



Annual Report 2018 / 2019



October 31, 2019

Honourable Doug Donaldson
Minister of Forests, Lands, Natural Resource Operations and Rural Development
PO Box 9049, Stn. Prov. Govt.
Victoria, BC V8W 9E2

Dear Minister:

With pleasure, I submit the 2018 / 2019 Annual Report of the Managed Forest Council. The Private Managed Forest Land Council is an independent agency established under the *Private Managed Forest Land Act*. The objective of the Act is to encourage sustainable forest management practices on private managed forest land, considering the social, environmental and economic benefits of those practices. Council's mandate includes administering the Act and regulations, approving land owners' forest management commitments; establishing and auditing forest practices standards to meet objectives associated with soil conservation, fish habitat, water quality protection, and reforestation; and enforcing regulatory requirements.

There are 284 private managed forests in British Columbia, encompassing 818,000 hectares. In 2018, 5.2 million m³ of timber was harvested on managed forest land, representing approximately 8% of the total provincial timber harvest and 28% of the timber harvest on the Coast. These properties are located mostly on Vancouver Island, the southern mainland Coast, the Kootenays and the Okanagan-Shuswap.

This report includes a summary of statutory reporting requirements as required by Section 10(2) of the Act as well as a summary of Council and its various activities throughout the year.

Some highlights of 2018 / 19:

- The Province, as part of its Coastal Revitalization Initiative announced a review of the Managed Forest Program. Council looks forward to participation in this review in strengthening the objectives of the program;
- Council completed a review of approved management commitments that evaluated their compliance with current policy and legislation. The completion of the review and possible recommendations for change is timely in light of the Province's announcement of a program review in January 2019;
- Completed a review of the Private Managed Forest Land Council Regulation and enacted additional regulatory protection for licensed water intakes and stronger silviculture provisions across the program;
- Initiated an update of its' Communication Plan to ensure relevant and effective communication with stakeholders;
- Conducted 46 inspections of Managed Forest throughout BC; and
- Through its compliance determination program assessed \$101,887 in penalties from owners.

Please do not hesitate to contact us should you have any questions about the Managed Forest Program or the Managed Forest Council.

Sincerely yours,

A handwritten signature in black ink that reads "Rod Davis".

Rod Davis, PhD, PAg
Chair

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The retention of habitat occurs across the range of managed forest within the program.

Table of Contents

What We Do	2
The Function of Council	3
2018 / 2019 Council	3
Council Biosketches	4
2018 – 2019 Summary of Council Functions and Activities	5
Program Administration	5
Council 2018 / 2019 Performance Measures	6
Strategic Planning	8
Compliance Reporting	9
Activities Summary	11
Summary of Annual Declarations	12
Annual Activity Level Comparison 2009 – 2018	13

What We Do

The Private Managed Forest Land 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. As of September 2014, the Private Managed Forest Land Council is known by its working name, the Managed Forest Council (Council).

The objective of 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.

Participation in the program is voluntary with 100% of Council yearly activities funded by private land owners.

Key public environmental values are:



Soil conservation: to protect soil productivity.



Water quality: to protect human drinking water.



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.



661 kilometres of road were constructed by private landowners in 2018 / 2019.

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 and 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, 2018 to March 31, 2019. 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.

2018 / 2019 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 2017.

Current Council:

Chair: Rod Davis

Owner Elected Members: Will Pryhitko, MF 38 & Blair Robertson, MF 177

Government Appointees: Brian Frenkel & Dennis Lozinsky

Executive Director: Phil O'Connor



Owners of managed forest land harvested 5.21 million cubic meters of timber throughout the province in 2018 / 2019.

Council Biosketches

Rod Davis, *Chair*

Dr. Davis is a consultant with over 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. Dr. Davis was reappointed as Chair for a new three-year term that started in January of 2015.

Will Pryhitko, *Owner elected member*

Mr. Pryhitko started work with the Beaumont Timber Company in 1984. He was appointed the President and Chief Executive officer in 1999 and acted in those positions until his retirement two years ago. He is currently a Director of the Company and sits on its Board. Mr. Pryhitko was involved extensively with various levels of government on a broad range of issues related to private forest land and worked closely with government and forest owners throughout the development of the Private Land Forest Practices Regulation. He has been a Council member since July 2004.

