



**FSC Certification Report for the  
2009 Annual Audit of:**

**The Conservation Fund's  
North Coast Forest Conservation Program  
Mendocino County, California**

**Certificate Number: SCS-FM/COC-00102N**

**Under the  
SCS Forest Conservation Program  
(An FSC-Accredited Certification Program)**

**Date of Field Audit: October 5-6, 2009**

**Date of Report:  
April 5, 2010**

**Scientific Certification Systems  
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Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website ([www.scscertified.com](http://www.scscertified.com)) no later than 60 days after the report is finalized.

## **1.0 GENERAL INFORMATION**

### **1.1 CONTACT INFORMATION**

The Conservation Fund – North Coast Forest Conservation Program  
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Contact: Evan Smith  
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### **1.2 General Background**

This report covers the second annual audit of The Conservation Fund – North Coast Forest Conservation Program pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in 2007 (SCS-FM/COC-00102N). All certificates issued by SCS under the aegis of the Forest Stewardship Council (FSC) require annual audits to ascertain ongoing compliance with the requirements and standards of certification. A public summary of the initial evaluation is available on the SCS website [www.scs-certified.com](http://www.scs-certified.com).

### **1.3 Guidelines/Standards Employed**

For this annual audit, the SCS auditor team evaluated the extent of conformance with the FSC Pacific Coast Regional Standard, Version 9.0. TCF is advised that it is likely that the 2010 annual surveillance audit will be conducted against the FSC US National Standard, which is expected to be accredited by July, 2010. If the new standard is accredited by the time of the 2010 surveillance audit of the North Coast Forest Conservation Program, TCF will be advised to undergo a full scope audit. Per FSC procedural requirements, all extant certificates must be found to be in compliance with the full scope of a new forest stewardship standard within 12 months of accreditation of the new standard. So, if TCF were not do a full scope audit in the latter half of 2010, then the 2011 audit will likely need to be conducted prior to July 2011 and it would have to be a full scope audit. However, either option is available to TCF.

## **2.0 SURVEILLANCE DECISION AND PUBLIC RECORD**

Pursuant to FSC and SCS guidelines, and in the absence of a newly accredited standard, annual/surveillance audits are not intended to comprehensively examine the full scope of the certified forest operations, as the cost of a full-scope audit would be prohibitive and it is not mandated by FSC audit protocols. Rather, annual audits are comprised of three main components:

- A focused assessment of the status of any outstanding conditions or corrective action requests (CARs)
- Follow-up inquiry into any issues that may have arisen since the award of certification or prior audit

- As necessary given the breadth of coverage associated with the first two components, an additional focus on selected topics or issues, the selection of which is not known to the certificate holder prior to the audit.

At the time of the 2009 annual audit, there were 7 open Corrective Action Requests.

## **2.1 Assessment Dates**

The office and field portions of this surveillance audit were conducted on October 5-6, 2009.

## **2.2 Assessment Personnel**

For this annual audit, the team was comprised of Dr. Robert J. Hrubes, leading the FSC audit, and Mike Ferrucci, who lead the SFI assessment. Dr. Hrubes and Mike Ferrucci were both part of the 2007 full evaluation as well as the 2008 annual audit, thus providing good continuity.

**Dr. Robert J. Hrubes, Team Leader, Scientific Certification Systems:** Dr. Hrubes is Senior Vice-President of Scientific Certification Systems. He is a registered professional forester and forest economist with 29 years of professional experience in both public and private forest management issues. He served as team leader for the initial TCF forest certification evaluation as well as lead verifier for TCF's forest carbon offset projects encompassing the entirety of their Mendocino County operations. Dr. Hrubes worked in collaboration with SCS to develop the programmatic protocol that guide all SCS Forest Conservation Program evaluations. Dr. Hrubes has led numerous SCS Forest Conservation Program evaluations of North American (U.S. and Canada) industrial forest ownerships, as well as operations in Scandinavia, Chile, and Japan. He also has professional work experience in Brazil, Germany, Guam (U.S.), Hawaii (U.S.), and Malaysia.

