

COMMUNITY TRUST AND WATERSHED MANAGEMENT IN CRESTON, BRITISH COLUMBIA, CANADA

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ABSTRACT

Creston, British Columbia is located in the southeastern corner of the province 200 kilometers northeast of Spokane, Washington U.S.A. The community depends on an 8,500-ha watershed to supply water to the town of 5,000, a thriving fruit industry, and a large brewery. For decade's community activists kept industrial logging out of the provincially owned watershed; but in the mid 1990's a regional land use plan designated the watershed as part of the timber harvest land base. A community forest—the Creston Valley Forest Corporation—was formed in 1996 to hold provincial government tenure to log in the watershed. The approach taken by the local shareholders was to build trust with the community by operating initially in areas outside of the community watershed while demonstrating forest practices that would minimize impacts to water. A variety of silvicultural systems and harvesting methods that promote high forest cover consisting of multiple species and age classes is used. The corporation encourages public participation and scrutiny while quietly putting its philosophy of gentleness on the land. The strategy of performance rather than promises has built trust with the community to a level where the corporation is now harvesting in the watershed with public support.

BACKGROUND

The town of Creston is located in the Kootenay region of southeastern B.C. adjacent to the U.S. border, approximately 200 km northeast of Spokane, Washington U.S.A. Creston has a population of 5,000 with a surrounding area population of approximately 15,000. The diverse economy includes fruit and grain agriculture, logging and saw milling, a large brewery and a retirement haven. The annual economic value of the brewery and fruit industry is approximately \$300 million U.S. and the forest products industry accounts for approximately \$20 million U.S.

The terrain is mountainous with elevations ranging from 550 meters along the Kootenay River to over 3000 meters in the surrounding Purcell and Selkirk mountain ranges. The climate is temperate with warm, dry summers and mild, moist winters.

The forest contains 10 commercial tree species, the greatest diversity of species in B.C., and is known provincially as the "Kootenay mix". Douglas fir, ponderosa pine, grand fir, and western red cedar occupy lower elevations. Lodgepole pine and western larch dominate mid elevations, and Englemann spruce and subalpine fir grow at higher elevations. Timberline is generally 2000 meters elevation.

The community is heavily dependent on water from Arrow Creek, an 8,500 ha watershed located on Province of B.C. land 8 km northeast of the town. Since the early 1970's, the community successfully kept industrial clear-cut logging out of Arrow Creek for



Creston partial cut

feared that it would negatively impact water quality and quantity. However, in the mid-1990's a provincial government regional land use plan identified Arrow Creek as part of the timber harvesting land base. Local concern persuaded the government to offer the community a timber tenure in order to be in control of watershed management.

However, many concerned citizens opposed this strategy and continued pressure to preserve the watershed. Several groups including the Erickson Improvement District (who have operated the water supply system since the 1920's), the Erickson Water Users Society, and the Water Action Group, represented water quality in the valley. They were initially very vocal in their opposition, with a steady stream of articles in the local newspaper expressing their concerns with logging in the watershed.

FORMATION OF A COMMUNITY FOREST

A core group of citizens came together in 1996 to form a "for profit" corporation, the Creston Valley Forest Corporation (CVFC),

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Cable selection

and apply for the government advertised 15-year non-replaceable Forest License. This license authorizes the harvest of 15,000 cubic meters annually from the watershed and additional surrounding lands that encompass 12,800 ha (31,600 acres) in total. The Forest License was awarded to CVFC on Oct 1, 1997.

The corporation has five shareholders, each with 20% of the shares:

- The Town of Creston (municipal government)
- The Regional District of Central Kootenay (regional government)
- The Creston Area Economic Society
- The Lower Kootenay Indian Band
- The East Kootenay Environmental Society (a regional environmental group)

The corporation's board of directors consists of ten directors of which five represent each of the shareholders. The shareholder directors choose four other directors from the community at large and one director is designated as a representative of the Erickson Improvement District.

Recognizing the need for clear direction to guide their management activities, the corporation chose the following mission statement and objectives:

The mission statement for the Corporation is: *"To efficiently harvest the allocated volume while protecting the integrity of other resources and enhancing social and economic benefits of the community"*.

