



MANAGED
FOREST
COUNCIL

Annual Report 2013 / 2014





305 – 1627 Fort Street
Victoria, BC V8R 1H8

October 31, 2014

Honourable Steve Thomson
Minister of Forests, Lands and Natural Resource Operations
PO Box 9049, Stn. Prov. Govt.
Victoria, BC V8W 9E2

Dear Minister:

With pleasure, I submit the annual report of the **Managed Forest Council**.* The report contains information regarding the Council's functions and activities for the period April 1, 2013 to March 31, 2014.

Yours sincerely,

A handwritten signature in black ink that reads "Rod Davis". The signature is written in a cursive, flowing style.

Rod Davis
Chair

* As part of Council's 2014 communication initiative a new working name and logo of the Private Managed Forest Land Council was adopted as of September 19, 2014

A well established stand of immature trees.



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A high quality stand of second-growth timber.

What We Do

The Private Managed Forest Land Council (Council) is an independent agency established under the *Private Managed Forest Land Act* (Act). The Act was passed in November 2003 by the provincial government and was fully implemented in August 2004. Participation in the program is voluntary with 100% of Council yearly activities funded by private owners, not taxpayers.

The objective of the Private Managed Forest Land Council is to encourage forest management practices on Private Managed Forest Land and to administer the Managed Forest Program. This includes the monitoring of forest practices and the protection of key public environmental values as established by regulation on private managed forest land.

Key public environmental values are:



Soil conservation: to protect soil productivity.



Water quality: to protect human drinking water, both during and after harvesting.



Fish habitat: to retain sufficient streamside mature trees and understory vegetation both during and after harvesting to protect fish habitat.



Critical wildlife habitat: to facilitate the long-term protection of that habitat.



Reforestation: to promptly regenerate the areas with a healthy commercially valuable stand of trees that are not impeded by vegetative competition.



585 kilometers of road was constructed by private landowners in 2013 / 2014.

The Function of Council

In keeping with its objective Council is responsible for the administration of private managed forest land legislation. This includes four broad functions:

1. Strategic planning, reporting, program administration;
2. Establish and monitor forest practice standards for managed forest land;
3. Enforce standards and perform audits; and
4. Review landowner applications to enter managed forest land class.

This Annual Report covers the period from April 1, 2013 to March 31, 2014. It contains information Council considers relevant to the fulfillment of its objective in the exercise of its powers, performance, duties and functions under the Act.

Council relocated its office to:

#305 – 1627 Fort Street, Victoria, BC V8R 1H8

in April 2013

2013 – 2014 Council

The Council is a partnership comprised of representatives from government and managed forest landowners:

- a chair who is jointly appointed by the four members of Council for a three-year term;
- two owner members elected for a three-year term by the private managed forest landowners; and
- two members appointed by the provincial government.

Council members report annually as to their compliance with the Council's established code of conduct. All council members declared that they have abided by the Code of Conduct as written in Section G of the Council Governance Policy for 2013.

Current Council:

Chair: Rod Davis

Owner Member: Will Pryhitko, MF 38

Owner Member: Blair Robertson, MF 177

Government Appointee: Rod Visser

Government Appointee: Michael Alexander

Executive Director: Stuart Macpherson until November 2013

Executive Director: Phil O'Connor December 2013 onwards

Council Biosketches

Rod Davis, *Chair*. Mr. Davis is a consultant with 40 years experience working in fish and wildlife ecosystem conservation, forest and range practices, land use planning, environmental protection, and natural resources inventory and analysis. Prior to being appointed chair in 2012, he served on the Council from 2004 to 2011. He is a registered professional agrologist.

Will Pryhitko, *Owner member*. Mr. Pryhitko has worked for Beaumont Timber Company since 1984 and he has been President and Chief Executive officer since 1999. He has been involved extensively with local, provincial and federal governments on a broad range of issues related to private forest land and has worked closely with the BC provincial government and forest owners throughout the development and implementation of the Private Land Forest Practices Regulation. Mr. Pryhitko has been a Council member since July 2004. He lives and works in Fruitvale, in BC's southern interior.