### **Mike Ferrucci, Master of Forestry - SFI Team Leader Scoping and Full Assessments, FSC Team Member**

Michael Ferrucci is a founding partner and President of Interforest, LLC, and a partner in Ferrucci & Walicki, LLC, a land management company that has served private landowners in southern New England for 25 years. He has a B.Sc. degree in forestry from the University of Maine and a Master of Forestry degree from the Yale School of Forestry and Environmental Studies. Mr. Ferrucci's primary expertise is in management of watershed forests to provide timber, drinking water, and the protection of other values; in forest inventory and timber appraisal; hardwood forest silviculture and marketing; and the ecology and silviculture of natural forests of the eastern United States. He also lectures on private sector forestry, leadership, and forest resource management at the Yale School of Forestry and Environmental Studies. Mr. Ferrucci has participated in forest management assessments in 27 states, and has conducted joint FSC-SFI Certification Assessments on over 14 million acres of forestland in the United States. For this project, Mr. Ferrucci functioned as an employee of NSF.

**Amy Hsu, Forest Certification Coordinator and auditor trainee, Scientific Certification Systems:** Amy Hsu has a background in Natural Resource Conservation from the Faculty of Forestry at the University of British Columbia. She has previously worked in the forest industry

as a summer intern at the Ministry of Forestry, BC and the California Department of Forestry and Fire Protection. She has worked for Scientific Certification Systems since May, 2009. Ms. Hsu assisted the lead auditor in the preparation of this report.

### **2.3 Assessment Process**

Prior to the 2009 field surveillance audit, and over the course of the 14 months following the 2008 field surveillance audit (conducted in August, 2008), there was periodic contact between The Conservation Fund personnel and SCS staff, focusing on issues such as progress on addressing the open CAR/Recommendations and continued evolution in the company's silvicultural strategy.

On October 5-6, 2009, the SCS audit team (Hrubes, Ferrucci and Hsu) conducted the annual audit of The North Coast Forest Conservation Program, including on-site inspections of field operations as well as extensive interviews with The Conservation Fund management and field personnel as well as contractors, cooperators and agency personnel.

On the morning of the first day of the audit, the audit team held an opening meeting at the entrance of the Garcia River Forest tract and discussed the following topics:

- Introductions and Field Audit Itinerary Review
- Overview of The Conservation Fund activities in the past year
- The Nature Conservancy- (TNC)- new projects

The remainder of the day was dedicated to the following activities:

- Reconnaissance travel through the Garcia tract
- Travel to Salmon Creek Forest
- Stop 1-Meeting at Navarro Ridge, Lunch
  - Tour of Lower Salmon Creek Amendment Timber Harvest Plan with Darcie Mahoney, consulting forester.
- Travel to Fort Bragg, dinner with TCF staff at Fort Bragg
  - Discussed management plan/public access plan

Day 2 of the surveillance audit was comprised of the following activities:

- Travel to Big River Forest
- Stop 1: North of 20 THP
  - Tour of THP with Lee Susan, consulting forester
- Stop 2: Wheel Gulch THP, tour of THP with Lee Susan, consulting forester
- Stop 3: Lunch at Picolottis Orchard
  - Interview with Charlie Martin, Mendocino County CalFire Officer
- Travel to Caspar
- Audit team deliberations and preparation for Exit Meeting
- Exit Meeting in Caspar Office
  - General findings of the audit
  - Disposition of the open CARs; formulation of new OBS

- Closure of the audit

## 2.4 Status of Corrective Action Requests and Recommendations from the August 2008 Surveillance Audit

Note: Due to timing issues, the corrective action requests issued during the initial certification evaluation and that become operative upon release of the certification evaluation report in late September, 2007, were not yet due for closure at the time of the 2008 surveillance audit that occurred in August, 2008. Accordingly, the SCS lead auditor concluded that the 2008 surveillance would focus on progress made by TCF in responding to the corrective action requests and recommendations but that their final disposition would be postponed to the 2009 surveillance audit. The decision to postpone final disposition of the CARs and RECs until the following annual surveillance audit was based, to a substantial degree, on the fact that active forest management activities on lands within the scope of the certificate were anticipated to be cut back due to wood products market conditions<sup>1</sup>.

As detailed below, all CARs that were open going into the 2009 audit are being closed as a result of the information gathered during the 2009 audit.

