

**NAME OF UNDERTAKING**

- Integrated Sawmill & Dry Kiln

**PROPONENT**

- (i) **Name of Corporate Body:** Eastwood Forest Products Inc.
- (ii) **Address:** 7 Willow Avenue, Cormack, NL, A8A 2S7
- (iii) **Chief Executive Officer**
  - a. Name: Darcy Major
  - b. Official Title: President
  - c. Address: 7 Willow Avenue, Cormack, NL, A8A 2S7
  - d. Telephone No.: (709) 635-7280
- (iv) **Principal Contact Person for purposes of environmental assessment:**
  - a. Name: Laura Major
  - b. Official Title: Office Manager & Lumber Trader
  - c. Address: 7 Willow Avenue, Cormack, NL A8A 2S7
  - d. Telephone No.: (709) 635-7280

**THE UNDERTAKING**

**Current Situation:**

Eastwood Forest Products Inc. is a sawmill presently located in Cormack, NL. The sawmill currently employs 21 people and processes an average of 50,000 FBM (Foot Board Measure) per day. Saw logs for the mill are acquired through timber supply agreements that the company has with various suppliers on the West Coast including Corner Brook Pulp and Paper Ltd. Our customers are primarily in Atlantic Canada however our lumber is often distributed through wholesalers farther across Canada and into the Eastern United States.

Our current operation consists of a 'Sawmill', a 'Bark Hog', a 'Chipper', and a 'Planer Mill'. The 'Sawmill' is responsible for the debarking and cutting of saw logs into various lengths of rough lumber. The 'Bark Hog' converts our by-products, bark and sawdust, into a marketable product, which is Hog Fuel (Hog Fuel is a form of fuel used in co-generation plants that the pulp and paper companies own). The 'Chipper' converts any fiber that does not get made into lumber into chips. These chips are then used as pulp fiber at Corner Brook Pulp and Paper. The 'Planer Mill' is then responsible for refining the rough lumber into a 'dressed' state and trimming/sizing it to order.

It is important to note that our sawmill operation has no by-products left on the premises since the only true by-products we have are bark, shavings and sawdust. We have van trailers that we use to transport the bark and sawdust (Hog Fuel) on a daily basis, or as it is produced, to Corner Brook Pulp and Paper Ltd. Any bark that is contaminated with soil, and can therefore no longer be used as Hog Fuel, is trucked to a disposal pit appointed to us by the Department of Government Services and Lands. Any remaining sawdust and shavings is

## ***Environmental Assessment Registration***

*Director Environmental Assessment Division*

supplied to the local farmers where there is a greater demand for these materials then we are able to produce. It is also important to note that our operation is entirely electrically powered and the only fuel operating machinery we have are two loaders.

Eastwood Forest Product Inc. was created in June of 2002 when we purchased the sawmill assets of Welco Ventures. Welco Ventures had been a sawmill in operation since 1985 and over this time had been producing an average of 35,000 FBM/day. When the operation was purchased it was not a profitable organization since the production levels were too low to be sustainable. As a result of slight modifications and improved processes, we have managed to decrease the number of hours worked each day by our employees (compensated by wage increases) and increase the production levels to an average of 50,000 FBM/day and have hence brought the sawmill much closer to a breakeven status.

### **The Undertaking:**

We want to expand and modernize our operation since the sawmill cannot become financially stable unless we are able to diversify our product line and increase production levels. We are unable to do either of these things without a much larger investment in modern equipment and facility expansion. Modernizing our equipment would not only increase production but would also help to minimize wasted fiber.

We want to move our current operation to the piece of crown land that we have applied for (Application No. 125132) and eventually we want to expand and move towards a more efficient sawmill operation. Once our current operation has been relocated our first undertaking would be to diversify our product listing by installing a 'Dry Kiln' that would allow us to produce value-added products that result in higher selling prices than the green material we normally sell. The 'Dry Kiln' would allow us to produce a maximum of 20,000,000 board feet of kiln-dried lumber per year.

### **Purpose/Rationale/Need for the Undertaking:**

In order to meet our goals in expanding and diversifying we need a site that is conveniently located with sufficient land space and adequate land composition. Our current site in Cormack does not have an adequate amount of usable land with an adequate type of soil nor is it a convenient location for a successful lumber operation.

The size of land required would need to accommodate the growth we plan to do in the short term (installation of a 'Dry Kiln') as well as any expansions that may take place in the future. Our plan of development is a progressive one where we hope to make decisions now that will allow us to take the facility to the next level in the future.