Blair Robertson, *Owner member*. Mr. Robertson has been active in private forestry and land management on Vancouver Island since 1990. He operates his family-owned managed forest on southern Vancouver Island. From 1996 – 2004 he acted as general manager of the Private Forest Landowners Association. By virtue of his involvement in the Managed Forest Program since its inception and through his ownership of private managed forest land, he has accumulated substantial experience with local and provincial governments on a variety of land management issues. He has an MBA and was elected to Council in 2010.

Rod Visser, *Government appointee*. Since 2009 Mr. Visser has been the principle of Middle Point Management, specializing in corporate development and negotiations for First Nations in the resource sector. From 2001-2005 he was the North Island MLA in the BC Legislature. He has been a director of the Truck Loggers Association, the Pacific Salmon Foundation, and the Future of Forestry Task Force established by the City of Campbell River. He has extensive experience in working with First Nations and their relationships with public policy, board governance, and corporate and small business interests.

Michael Alexander, *Government appointee*. Mr. Alexander is a registered professional forester and a certified environmental professional. He has worked in the BC forest sector since 1974. Since 2008 he has been Principal of Lindsay-Alexander Consulting, a small firm that provides environmental management and sustainability services to industry and government. He previously led KPMG's Global Sustainability Services Group in Canada and was President of KPMG Performance Registrar Inc., providing sustainable forest management certification services. He retired as a partner with KPMG Canada in September 2008. Prior to joining KPMG he spent 15 years with Canfor. His responsibilities there included management of corporate environmental issues and management of the company's private managed forest land near Sechelt. He also spent five field seasons with the BC Forest Service during the 1970s.

Phil O'Connor, *Executive director*. A registered professional forester in BC for over twenty years, Mr. O'Connor's career has taken him to various locations with both government and the private sector. His government experience includes work as a planning forester on land use issues and timber supply on the central Coast and as regional revenue manager in Williams Lake. In the private sector he has worked as a field forester, as the manager of forestry resources in a coastal woodlands department and as administrative forester responsible for the management of a TFL and private lands. His career has taken him through all facets of the industry, from solid wood, to pulp and paper and the value added sector.

2013 – 2014 SUMMARY OF COUNCIL FUNCTIONS AND ACTIVITIES

Program Administration

What's New

- Executive Director: After leading the program from its inception in 2004 Stuart Macpherson retired from his position as Executive Director of the Managed Forest Council at the end of December 2013. Phil O'Connor, a registered professional forester, was hired in October of 2013 and officially assumed the executive director position on December 2, 2013. Upon hiring Mr. O'Connor the position of the executive director was reclassified from a part time to a full time position. This change is a reflection of Council's desire to increase its presence with its various stakeholders on an ongoing basis.
- New office and location: As part of its new direction to raise the profile of Council and its ongoing activities associated with the Managed Forest Program a new office was established at 305 – 1627 Fort Street in Victoria. The office provides a stable environment for the organization and a platform for meetings with stakeholders and monthly Council meetings. The office relocated to its new location in April 2013.
- Council elections / appointments: No Council members were appointed by the Minister in 2013. Blair Robertson, a managed forest owner on Council, was re-elected to a three year term in May that expires June 30 2016.

Council Meetings

- In accordance with its Governance Policy Council members are required to maintain an 80% attendance record at regularly scheduled meetings. In 2013, the attendance record of Councilors at monthly meetings approached 95 %, well above the minimum required of the Governance Policy. To ensure this attendance target continues to be met in the future a new Performance Measure to address this requirement was included in the new 2014/ 2015 Corporate Plan. This performance measure will be documented in next year's annual report.



Owners restocked over 9,600 hectares of land in 2013 / 2014.

2013 – 2014 Budget

- The annual fee levied on managed forest owners is made up of a general administration fee and a fee based on application of a mill rate to the bare land value of the property. Council established the mill rate for the 2013 – 2014 fiscal year at 0.60/\$1,000 of Bare Land Value. This rate translated into a 33% increase in revenue from fees over the 2012 fiscal year. Total revenue for the year was \$585,400, which included a \$100,000 contribution from a retained surplus from Council's 2012 fiscal year. The general administration fee of \$100 was increased in 2013 to \$120 for all owners.
- A Retained Surplus of \$131,000 was carried from the 2013-2014 fiscal year to fund Council activities in 2014. This represents a reserve of three months, an appropriate surplus to carry forward to help cover unforeseen expenditures should they arise.