Blair Robertson, *Owner elected member*

Mr. Robertson was first elected to the Managed Forest Council in 2010. He has been active in private forestry and land management on Vancouver Island since 1990. He is involved in the operation of his family-owned managed forest on southern Vancouver Island. From 1996 to 2004 he was the general manager of the Private Forest Landowners Association. Through his involvement in the Managed Forest Program since its inception he has accumulated substantial experience with local and provincial governments on a variety of resource and land management issues. He has a Bachelor of Commerce in Urban Land Economics and MBA from the University of British Columbia.

Brian Frenkel, *Government appointee*

Mr. Frenkel is a northern BC born, Forestry and Environmental consultant, business owner, politician and advocate for rural communities. Over the past 35 years he has worked with all levels of government to help provide process driven solutions to many resource sectors, regional districts and communities. He has worked as a Forest Planner and Forestry Technician throughout Northern British Columbia. His career has allowed him to participate in several land use planning processes such as: the Vanderhoof Land and Resource Management Plan; the PGTSA Cell Allocation Plan; and the Vanderhoof Sustainable Forest Management Plan. He is a founding member of the Nchako Environment and Water Stewardship Society and a member of the Nchako White Sturgeon Recovery Initiative. Mr. Frenkel is also a Councillor with District of Vanderhoof and has been an active director on the boards of the Municipal Insurance Association of BC, North Central Local Government Association and the Union of BC Municipalities.

Dennis Lozinsky, *Government appointee*

Mr. Lozinsky is a Registered Professional Forester (RPF), and Environmental Professional EMS Lead Auditor EP (EMSLA). He has more than 30 years' experience in the forestry sector in operational forestry, forest certification and forest practices auditing. As the principal of Salix Consulting Ltd., Mr. Lozinsky specializes in providing sustainable forest management systems and forest certification auditing to a wide range of forestry-based organizations in BC and Alberta. He holds a Bachelor of Science in Forestry from the University of Alberta, and a Diploma of Forestry Technology from Selkirk College. Prior to Salix Consulting Ltd., Mr. Lozinsky was a Forest Certification Coordinator for a major forest company on the west Coast, an Operational Forester in the southern Interior, and as a silviculture forester with the Ministry Forests on north Vancouver Island.

Phil O'Connor, *Executive director*

A registered professional forester in BC for over twenty-five 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.

2018 – 2019 Summary of Council Functions and Activities

Program Administration

2018 – 2019 Budget

- Council revenue is from two sources: an annual fee levied on managed forest owners, and any surplus from previous fiscal years. Revenue from the annual fee was \$ 362,546.
- 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 2018 / 2019 fiscal year at 0.284/\$ 1,000 of Bare Land Value. The general administration fee was \$ 120 for each managed forest. The 2018 / 2019 annual fee represents a 3.0 % decrease in revenue from fees over the 2017 fiscal year.
- Council expenses for the 2018 / 2019 fiscal year were \$ 441,676, 9.7% higher than those for the 2017 fiscal year.
- Council objective is to retain a contingency reserve of \$150,000. For each of the past four years, Council has had a surplus of revenue over expenses. Council net assets (contingency reserve plus any revenue surplus) at the beginning of the 2018 / 2019 fiscal year were \$278,649. To align its net assets with its contingency reserve, Council adopted a strategy of reducing revenue to run a small annual deficit. At the end of the 2018 / 2019 fiscal year, Council reduced its net assets to \$201,877.
- 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 2017 / 2018 fiscal year was completed by Grant Thornton LLP and approved by Council.

Management Commitments for Managed Forests

- Council receives a number of new management commitments from new entrants to the program or from new owners who have purchased existing managed forest. New management commitments are evaluated and approved within time frames established by Council. Staff work with the land owners to resolve errors or omissions with the submissions.



Across the Province owners planted over 11.8 million trees on 11,264 hectares of private managed forest land.

- Throughout the year Council receives numerous requests to amend 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, and includes a performance measure in its Corporate Plan to ensure its' objective of processing these requests within 30 days is achieved by Council staff.

Council 2018 / 2019 Performance Measures

The 2018 / 2019 Annual Report is the fifth year Council reports on a series of performance measures established within its annual Corporate Plan. The performance measures were established to analyze and report on Council's performance in meeting its corporate goals in the delivery of its mandate.