The goals and objectives of the CVFC are:

1. To develop an ecosystem-based, ecologically responsible philosophy of forest stewardship that respects all forest values and functions.
2. To encourage involvement and to inform the public in the management of forest resources.
3. To provide local employment in harvesting, silviculture (reforestation), forestry and milling sectors.
4. To develop a local log market and examine the feasibility of a log sort yard.

5. To encourage education and training in all aspects of sustainable forestry.
6. To provide the maintenance of water quality, quantity and flow regime of all streams and lakes within the operating area of FL A54214.
7. To use existing local facilities for primary breakdown. Local refers to an area from Yahk to Riondel.
8. To provide a timber supply for existing value-added enterprises and to provide a timber supply as an incentive to promote local, value-added opportunities in the community.
9. To pursue "Green" (FSC) certification on all timber harvested under FL A54214.
10. To pursue incremental forestry projects as opportunities occur.
11. To pursue effective, biologically oriented methods dealing with forest health issues.

Also, the Corporation's constitution states that the shareholders are not allowed to receive dividends. Profits must be used for the benefit of the community; once a contingency fund has been built.

OPERATION OF THE CORPORATION

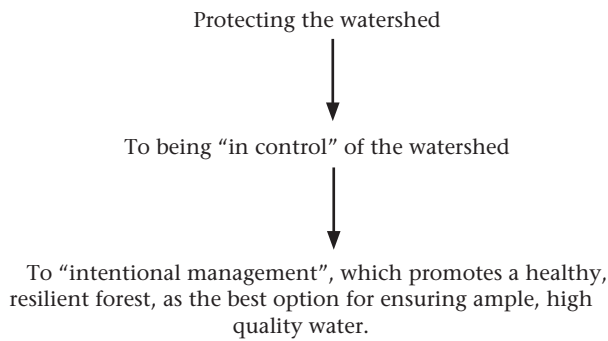
The Corporation negotiated an operating loan from the Royal Bank of Canada in order to finance the start-up of operations. It began operation in April 1998 by contracting a professional forester (the author) to manage the company. The company opted for a strategy of having only one employee, the secretary, and hires local forestry consultants to do the forestry development work.

An extensive reconnaissance of the license area was undertaken that spring, summer, and fall as an initial planning step. Also, hydrology and soil stability assessments were completed for most of the operating area. This information formed the basis of a government mandated Forest Development Plan and Cutting Permit that was completed in September 1999.

The initial harvesting concentrated in areas generally outside of the Arrow Creek watershed. The strategy was to gain experience with partial cutting silvicultural systems and demonstrate responsible forest management in relatively low risk areas. The first cutblocks salvaged snow-damaged lodgepole pine, which retained approximately 70% of the volume. Several other cutblocks demonstrated single tree selection and shelterwood silvicultural systems. Harvesting was done using small ground-based equipment to ensure minimum site disturbance.

During the first several years, the company purposely told the public they should be concerned with our operations and NOT to trust our objectives of gentleness until they could see performance on the ground. We did not make promises, but encouraged the public to monitor our operations. By 2002 we had harvested several hundred hectares using a variety of partial cutting systems. We then took our critics into the woods to show the results of the harvesting. Most had never imagined logging could be so gentle! Nearly all switched to become strong supporters of the community forest. That kind of response encourages us to continue to build trusting relationships through performance.

Presently, some of our directors represent the Erickson Water Users Society, the Water Action Group, as well as the Erickson Improvement District. We have begun road building and have harvested two cutblocks in Arrow Creek with their blessing. The community has undergone an evolution of philosophy from



Our planning defines a protected area network throughout the operating area that reserves harvesting from riparian areas, unstable soils, critical wildlife habitat, and certain linkages from low elevation to high elevation. The operable forest is managed to promote a diverse forest of multiple species and age classes of timber. Also, forest management will provide access for disturbance events such as fire, threatening insect populations and blowdown. This “intentional management” approach will soon lead to financial support from the water users themselves.