<b>Observed nonconformity:</b> TCF cannot, at present, fully demonstrate conformance with the requirement that management planning and operations incorporate the results of evaluations of social impacts.	
<b>MINOR CAR 2007.6</b>	TCF must pursue means and opportunities to better incorporate the results of periodic social-impact assessments into management planning and operations. A memorandum summarizing the additional means by which social-impact assessment (SIA) are better incorporated into North Coast Forest Conservation Program planning and operations must be conveyed to SCS.
<b>Reference</b>	FSC Criterion 4.4, Pacific Coast Regional Indicators 8.3.d.3 and 8.2.d.4
<b>Deadline</b>	First annual audit after award of certification
<b>TCF Actions in Response to this CAR:</b> TCF has emailed Margery Hoppner to assess the local economic and social impact of the program. They have also prepared a document, Social Benefit/Impact Assessment Memo to the certification team, dated August 25, 2008. They have identified 5 primary social elements as integral to the program, including: Creative arts (College of Redwoods and Mendocino Art Center photography, painting workshops, elementary school writing and art projects, etc.), Economic/financial (employment, log sales, carbon sales, etc.), Recreational, Science/education (interpretative walks, passive recreational access, Boys Scouts and Sierra Club hikes, Audubon trips, etc, Spiritual elements (open space values, Children and nature programs, Leopold and Thoreau “platforms”, access/utilization by Native tribes).	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, <b>this CAR has been closed.</b>	

<b>Observed nonconformity:</b> Snags and senescent/decadent, vertical woody structure (e.g., “wildlife trees”), as well as large downed woody debris are generally deficient across the managed forest landscape of the north coast of California, including on the TCF North Coast Forest Conservation Program. To better contribute to the maintenance of these important ecological components, TCF forest managers need to be more conscious about maintaining and recruiting snags, senescent/decadent live trees, and large woody debris.	
<b>MINOR CAR 2007.7</b>	TCF must elaborate more robust policies and marking guidelines for the maintenance and recruitment of standing snags, senescent standing trees and large

<sup>1</sup> All harvesting within the Garcia tract was deferred throughout 2008 and 2009.

	downed woody debris (across species and size/conditions classes) such that, over time, snag, senescent tree, and large downed woody debris densities increase across the North Coast Forest Conservation Program forest units. The policy and marking guidelines must be submitted to SCS, and field review of its early implementation will be a focus of the first annual surveillance audit.
<b>Reference</b>	FSC Criterion 6.3, Pacific Coast Regional Indicator 6.3.e.1
<b>Deadline</b>	First annual audit after award of certification
<b>TCF Actions in Response to this CAR:</b> TCF has modified their TCF North Coast Forest Management Policy to include a section dealing with Retention requirements. This section states that the Fund will permanently retain or recruit downed wood, snags, and trees with high wildlife value given their recognized ecological role and ability to enrich the surrounding stand. For downed wood, the target is 2 pieces per acre. This includes at least one conifer, 18 inch minimum diameter and 10 feet minimum length. For snags and wildlife trees, the target is 4 per acre on average across stand. This includes snags, conifers greater than 48-inch DBH, old growth trees, raptor nest trees, any hardwood, Murrelet habitat trees, and den trees.	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, this CAR has been closed.	

<b>Observed nonconformity:</b> While there is an excellent Integrated Resource Management Plan for the Garcia River Forest, there needs to be a unified umbrella management plan for the three North Coast Forest Conservation Program forest units.	
<b>MINOR CAR 2007.9</b>	TCF forest managers must develop an umbrella management-planning document that unifies and coordinates the management of the Garcia River, Big River and Salmon Creek units under a common set of management goals, policies, guidelines and procedures that collectively demonstrate conformance with the FSC Pacific Coast Regional Standards. SCS should be informed whether or not this umbrella planning document will be made publicly available, in order for there to be demonstrated conformance with the requirement for a publicly available summary of the management plan (which can be met by making the entire set of plans available).
<b>Reference</b>	FSC Criteria 7.1 and 7.4
<b>Deadline</b>	By December 31, 2008
<b>TCF Actions in Response to this CAR:</b> TCF has provided SCS with a memo regarding management plan context and coordination dated December 28, 2008. The memo describes forest management policies and strategies that have been developed to guide long term management of forest resources in Big River and Salmon Creek. The plan details differences in management of Garcia River and Big Creek/Salmon Creek. There is a section in the document regarding unified management that states program goals and that all properties acquired as part of the North Coast Forest Conservation Program are managed consistent with the TCF policies. Although this document is sufficient, it is recommended that a better summary of the primary elements of the management plan be written and made publically available as the umbrella management plan. This is memorialized in an OBS found later in this report.	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, this CAR has been closed.	