2012 – 2013 Financial Audit

- Council has a policy of conducting a financial audit of its financial statements and activities for the previous year. This represents the most comprehensive of audits by an independent third-party auditor and includes the production of an audit report. The audit report for the 2012 – 2013 fiscal year was completed by LL Brougham Inc. and approved by Council at its October 2013 meeting. A recommendation provided by the auditor in regards to the “authorization of invoices” has been incorporated into the monthly reconciliation of Council financial statements.

Management Commitments for Managed Forests

- Throughout the year Council receives numerous requests to amend the management commitments of existing managed forests. The request may be to increase or decrease its size, it may reflect a change in use or it may represent the complete withdrawal of the managed forest from the program. Council has a policy to process these requests in a timely fashion. For next year, the 2014 – 2015 Corporate Plan has introduced a performance measure to ensure the Council objective of processing these requests within 30 days is being achieved by Council staff.



Owners harvested over 4.7 million cubic meters of timber throughout the province in 2013 / 2014.

- Council also receives a number of new management commitments from new entrants to the program or from new owners who have purchased existing managed forest. As with the amendments to existing management commitments, new management commitments are evaluated and approved within the timeframes established by Council. Errors or omissions with the submission of new management commitments are typically resolved through discussions with staff and the new entrants to the program. To aid the processing of documents new entrants to the program are required to utilize a new online management commitment form. As of January of 2014 Council no longer accepts handwritten management commitment forms from new entrants or from new owners of existing managed forests.

Council Information Technology / Mapping Project

- In January 2013 Council commenced a mapping project to produce a standardized set of maps for use internally and by contractors performing inspections on behalf of Council. Prior to the completion of this mapping project there was no standard mapping platform for Council or its inspectors.

Strategic Planning

Strategic Plan / Corporate Plan

- The 3-year Strategic Plan sets out the blueprint for Council's operations to ensure it meets its strategic direction and specific goals. The Strategic Plan was re-branded the Council Corporate Plan to reflect the establishment of Council as a corporation under Section 4 of the *Private Managed Forest Land Act* in 2004. A series of changes have been made to the plan to increase its functionality as a planning tool. The changes include the introduction of a number of Council performance measures and a series of revisions to the corporate calendar to increase its effectiveness in tracking obligations. The 2014/15 Annual Report will include an assessment of Council performance in the achievement of these measures. Council's budget, to a large degree, is developed in conjunction with the strategies, timeframes and initiatives outlined within its Corporate Plan.



Proper culvert placement and function are assessed through inspections of the Managed Forest Program.

Regulatory Change

- Discussions were initiated with stakeholders in 2013 on proposed changes to Council's Private Managed Forest Land Council Regulation, 2007. The proposed changes are related to compliance. The 2007 regulation excluded Council ability to pursue contractors, employees or agents of owners when an alleged contravention has occurred. To address this oversight Council proposed changes to the regulation to make it more inclusive and easier to pursue individuals other than the owner for alleged contraventions of the Act and regulations. Changes to the regulation were brought into force on July 1, 2014.

Communication Plan

- In 2013 Council initiated work to update its Communications Plan to reflect concerns identified in a survey of stakeholders. The survey identified two main concerns to Council. The first was that Council's mandate to regulate activities on private managed forest land was poorly understood by its stakeholders. And second, that there was a high degree of confusion between the Council and the Private Forest Landowners Association. To address these concerns Council began work to update its Communications Plan. The revised Communications Plan will include new strategies to address the issues and concerns identified in the survey and will be completed in 2014.

Compliance Reporting

Inspections

- The Council engaged a team of independent registered professional foresters to complete inspections of selected managed forests during the summer and fall of 2013. These inspections are an important component of the Managed Forest Program and Council's function in monitoring the implementation of forest practices on managed forest land. Of the 31 managed forests inspected, seven were in the Interior of the province and 24 on the Coast. This sample represents 12% of managed forests in the program and was comprised of a range of medium-sized to small properties.



A recently harvested private managed forest and associated riparian reserve.

The purpose was to assess owners' performance in managing their forest properties with respect to their management commitments and the Council Regulation. The inspectors also assessed owners' knowledge of private managed forest regulations.

