

MCLEOD LAKE MACKENZIE COMMUNITY FOREST



April 3, 2025

McLeod Lake Mackenzie Community Forest – Expansion Background Information

Since its inception the McLeod Lake Mackenzie Community Forest (MLMCF) has become an extremely important entity in the Mackenzie area contributing to the local economy, delivering sound forest stewardship and delivering tremendous social benefits to the communities of its two shareholders, the McLeod Lake Indian Band and the District of Mackenzie.

In 2024 alone the MLMCF awarded over \$181,000 to 14 local projects through its Project Funding Program. In its 8 years this program has invested nearly \$900,000 into 57 projects in the area, supporting the passion and dedication of individuals and organizations in the Mackenzie/McLeod Lake area.

The MLMCF also provided 2024 dividends of \$400,000 to each of its shareholders. To date the cfa has generated just under \$4M to each shareholder. These dividends have become increasingly critical to shareholder governments in coping with shrinking tax bases, increasing costs and economic uncertainty in general making the MLMCF a vital asset for the future. Our cfa continues to support a wide variety of local events and causes through donations. The MLMCF continues to be instrumental in the delivery of critical wildfire risk reduction work converting and supplementing financial support from organizations like the Forest Enhancement Society of BC into impactful results making our communities safer. To date the MLMCF has invested roughly \$750,000 and countless in-kind staff time into WRR work.

The MLMCF is also investing significant time and funds into the Omineca Growers Society Mackenzie Greenhouse Project aiming to establish food security and improve the overall health and well-being of our communities. So far the MLMCF has invested approximately \$90,000 into this project with an additional \$420,000 dedicated to site development and project implementation pending additional external funding.

The MLMCF operates under the K2M community forest agreement with an established Annual Allowable Cut of 38,500m³. The MLMCF Board of Directors and management team adhere to conservative financial strategies ensuring operational and contingency funds are secured into the future in addition to maintaining shareholder reserves to allow for dividend sharing during leaner times. While these have worked well, the MLMCF believes strongly, as does the DoM, that the long-term viability of the cfa and the health of its shareholder communities requires and deserves an expansion of the K2M license.

The MLMCF is petitioning for an AAC increase in the order of 50,000m³ and makes a strong case with a very sound record of stewardship and social responsibility. This addition to the K2M license will:

- Help stabilize the local economy that is experiencing increasing difficulty and uncertainty
- Greatly improve overall stewardship of a much larger portion of our local forests encouraging real investment in this resource
- Secure and enhance the cfa's capacity to address wildfire risk as well as food insecurity and to tackle other important issues faced by our shareholder communities
- Improved the cfa's ability to deliver financial and social benefits to its shareholder communities into the future

With so much change occurring in our timber supply area we believe that the timing for this request could not be much better. As communities, stakeholders and First Nations work with the province to process so much uncertainty and determine what the forest industry will look like we have a golden opportunity to grow an established, positive, proven, and widely supported program right here right now.