Performance Measure # 1: Administrative Efficiency

Performance Measure	2018 / 2019 Stretch Target	2018 / 2019 Target	2019 / 2020 Proposed	2020 / 2021 Proposed
# days to process MC applications and amendments	25	30	30	30

Performance Measure # 1: Achieved

Discussion: In 2018 Council office received 19 new Management Commitments and 12 Management Commitment Amendments. Of these new Management Commitments and Amendments 80% were processed within 30 working days. The other twenty percent took longer than 30 days to process either because of their submission date relative to Council meeting dates, or they required significant revision prior to Council approval.

A well armoured culvert on a newly built road within a private managed forest.



Performance Measure # 2: Inspections

Performance Measure	2018 / 2019 Stretch Target	2018 / 2019 Target	2019 / 2020 Proposed	2020 / 2021 Proposed
# of inspections	70	60	60	60

Performance Measure # 2: Achieved

Discussion: During spring and early summer of 2018 council staff and contract inspectors completed 46 inspections of managed forests throughout BC. Since the 2014 inspection year staff have aggressively pursued Council target of conducting field inspections of each managed forest at least once every five years. The result is a rebalanced inspection program that meets Council inspection target while leading to an increase in the frequency of future inspections. The 46 inspections completed in 2018, although less than the target of 60, reflects the achievement of a rebalanced inspection schedule one year earlier than anticipated. Going forward, future Council inspections to achieve this goal should average 60 inspections per year.

Performance Measure # 3: Training

Performance Measure	2018 / 2019 Stretch Target	2018 / 2019 Target	2019 / 2020 Proposed	2020 / 2021 Proposed
Training opportunities per person or for the group	2	1	1	1

Performance Measure # 3: Achieved

Discussion: Two Council members received training through the BC Council of Administrative Tribunals. Both Council members completed the two-day Administrative Justice Workshop in Vancouver. The training performance measure achieved its stretch target of two opportunities per person or group.

Performance Measure # 4: Meeting Attendance

Performance Measure	2018 / 2019 Stretch Target	2018 / 2019 Target	2019 / 2020 Proposed	2020 / 2021 Proposed
Meeting attendance minimum 80%	90%	80%	80%	80%

Performance Measure # 4: Achieved

Discussion: Council is comprised of four members and a chair and meets once a month throughout the year. An 80 % attendance record represents a total of 48 person days. This year Council attendance at monthly meetings represented 57 person days, 15% above the targeted performance measure for 2018, and 5% more than the stretch target of 90%.

Performance Measure # 5: Stakeholder Engagements

Performance Measure	2018 / 2019 Stretch Target	2018 / 2019 Target	2019 / 2020 Proposed	2020 / 2021 Proposed
# of stakeholder engagements	14	10	10	10

Performance Measure # 5: Achieved

Discussion: Increased stakeholder engagement is a key component of Council's ongoing communication strategy. For the 2018 fiscal year a performance measure of 10 engagements was established. For the 2018 fiscal year Council completed a total of 13 engagements with various stakeholders throughout the year. They included attending the Private Forest Landowners AGM, the UBCM in Whistler, meetings with stakeholders from Save Our Holmes (Youbou) and the Cowichan Water Board. Staff and Council also met with representatives from the Forest Practices Board and staff from the Minister of Forest, Lands, Natural Resource Operations and Rural Development. Council performance measure of 10 engagements was achieved.

Strategic Planning

Management Commitment Review – Completed

- Owners of forest land in the Province applying for managed forest status through BC Assessment must submit a management commitment to Council for approval. For Council to approve the management commitment it must be submitted in the approved format and include specific information as required by Section 9 of the Private Managed Forest Land Council Regulation.

Council requested a review of all current management commitments to evaluate their compliance with current policy and legislation. Council staff completed their review late in the 2018 fiscal year. The review provided Council with the following results:

- Several approved management commitments were found to be lacking legal content required by the current legislation.
- Several of the management commitments were very old and outdated having been approved prior to 2004
- Several commitments contained unenforceable information not currently required by legislation.

