



**CENTRAL COAST REGIONAL DISTRICT
OPERATIONS DEPARTMENT**

SPECIAL REPORT – SALE OF DECKED TIMBER AT BELLA COOLA AIRPORT

TO: Courtney Kirk, CAO
CC: Board Chair Alison Sayers and Board Members
DATE: December 13, 2017
FROM: Ken McIlwain, R.P.F. Operations Manager
SUBJECT: Sale of Timber at Airport

Board Meeting
DEC 14 2017
CCRD ITEM C(10)

RECOMMENDATIONS:

1. THAT the CCRD Board of Directors approve administration to negotiate and enter into a sales agreement with one, or both, Community Forests in the Bella Coola Valley, to dispose of the decked timber located on Bella Coola Airport Property and adjacent Licence to Cut tenures.

Sale of Decked Timber at Bella Coola Airport

STRATEGIC PLAN:

| GOAL | OBJECTIVES & STRATEGIES |
|--|--|
| GOAL 2 – INVESTMENT AND SUPPORT FOR PUBLIC INFRASTRUCTURE AND SERVICES | 2.1 Plan and/or manage reliable and cost effective mandated services that meet current and future requirements |

BACKGROUND: Over the past year, approximately 500 cubic meters of merchantable timber (coniferous and deciduous) has been harvested and decked at, or in the vicinity, of the Bella Coola Airport. The timber was harvested as part of the ongoing obstacle removal project. It is desirable to dispose of this timber in a timely manner to maximize utilization value and take advantage of frozen ground conditions.

CONSULTATION: There has been consultation with landowners over the logistics and conditions of timber removal through their private lands.

POLICY & LEGISLATION: CCRD Policy A-20 states:

2. Any item having an estimated value of \$1000 or more must be published on the Regional District's website, in the local newspaper and simultaneously posted on public notice boards at postal outlets within the Regional District.

3. *The Chief Administrative Officer and/or designate be authorized to receive any and all offers and to accept one offer that would provide the most benefit to the Regional District, up to an amount of \$10,000. The sale of assets with a value greater than \$10,000 must be approved by the Board of Directors.*

BUDGET AND FINANCIAL IMPLICATIONS: If the preferred option is chosen, the sale is anticipated to generate a small profit once stumpage and project supervision costs are covered.

DISCUSSION:

PREFERRED OPTION: the logistics around private property access, procedures and timelines make it desirable to work closely with an experienced forest company/operator with the capability to manage the timber removal in a way that will meet the conditions set out by the CCRD. Operations personnel feel this can be best accomplished by working with the local Community Forests as opposed to pursuing a public auctioning process.

It is our understanding that there is local demand for sawable timber and firewood. The Community Forests are already well positioned to make available and broker this wood in smaller quantities to local businesses. This option has the benefit of stimulating the local economy and maximizing the value of the timber.

ALTERNATIVES

OPTION 1: CCRD could choose to do nothing. The wood could be left on site to decompose. The risks associated with this option would be public criticism over unethical behavior and waste of valuable timber, not to mention the fire hazard posed by leaving piles of decked timber around. There would be costs associated with a waste survey and waste bill for the wood from the crown land portion.

OPTION 2: CCRD could burn the wood. This would have the same risks around the optics of wasting resources. It would cost significantly more than option 1 due to burning costs. There would also be costs associated with a waste survey and waste bill for the wood from the crown land portion.

OPTION 3: CCRD could put the wood up for public auction. The CCRD would be paid on the scaled volume once the wood was scaled at a designated scale site. There are risks around the purchaser being able to secure access rights through private land and liability over potential damage to private land. This option also comes with the risk of not receiving payment for the timber or the purchaser not following through on conditions set by the CCRD. It is also entirely possible that CCRD would receive no bids or a bid that would not cover the cost of stumpage.

RISK MANAGEMENT: The lowest risk option is the preferred option of negotiating an agreement to sell the wood to one or both of the community forests in Bella Coola. This gives CCRD the most control over activities and the best chance of working collaboratively with land owners and operators to ensure a successful outcome. The risk involved with the preferred option centers around potential dissatisfaction from local businesses who would prefer to bid competitively on the timber, rather than purchase through one of the community forests in Bella Coola.

The highest risk options are Alternative Options 1 or 2, due to the optics and possible public reaction around waste of wood.

Alternative Option 3 has a moderate level of risk. These risks can be mitigated by requiring bid security deposits and/or damage deposits.

CONCLUSION & RECOMMENDATION: It is recommended the CCRD board approve administration to undertake negotiations with one or both community forests in the Bella Coola Valley for the sale and disposal of the decked timber at the airport.

If the community forests are not interested or cannot meet CCRD conditions, then staff would defer to Policy A-20 Disposal of Assets and advertise the timber through public auction.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Ken McIlwain', with a large, stylized flourish at the end.

Ken McIlwain, RPF
Operations Manager