For each property discussions were held with the owner(s) regarding their recent forest management activities. Owners were provided an opportunity to discuss the Council Regulation, and bring forward any questions or concerns they had. A sample of activities was inspected: these included recent harvesting, the protection of fish streams, the condition of newly constructed or maintained roads, and the regeneration status of both older and more recent cutblocks.

The 2013 managed forest inspections indicated that overall owners are managing their properties in accordance with their management commitments and regulatory requirements of the *Private Managed Forest Land Act*. No contraventions of Council Regulations were identified. Recommendations were made to some owners suggesting they monitor the status of certain regenerating cutblocks to ensure they comply with the reforestation requirements within the required timeframe.

Audits

- In 2012 Council initiated an audit to assess the effectiveness of its regulation in maintaining high standards of practice on private managed forest land. This is the first audit to evaluate the effectiveness of the Council Regulation with respect to the Act.

The audit touched on all aspects of Council responsibilities under the regulation. It included an evaluation of harvesting and road building activities and their relationship to soil conservation. It reviewed forest management activities in relation to the maintenance of water quality and fish habitat in and around creeks and streams. And finally, it reviewed the requirements of owners to restock and reforest their lands within legislative timeframes. The Effectiveness Audit was released on April 29, 2014.



A newly constructed log stringer bridge spanning a seasonal creek.

Investigations

- Council conducts investigations into various regulatory aspects of the managed forest program. Investigations by Council are initiated in a variety of ways. They may be initiated through a concern or inquiry from the public, a non compliance issue identified through its inspection program, or from the legally required reporting of landslides or debris flows from an owner of private managed forest land. Council may also initiate an investigation on its own into any area or aspect of the program.
- In response to forest management concerns it received from the Forest Practices Board (the Board) in 2013, Council initiated an investigation into activities in the China Creek and Honna River watersheds. Approximately 84% of the private managed forest land in the China Creek watershed and 14% in the Honna River watershed is owned and managed by Island Timberlands. The focus of the study was on forest practices on private managed forest land in relation to water quality. The investigation reviewed all aspects of planning and operational standards in use with the ongoing development of these lands. Council looked specifically at the areas of concern as expressed to it by the Board. The investigation report was released on June 18, 2014. The full report is available for review on our website at: www.mfcouncil.ca
- One complaint received from the Ministry of Forest, Lands and Natural Resource Operations Compliance & Enforcement Branch was redirected to Council. A member of the public had reported that a fish stream was flowing muddy downstream of an active logging operation. Council initiated an investigation into the complaint and a report on the incident was completed. Council reviewed the investigation report and determined its results inconclusive as to the exact cause of the incident. No further action was taken.
- During the 2013/14 reporting period, Council received notification of six debris flows or slides into streams. These owner-reported debris flow/ slide reports were assessed for probable cause, the owners' proposed mitigation actions and their follow-up activities. Based on an internal review of owner reports that none of the events had had negative impacts on fish habitat, no further actions or site visits were scheduled.



Variable retention within an active harvesting zone.

Determinations

- The Act and regulations place many requirements on the owners of private forest land. The Act also establishes several mechanisms that may be used to ensure compliance with the owner's requirements. Four mechanisms exist for Council consideration in making a determination: consent agreements, stop work orders, administrative contravention determinations and offences. In 2013 Council made one determination based on the results of an investigation.

Investigation # 1204: A slide occurred on a road with prior stability problems. Rock and coarse material were deposited into the side channel of a fish stream that provided high water refuge habitat for fish. The slide was inspected by a forester and a fisheries biologist. The final investigation report concluded the slide had caused a loss of fish habitat in the side channel. Council reviewed the evidence gathered through the investigation and in November determined a contravention had occurred. An administrative penalty and remediation order were assessed. Council's determination was appealed to the Forest Appeals Commission. The Commission has scheduled a hearing to review this matter in November 2014

The Council's objective is to encourage forest management practices on private managed forest land, taking into account the social, environmental and economic benefits of those practices.



Road maintenance and deactivation are both assessed through the ongoing Council inspection program.

ACTIVITIES SUMMARY

Section 10(2) of the Act requires Council to report on managed forest owner and administrative penalty data. The data for 2013/2014 is reported in the following table.