CHALLENGES

Financial.—The kind of performance necessary to build trust and provide for values other than timber, however, is not without cost. The community forest has struggled financially and we still have a substantial operating loan with the Royal Bank of Canada. Since we began harvesting in 1999, three of the five fiscal years have shown a profit while two incurred losses. Our balance sheet is looking better each year, but it may be two more years until we can operate without a loan. The financial struggle derives from several factors, some of which are beyond our control:

- Relatively low forest products prices; the softwood lumber dispute and the rising Canadian dollar have steadily driven regional log prices down.
- Stumpage charged by the provincial government was initially high, because the appraisal system does not adequately recognize the higher costs associated with intensively managing for other values.
- Most of the forest we’ve operated in to date has been high-grade logged in the past; leaving us with lower quality timber. Restoring this forest requires retaining the best quality trees and removing poorer quality ones.

Expansion.—Nearly 85% of the timber harvested from B.C. government land (70 million cubic meters) is done via tenures to forest products corporations. Last year the government announced a plan to reallocate 20% of this volume to competitive timber sales, First Nations tenures, community forests, and woodlot license tenures. CVFC has been working to secure an additional 25,000 cubic meters of the reallocated volume in order to expand the community forest. The company believes an expanded volume will improve the company’s financial position through economies of scale and will secure additional benefits for the Creston area.

Forest Stewardship Council Certification.—One of goals of the company is to become FSC certified. An area-based, long-term tenure is required in order to meet certification criteria. CVFC is working with the government of B.C to roll over its present non-replaceable Forest License to a Community Forest Agreement which is area-based, longer term and renewable. We believe our practices to date will meet the demanding FSC B.C. standards.

School Forest.—The local high school has grades 11 and 12 forestry classes. It also has initiated a new logging class for students who would like to enter the logging industry. CVFC has been working with these classes to demonstrate a more ecosystem-based philosophy of forest management and provide timber for the logging class to harvest. We have discussed with the school district staff the creation of a “school forest” of approximately 200 hectares. Once a Community Forest Agreement is in place, the school forest will be one of our first priorities.

BENEFITS

CVFC is fulfilling its mission statement and many of the goals it chose when the corporation began. Specific benefits include:

Ecosystem-based Philosophy.—The Company has developed an ecosystem-based philosophy of forest management. More importantly, however, it has walked its talk by demonstrating respect and care for the whole forest.

Public Participation.—It has sought public participation through its Board of Directors, open houses featuring plans, open business meetings, downtown office facilities and many tours into the forest to show our forest management.

Local Employment.—CVFC employs local forestry technical and professional consultants from time-to-time throughout each year. Local loggers, truckers, and road construction contractors are used exclusively. During the logging season, the Company has as many as 25 people working. There is perhaps the equivalent of ten full time jobs created by the operation. The Corporation puts approximately \$1.5 million U.S. directly into the Creston economy annually.

Log Sort Yard.—CVFC operated a log sort yard in the first 3 years of its operation until the land lease expired. A new sort yard, in conjunction with the Lower Kootenay Indian Band, is now in the works on Indian Reserve land. Local sawmills and loggers are looking to form a cooperative with this new venture to sort for the best use, approximately 80,000 cubic meters of logs annually.

Education and Training.—Along with providing educational experiences with the local high school, CVFC is looking to partner with the Creston campus of the College of the Rockies to promote workshops and course modules in ecosystem-based forest management. The community forest will become a “living classroom” for those classes.

Local Log Manufacturing.—The Company prefers to sell its logs to local mills. However, because the species and size of timber varies, local mills can process approximately 50% of the annual volume. Consequently, the remaining logs are sent 300 km away to regional mills. A new pine flooring plant is being built in Creston, and CVFC would like to become part of its raw material supply.

CONCLUSION

A number of lessons have been learned through the Creston Community Forest experience to date:

1. Ecosystem-based forest management, that respects and protects all values in the forest, is possible and profitable.
2. Trust building is based on performance in the forest, not through promises, paper and politics.
3. Forested watersheds are dynamic ecosystems that are subject to natural and human induced disturbance events. We are learning that “intentional management” is a better option than preservation to ensure adequate, high quality water.

4. Community forests are the best mechanism to manage high value community interests; as opposed to large, remote institutional control.

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