The results of this review and Council desire to address deficiencies in owners approved management commitments is timely in light of the Provinces review of the Managed Forest Program. The Provincial review will provide Council with an opportunity to improve and update the quality of all current and future management commitment submissions

Provincial Program Review

- The Province announced a review of the Managed Forest Program in January 2019 as part of its Coastal Revitalization Strategy. Council supports this review and is pleased the Province has welcomed its participation as the regulator of forest practices on private managed forest land. Council looks forward to its participation in helping to update and modernize the *Private Managed Forest Land Act* and regulations.

An example of a well-maintained ditch line and road running surface within a coastal managed forest.



Council Regulatory Update – Ongoing

- Over the past four years Council has worked diligently gathering input into proposed changes to its regulation. The review focused on changes to the Private Managed Forest Land Council Regulation. Stakeholders have been consulted with proposed changes to several administrative procedures, changes that will provide greater protection to all licensed water intakes, and changes to strengthen silviculture standards across the program.

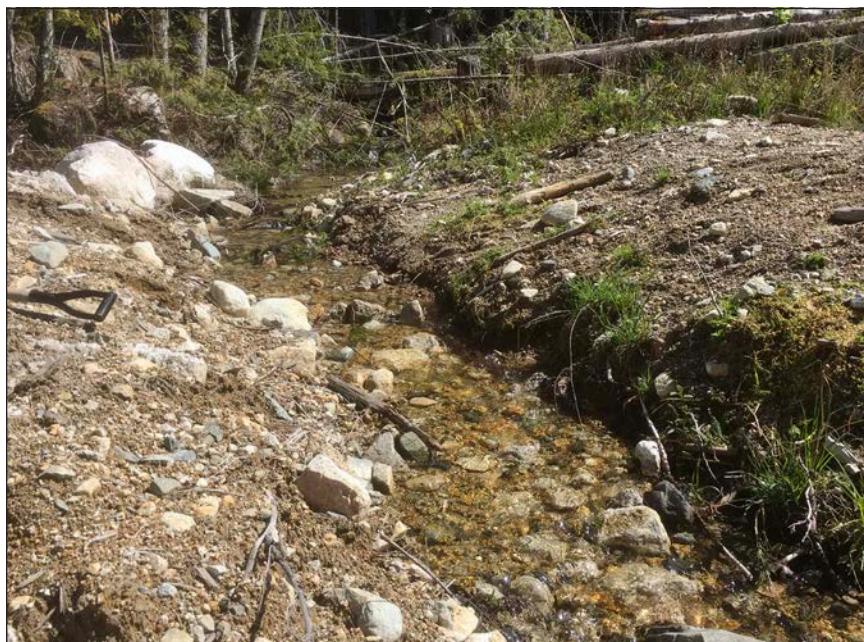
Communications

- Communications with stakeholders remained a key strategic initiative for Council throughout 2018 as it continually strives to distinguish itself as the regulator of forest management on private managed forest land. Council communicates through its engagement process, regular newsletters and online communication to several stakeholders: managed forest owners, local governments, Ministries, MLAs and other interested parties.
- In 2018, Council initiated a review of its communication strategy first approved in 2014. The objective of this review is to ensure Council messaging is still relevant, that its achieving the desired results approved in its 2014 Communication Plan, and that it is utilizing appropriate methods to target and communicate its message as the regulator of forest management activities on private managed forest land in BC. The objective is to complete this review mid-way through 2019 with implementation of any new recommendations throughout the 2019 fiscal year and beyond.

Compliance Reporting

Inspections

- The Inspection Program is designed to assess owners' compliance with the Council regulations.
- Each year Council engages a team of independent registered forest professionals to complete inspections of selected managed forests. Over the past four (4) years Council staff has increased their participation in the field component of the inspection program. 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 46 managed forests inspected in 2018, 10 were in the Interior of the province and 36 were on the Coast. This sample represents approximately 17% of managed forests in the program and was comprised of a series of small, medium and large size properties.



Owners are legally required to restore natural surface drainage patterns within their managed forest.

- During each inspection discussions are held with the owners regarding their recent forest management activities. Owners are provided an opportunity to discuss Council regulation and bring forward questions or concerns they have regarding the program. A sample of the owner activities are inspected. The sample may include recent harvesting, an owner's practices with respect to protecting fish habitat, the condition of newly constructed or maintained roads, and the regeneration status of both older and more recent cutblocks.
- The 2018 inspection program indicated that overall owners are managing their properties in accordance with their management commitments and the regulatory requirements of the *Private Managed Forest Land Act*. Recommendations were made to some owners suggesting they monitor the status of regenerating cutblocks to ensure they comply with reforestation requirements within the legislated time frame.

