



Slocan Integral Forestry Cooperative

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2010/2011 YEAR END REPORT

May 11th, 2011

SIFCo Activities:

In January 2010, following consultation with RMRA residents, SIFCo started its first block as a tenure holder up Hewitt Mine Road. The harvest planning area covered by the Site Plan was 20.6 hectares. A group selection with scattered leave tree was chosen as the prescription to allow for regeneration of a multi-species stand. The area of small openings that SIFCo logged amounted to 6.3 hectares of the 20.6 hectares, or 31%. A total of 3100 cubic meters of logs were harvested from the block. The cedar pole content of the block was the biggest surprise, going from an estimated 10-15% to 33%. In June of 2010 a tour of the harvested unit was conducted with RMRA residents.

As mentioned last year, the continuing economic downturn and record low markets for wood is making SIFCo's journey as a new licensee quite challenging. Although the markets did improve late in 2010 (and are now on their way down again), most of 2010 was less than ideal for logging unless you had opportunities that included cedar as a stock component. Just a few days ago the Slocan Mill was shut down again. In the year to come we do not envision the markets recovering dramatically, which will continue to challenge us as a licensee.

In June of 2010, SIFCo was asked to present at the BCCFA annual conference. Lisa Farr and I attended the conference on behalf of SIFCo, and I presented our activities of 2009 and early 2010 to 100 delegates made up of Community Forest Board Members and Managers from across the province, government representatives and MOFR staff. The presentation was really well received and positioned SIFCo provincially as an innovative player in the CFA world.

SIFCo worked throughout 2010 and early 2011 to move toward a Long-Term License. This process is still ongoing and we hope to achieve this goal before the end of 2011.

We also undertook a Timber Supply Analysis in 2010. This process is now finalized and we will be presenting our results to the member groups and their constituents starting in June of this year. This TSA process was a great learning experience and is now giving us confidence as to how to move forward in planning our activities in a way that will assure long-term sustainability on the land. A meeting has been set for the EACT residents for June 29th 2011 at the Threads Guild at 7pm. We invite other member groups to let us know of a good time to set meetings in your respective areas.

In 2010 SIFCo also became SAFE Certified. SAFE Companies is a safety initiative developed by the BC forest sector. It is designed to assist companies in improving their safety performance and to evaluate company safety programs using industry recognized audit protocols. Being Safe Certified is becoming more and more of an industry standard and is, I believe, a great step for SIFCo to have taken.

Grant Funded Projects:

In December 2009, SIFCo obtained \$75 000 through the Forest Investment Account to carry on the Wildland Urban Interface program in the Trozzo watershed. This investment went towards 15 hectares of land that had not been completed using the Job Opportunities funds of 2009. Four workers worked for three months to complete this part of the project. We would like to thank the dedicated work of Russel Martin, Bill Spavor, Gerald Michiels and Charles Belanger who helped us make this project a success.

SIFCo 2010 year started with financial and field Audits of our 2009 WUI and IAP projects. Audits found no areas for improvements, and both projects were successfully audited.

In September 2009, following consultation with the Red Mountain Residents Association, a SIFCo board decision was made to invest our Forest Investment Account funds for 2009 into improvements to the Bannock Point Recreation Site. As a very popular remote local destination, the spectacular Bannock point gets lots of yearly traffic & use. Close to \$30,000 went towards improvements to the site – from building new outhouses, to creating designated campsites, and developing safe and low impact parking areas. SIFCo also applied to the Ministry of Tourism for an extension to the popular Recreation Site to include the walking path south to the look-out, and in February 2010 the extension was accepted. In early spring of 2010 the final signage was affixed at Bannock Point, and the project was completed. Unfortunately, FIA underwent a complete face lift in the Spring of 2010, and recreation funds are no longer available thru this source of funding. In June of 2010 SIFCo was again audited, this time for our FIA work at the Bannock Point Recreation site and our WUI work in Trozzo Creek. The audit found no areas for improvements.

In early 2010 SIFCo applied for year two of both our WUI project and our IAP project, but neither applications were successful. A decision was made not to fund IAP projects, and interestingly enough the reason our WUI application was not successful was because the RDCK applied for all of the available funds in this region.

In September of 2010 SIFCo was, however, successful in a bid to do WUI work within the village of New Denver, accessing some of the funds (\$218,342) made available by the RDCK. Six workers worked for six months treating 29.8 hectares of land in and around New Denver. The project was a success and was completed in early April 2011.

For all of the above projects, SIFCo sends an appreciation to Westside Small Engines, Silverton Building Supplies and Valley Performance. Always pleasure to deal with and consistently providing professional customer service, they got for us whatever we needed. We appreciated doing business with them.

Personal note:

This will be my last term as President of SIFCo. It has been a pleasure to serve this community and organization and I am truly thankful for the work that we have achieved together since SIFCo's inception.

This year-end report is humbly submitted,

A handwritten signature in black ink, appearing to read 'Stephan', written in a cursive style.

Stephan Martineau
President, SIFCo
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