SECTION	DESCRIPTION	STATUS	COMMENT
a)	Number of owners subject to the Act	257 263	As of April 1, 2013 As of March 31, 2014
b)	Number of hectares subject to the Act	823,200 821,298	As of April 1, 2013 As of March 31, 2014
c)	Number of management commitments withdrawn	1	
d)	Number and nature of inspections performed	3 31	Investigations Routine inspections
e)	Number and nature of consent agreements	0	None issued
f)	Amount of penalties collected and owing	\$7,500.00	1 penalty collected
g)	Number and nature of remediation orders made	6	Related to stabilizing road and reducing risk of future slides
h)	Number and nature of stop work orders made	0	None issued
i)	New regulations enacted by Council	0	None



Harvesting on Vancouver Island.

SUMMARY OF ANNUAL DECLARATIONS

By May 1 of each year, owners of private managed forest land are required to submit to the Council a declaration of the operations completed in the previous reporting period. The reporting period is January 1 to December 31 for owners on the Coast, and April 1 to March 31 for owners in the Interior. The following table provides a summary of information provided in the owners' 2012 annual declarations.

	Total # Owners	No Activity	Harvest Activity	Destroyed Timber	Road Construction	Road Deactivation	Reforestation	
							Restocked	Successfully Regenerated
Coast	177	127 owners	39 owners 9,374 ha 4,527,002 m ³	2 owners 2.5 ha	22 owners 570.4 km	8 owners 20.4 km	25 owners 8,920 ha	18 owners 7,925 ha
Interior	80	62 owners	16 owners 915 ha 205,171 m ³	2 owners 1.5 ha	7 owners 14.4 km	3 owners 14.1 km	8 owners 761 ha	4 owners 796 ha
TOTAL	257*	189 owners	55 owners 10,289 ha 4,732,173 m ³	4 owner 4.0 ha**	29 owners 584.8 km	11 owners 34.5 km	33 owners 9,681 ha	22 owners 8,721 ha

* Total number of owners does not equal the sum of no activity owners and owners reporting activity due to differing combinations of activities by some owners.

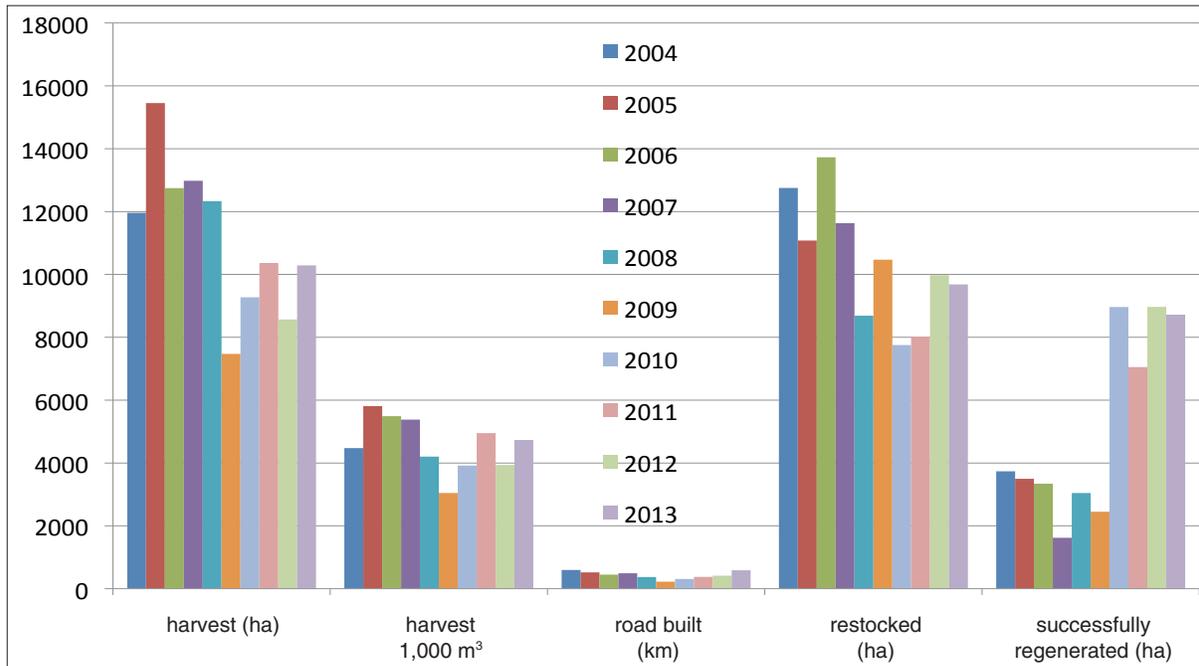
** Cause of destroyed timber is mountain pine beetle and drought.