Field Reviews, Investigations and Determinations

- Council conducts field reviews and 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.
- The Act and regulations place many requirements on 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.
- During the 2018 / 2019 reporting period, Council initiated a total of three investigations. The first investigation was closed based on evidence from the owner indicating compliance. The second investigation resulted in a consent agreement that included a monetary penalty and remediation. The third investigation is ongoing and is expected to go to Council for a decision to move forward with an opportunity to be heard in the 2019 fiscal year. Council received notification of six debris flows or slides into streams. These owner-reported debris flow/ slide reports are reported in accordance with Section 26 of Council regulation. Each report is assigned an investigation number and assessed for probable cause. An owner follow-up and proposed mitigation actions are reviewed as part of the initial investigation. Based on Council internal review and its review of the owner follow-up reports no further actions or site visits were scheduled for the six slide reports in 2018.

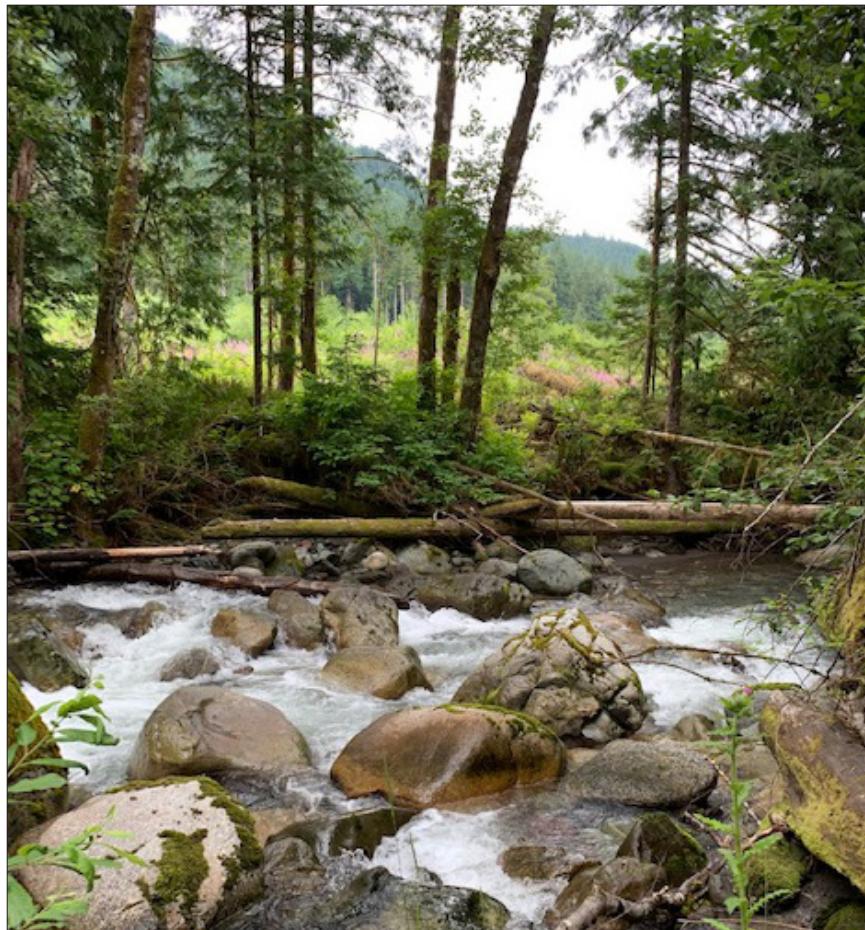
Owners successfully regenerated 10,307 hectares of private manage forest across the Province in 2018 / 2019.



Activities Summary

Section 10(2) of the Act requires Council to report on managed forest owner and administrative penalty data. The data for 2018 / 2019 is reported in the following table.