The soil composition has been a serious problem with our current location. The soil at our Cormack location is mostly clay and this results in a great deal of sinkage and mud that causes problems for the infrastructure of our buildings and with our ability to stack lumber. The lumber is often piled in mud over a foot high and the sinkage of the land has caused stacks of lumber to tumble over and break open on numerous occasions. The cost of

## ***Environmental Assessment Registration***

*Director Environmental Assessment Division*

replacing tumbled stacks and the cost of our reputation when presenting dirty lumber to our customers has not been ideal.

Our current site causes problems for delivery of logs and pick up of lumber by our customers as well as disruption in the community of Cormack. Our current site has caused numerous complaints from the people of the community of Cormack with regards to the noise and size of the transport trucks on small winding roads bringing in logs or removing lumber from the yard. In addition, the distance of our mill from the Town of Deer Lake hinders our ability to service our equipment properly. All repair parts and servicing has to come from Deer Lake causing longer downtimes then if we were closer to town.

The crown land that we have applied for would be needed to not only accommodate our growth but to also enhance both receiving and shipping and as well reduce the handling of inventory in various stages of production.

### **DESCRIPTION OF THE UNDERTAKING**

(i) **Geographical Location:**

The crown land we are applying for in order to relocate our sawmill operation and construct a 'Dry Kiln' is on quarry land across the Trans Canada Highway from The Deer Lake Regional Airport (*Please see Appendix 1*).

(ii) **Physical Features:**

The only building that would actually be relocated from our current site would be the office building. The current 'Sawmill' building and 'Planer Mill' buildings are not structurally viable for uprooting and relocating. We will have to build two new shells to house our main 'Sawmill' and another for the 'Planer Mill'. The size of the 'Sawmill' building would be approximately 100 ft. by 200 ft. and 20 ft. in height, the 'Planer Mill' would be approximately 80 ft. by 150 ft. and 20 ft. in height and the 'Dry Kiln' would be approximately 150 ft. by 180 ft. and 25 ft. in height. The office building, 'Sawmill' and 'Planer Mill' will all be very basic rectangular shaped structures. The 'Dry Kiln' however, has a somewhat more complex structure since it includes a smaller building for the Boiler, which is then connected to the main 'Dry Kiln' building that consists of loading bays for the lumber.

(iii) **Construction:**

The construction would consist of building two new structures to house the 'Sawmill' and 'Planer Mill'. There would also be some construction required for the 'Dry Kiln' that we plan to install. The 'Dry Kiln' is being delivered in pieces and would have to be reconstructed but the concrete foundation itself would have to be put in place. (*Please see Appendix 2*).

(iv) **Operation:**

The operation is expected to be year round.

## ***Environmental Assessment Registration***

*Director Environmental Assessment Division*

(v) **Occupations:**

There are currently 21 people working at the sawmill. When the 'Dry Kiln' is installed and once production reaches maximum capacity the workforce would need to nearly double. The occupations that would be involved are the same as we presently have. These occupations are as follows: Mill Foreman, Lumber Grader, Trim Saw Operators, Debarker Operator, Gang Saw Operator, Slab Recovery Operator, Lumber Stackers, Loader Operators, Timber Scalers, Maintenance Personnel and Office Administrative Positions.

(vi) **Project-Related Documents:**

The project related documents that we are including with this application are as follows:

- **Appendix 1:** Site Location Map relative to transportation facilities showing the proposed route of access
- **Appendix 2:** A sketch of our proposed 'Sawmill', 'Planer Mill' and 'Kiln Dry' Facility

## **APPROVAL OF THE UNDERTAKING**

The primary permits to operate the sawmill are cutting permits. The Department of Forestry and Agrifoods issue the cutting permits. The permits were transferred from Welco Ventures to Eastwood Forest Products Inc. when the company was bought out in June 2002.

The approval for the crown land usage had to be filtered through a series of government agencies. The government agencies required to approve the application were as follows:

- The Department of Government Services & Lands
- The Department of Works, Services & Transportation
- The Department of Forest Resources & Agrifoods
- The Department of Fisheries & Oceans
- The Department of Mines & Energy
- The Department of Municipal & Provincial Affairs
- The Department of Tourism, Culture & Recreation
- Transport Canada
- The Department of Environment and Labor.

Of the above list the only government agencies left to approve the application are The Department of Mines and Energy who has to perform a field inspection before approval and of course The Department of Environment and Labor.

In addition, since the land applied for is within the municipal boundaries of Deer Lake, the Town Council of Deer Lake had to fill out a Municipal Recommendation Form.

***Environmental Assessment Registration***

*Director Environmental Assessment Division*

**SCHEDULE**

Ideally, we would like to begin construction of the 'Dry Kiln' in May 2004 and be complete in August 2004. During this time we would also be relocating our current 'Planer Mill' as well as our office building. The reason for these dates would be that construction is easier in the summer and it would be the earliest that we could have arrangements made in purchasing the 'Dry Kiln'.

# **APPENDICES**