The volume of 4.7 million m³ was harvested by approximately 21% of all owners. It is important to note that the specific areas reported as being subject to timber harvesting activity (10,289 hectares) may not be the same specific areas reported as being restocked (9,681 hectares). Section 31 (3) of the Council Regulation requires an owner to reforest areas that have been harvested within five years.

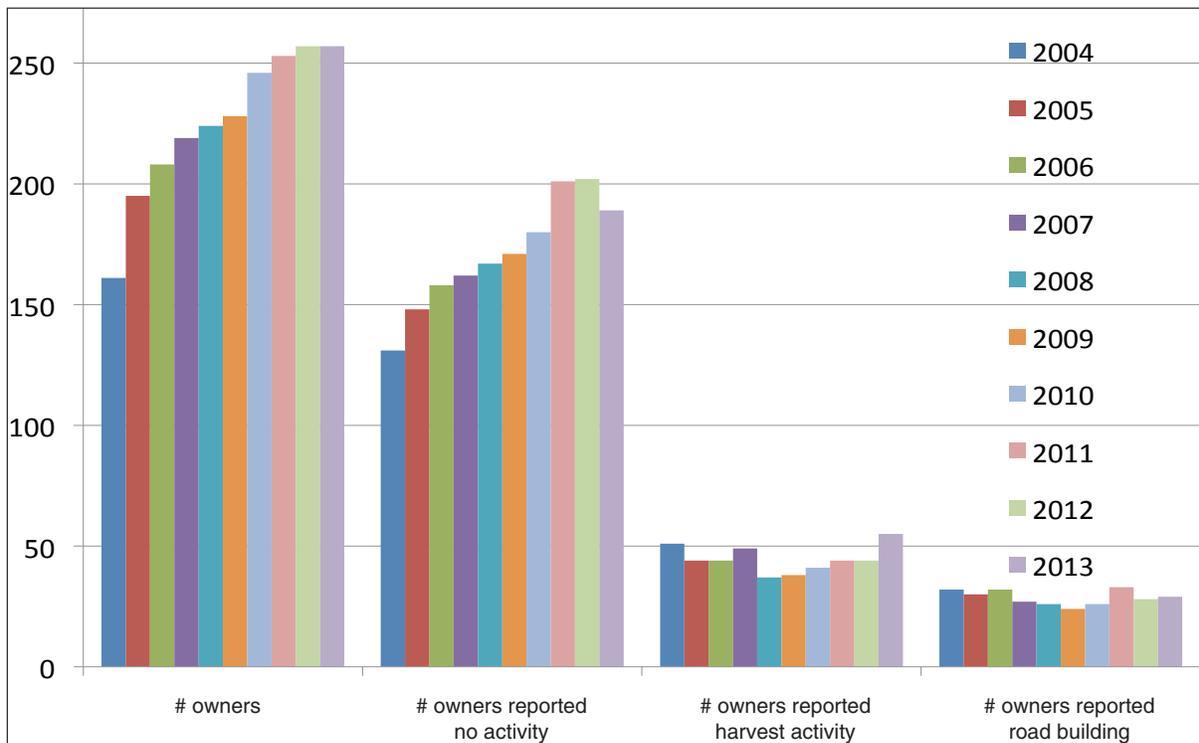


Douglas-fir regenerating in a recently harvested opening.

ANNUAL ACTIVITY LEVEL COMPARISON



The volume harvested increased by 20% in 2013 compared to 2012, while the restocked area decreased by 3% and the successfully regenerated area decreased by 3% for the same period.



The number of owners reporting harvesting during the year remained steady. Inactive owners include managed forests with young forests in a growth phase with no current merchantable timber.



MANAGED FOREST COUNCIL

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