SECTION	DESCRIPTION	STATUS	COMMENT
a)	Number of owners subject to the Act	284 285	As of April 1, 2018 As of March 31, 2019
b)	Number of hectares subject to the Act	818,268 816,517	As of April 1, 2018 As of March 31, 2019
c)	Number of management commitments withdrawn	7	
d)	Number and nature of inspections performed	46	Routine inspections
e)	Number and nature of consent agreements	3	Failure to provide Notice of Sale
f)	Amount of penalties collected and owing	\$ 101,887	
g)	Number and nature of remediation orders made	5	All remediation orders completed by owners
h)	Number and nature of stop work orders made	0	None issued
i)	New regulations enacted by Council	0	No regulation changes 2018 - 2019



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.

Riparian retention along a stream within a managed forest.

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' 2018 annual declarations.

	Total # Owners	No Activity	Harvest Activity	Destroyed Timber	Road Construction	Road Deactivation	Reforestation	
							Restocked	Successfully Regenerated
Coast	203	165 owners	33 owners 10,385 ha 4,643,418 m ³	7 owners 328 ha	25 owners 567.6 km	4 owners 7.5 km	20 owners 8,267 ha	12 owners 9,722 ha
Interior	81	57 owners	20 owners 3,036 ha 562,739 m ³	1 owner 994 ha	9 owners 92.9 km	4 owners 29.1 km	13 owners 2,997 ha	4 owners 535 ha
TOTAL	284*	222 owners	53 owners 13,421 ha 5,206,157 m ³	8 owners 1,322 ha**	34 owners 660.5 km	8 owners 36.6 km	33 owners 11,264 ha	16 owners 10,307 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.

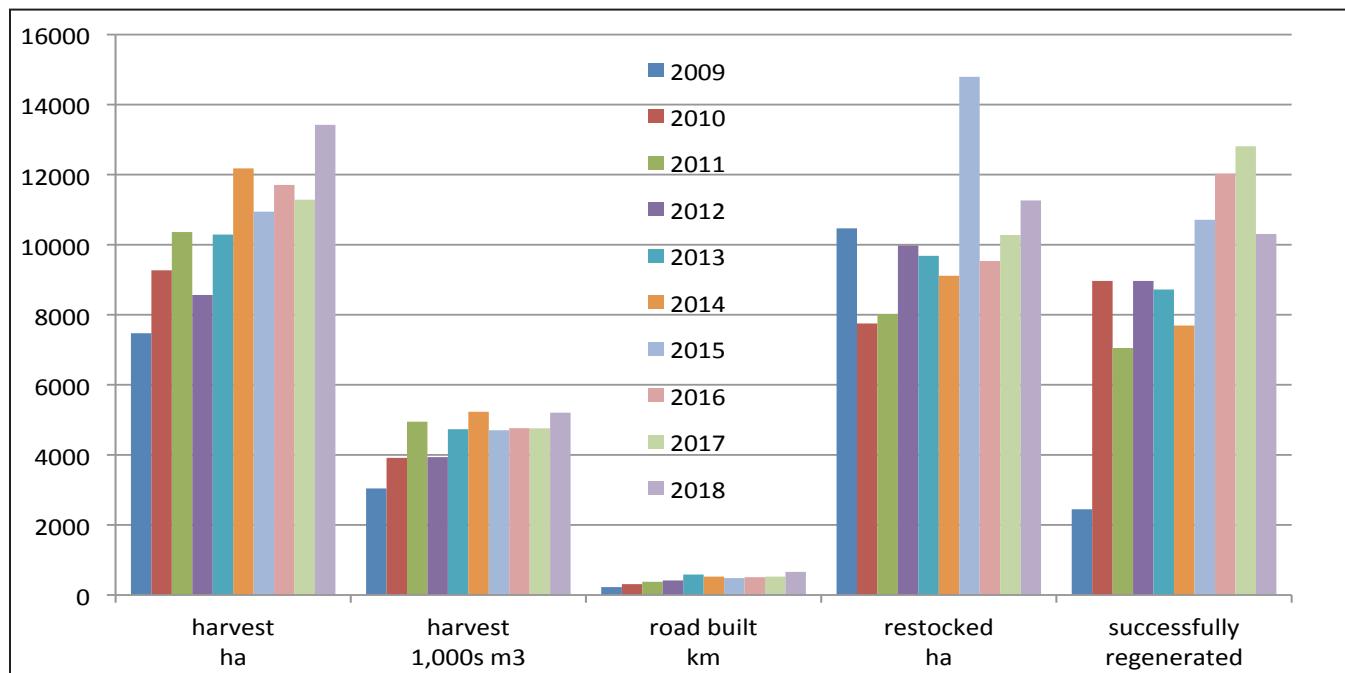
** Destroyed timber: fire and wind

The volume of 5.21 million m³ was harvested by approximately 19.0 % of all owners. It is important to note that the specific areas reported as being subject to timber harvesting activity (13,421 hectares) may not be the same specific areas reported as being restocked (11,264 hectares). Section 31 (3) of the Council Regulation requires an owner to reforest areas that have been harvested within five years.

