects in the Alberni Valley."

Experts from Fisheries and Oceans Canada identified the need for new culverts on old railway grades, existing roads and other lands to protect water quality and downstream fish habitat in small creeks in the area. PSF then coordinated biologists and members of the Alberni Valley Enhancement Association to come up with a resolution.

"They recently completed their culvert design work," says Alan Kenney, PSF's director of Salmon Programs. "Once they are installed later this summer, the culverts will improve water quality by reducing siltation, which adversely impacts salmon egg and juvenile survival."

In addition to this direct financial contribution, TimberWest made 1,000 seedlings available from its spring 2006 operational planting program that is already underway in the area. These trees can be used by the Pacific Salmon Foundation's Community Salmon Program for stream enhancement work by local volunteer groups.



Photo: Domenico Iannidinardo

**BEFORE** The Cruickshank Mainline is vital to TimberWest's harvesting activities — it's a main artery for about 5 percent of total volume coming out of the woods. In the winter of 2004, the road was partially undermined after a huge storm generated heavy rainfall and high water levels in the Cruickshank River, a critical salmon-bearing waterway in the Comox watershed. The result was both an environmental and a safety hazard.



Photo: Andy Hesterman

**AFTER** TW's IRAS team consulted with government agencies in the spring of 2005. Then work got underway in August to totally rebuild the washed out section of road by first excavating 300 tonnes of soft soils and old rail grade from 60 years ago. Tonnes of rip-rap were brought in for erosion control and bank stabilization, and woody debris was added to create new fish habitat. The bottom line: truckers are happier with the improved roadbed, and the new habitat should enhance fish populations. "The good news is the work has survived a full season of winter storms and remains in good shape," says TW resource specialist Domenico Iannidinardo.

## Great expectations for the Great Lake Walk

**Run — don't walk** — to get your entry form for the 5th Annual Great Lake Walk, which organizers hope will attract up to 600 participants this year. The 56-km walk/run ultra-marathon event, held September 16, circles beautiful Cowichan Lake, the second largest lake on Vancouver Island.

Not only will you get in shape and enjoy the scenery, you can also sponsor a charity of your choice. Over the years, Great Lake Walk participants have raised over \$300,000 for a variety of good causes, including the Nanaimo and Sooke food banks and the United Way. Corporate challenges and teams are encouraged to enter. As well, those who have participated in every Great Lake Walk will receive a special five-year pin.

In addition to sponsoring the walk every year since it started, TimberWest must also coordinate its harvesting activities so they don't interfere with the event, since most of the route follows TW logging roads.

**Call 250-749-6742, or register on-line at [www.greatlakewalk.com](http://www.greatlakewalk.com).**

► **Pure determination:** Lake Cowichan's Taylor Johnson, age 9, was the youngest female to complete the 2005 Great Lake Walk.

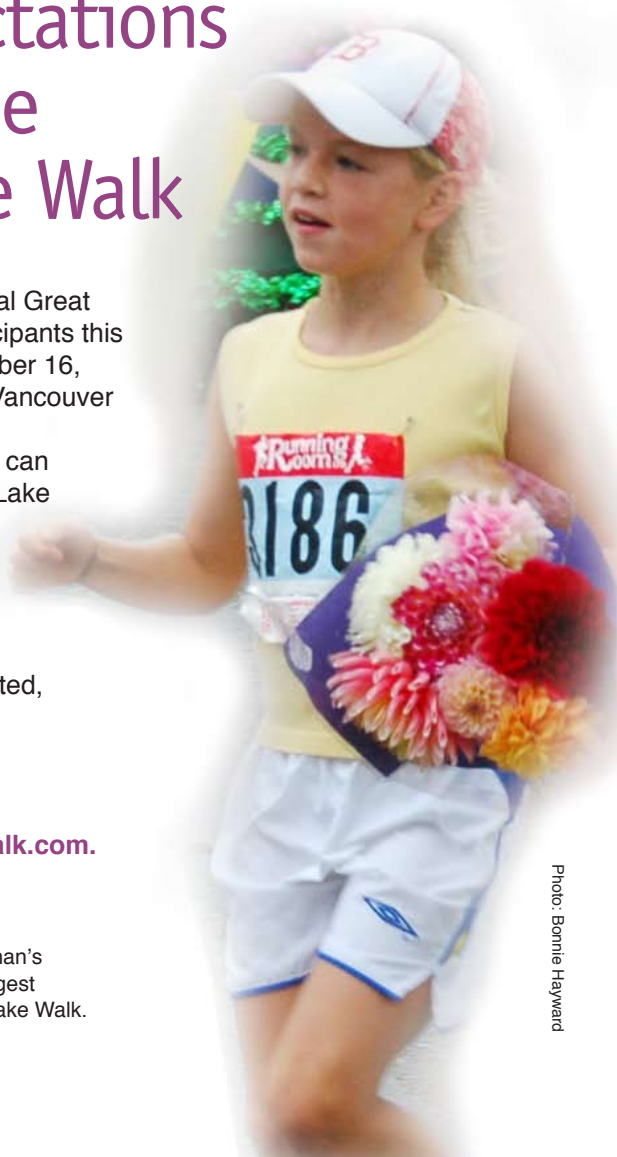


Photo: Bonnie Hayward

## Gates closed

Due to public safety issues, fire risk and vandalism, TW is restricting access to many of its private timberlands. Organized groups with proper insurance may apply for access to specific areas by contacting Steve Lorimer at 250-729-3727. "We have a responsibility to protect the forest, and we also want to ensure public safety is not compromised for those wanting to use our lands," he notes.



### Comments & contacts

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PUBLICATIONS MAIL AGREEMENT NO. 40660543  
RETURN UNDELIVERABLE CANADIAN ADDRESSES TO:  
TIMBERWEST FOREST CORP.  
BOX 11101, SUITE 2300, 1055 WEST GEORGIA STREET  
VANCOUVER, BC V6E 3P3

Design: MPA Communication Design Inc.  
Printing: Rhino Print Solutions  
Printed on recycled paper with 30% post-consumer content