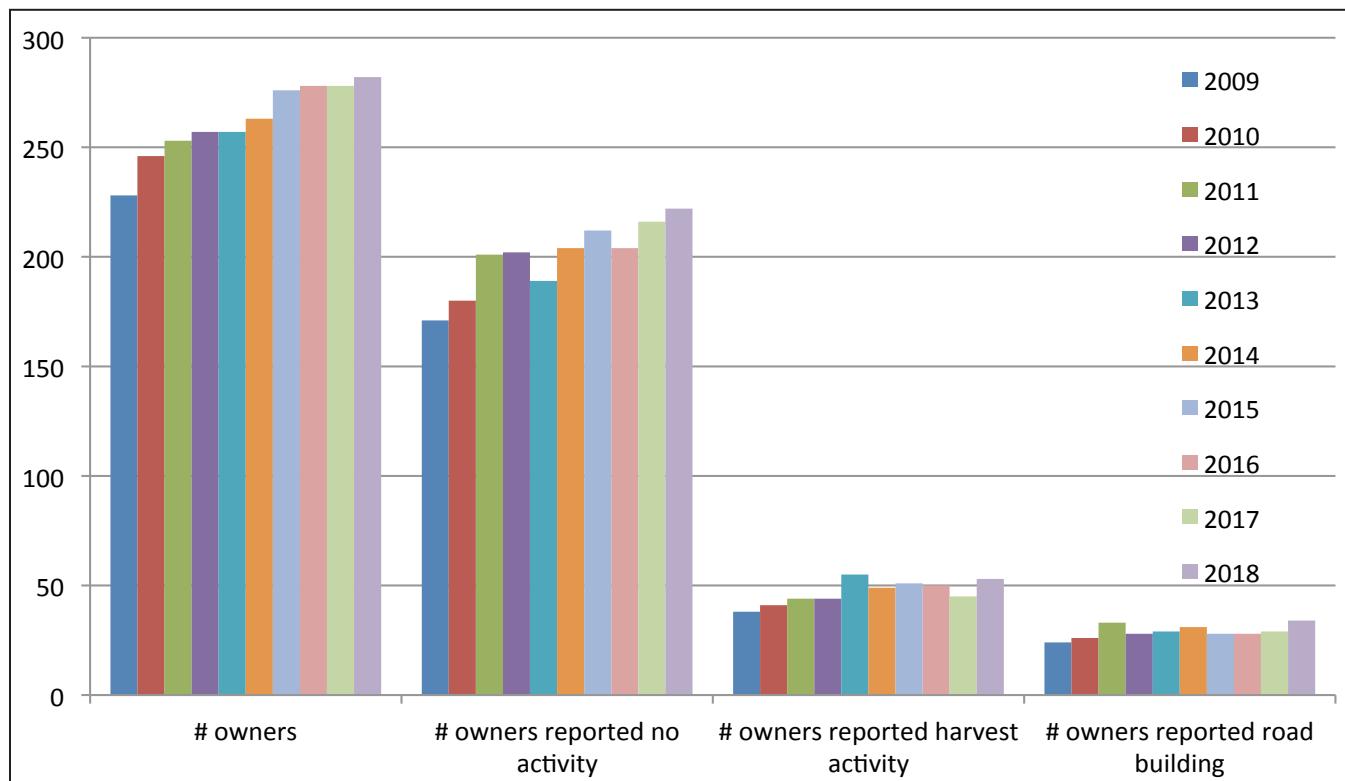
Green-up and seed tree retention within a managed forest in the Interior.



Annual Activity Level Comparison 2009 – 2018



The volume harvested increased slightly compared to 2017. The area reported restocked increased over 2017, while the area reported as successfully regenerated decreased in 2018.



The number of owners reporting harvest and road building activity remained relatively stable over the past five years.



MANAGED FOREST COUNCIL

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