<b>Observed nonconformity:</b> Currently, there is no training mechanism in place to ensure that all forest workers understand their role in implementing the management plan.	
<b>MINOR CAR 2007.10</b>	TCF forest managers must develop training protocols (including maintenance of training records) aimed at assuring that all forest workers and natural resource professionals engaged in the management of the North Coast Forest Conservation Program are adequately informed about and qualified to contribute to the implementation of the management plan.
<b>Reference</b>	FSC Criterion 7.3
<b>Deadline</b>	At the time of the first annual audit after award of certification

<b>TCF Actions in Response to this CAR:</b> TCR has provided SCS with their training protocol and contractual services agreements.	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, <b>this CAR has been closed.</b> While closure of this CAR is deemed to be warranted on the basis of materials presented to the audit team, it is also found that there remain opportunities for further enhancement in TCF's training procedures. As such, there is an OBS on the topic of staff/contractor training found later in this report.	

<b>Observed nonconformity:</b> There is no publicly available summary of monitoring results that addresses the subject areas listed in Criterion 8.2.	
<b>MINOR CAR 2007.11</b>	TCF managers must develop and implement procedures for making a summary of monitoring results publicly available. The content of the publicly available summary document must cover the subject areas enumerated in FSC Criterion 8.2.
<b>Reference</b>	FSC Criteria 8.5 and 8.2, Indicator 8.5.a
<b>Deadline</b>	At the time of the first annual audit after award of certification
<b>TCF Actions in Response to this CAR:</b> TCR monitoring data is publicly available on request and disclosed in publicly available management plans and THP summaries. This approach was viewed as unusual but accepted. A brief monitoring summary will be planed in the annual report (likely out in January 2010) and emailed to all stakeholders. This report will also be available on the website.	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, <b>this CAR has been closed.</b> While closure of this CAR is deemed to be warranted on the basis of materials presented to the audit team, it is also found that there remain opportunities for further enhancement in TCF's training procedures. As such, there is an OBS on the topic of developing a more concise and accessible summary of monitoring activities and results that is found later in this report.	

<b>Observed nonconformity:</b> On the Garcia River Forest, TCF has collaborated with The Nature Conservancy to identify High Conservation Values; however, these consultations and those that will take place on the Big River and Salmon Creek units need to be documented.	
<b>MINOR CAR 2007.12</b>	In an appropriate planning document (such as a chapter focusing on HCVF in the umbrella planning document—see CAR 2007.9), TCF must document the consultation with outside experts that has been completed (for Garcia) and will be undertaken (for Big River/Lower Salmon) for the definition, identification and management of areas of high conservation value found within the North Coast Forest Conservation Program.
<b>Reference</b>	FSC Criterion 9.2, Indicator 9.2.a
<b>Deadline</b>	By December 31, 2008
<b>TCF Actions in Response to this CAR:</b> TCR has provided SCS with a program description of the High Conservation Value Features Program. The document identifies areas of High Conservation Forest including Oak woodlands and grasslands, Pygmy cypress forest, old growth coniferous forest, and salmon spawning streams. The document also addresses consultation regarding HCFV, with a list of significant contributors: Jen Carah, Linda Perkins, and Alan Levine.	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, <b>this CAR has been closed.</b>	

<b>Observed nonconformity:</b> While in the Garcia River Forest IRMP there are conservation targets that are monitored annually and essentially are considered HCV attributes, and while the audit team is satisfied that high conservation values are not presently being threatened by management activities on North Coast Forest Conservation Program, there is at present inadequate documentation demonstrating conformance with the operative requirements of FSC Principle 9.	
<b>MINOR CAR 2007.13</b>	TCF needs to explicitly incorporate HCVF into their management planning procedures and planning documents, including a procedure for annual monitoring

	to assess the effectiveness of the measures to enhance/maintain identified HCV attributes.
<b>Reference</b>	FSC Principle 9; Criterion 9.4
<b>Deadline</b>	By December 31, 2008
<b>TCF Actions in Response to this CAR:</b> TCR has provided SCS with a program description of the High Conservation Value Features Program. The document will be incorporated into the management plan for Big River and Salmon Creek. The document also has a section dealing specifically with TCF monitoring of HCVF.	
<b>Disposition of this CAR as a Result of this Surveillance Audit:</b> Pursuant to evidence that TCF provided to SCS, this CAR has been closed.	

## 2.5 General Observations

The auditors' overall assessment of the TCF forestry staff remains that they are a very qualified and competent group of foresters, forest technicians and natural resource professionals operating a forest management business (in a non-profit corporate structure) that exists at the cutting edge of incorporating environmental and social sensitivity into tactical and strategic management decisions. TCF forest management operations remain in solid overall conformance with what is expected of all FSC-certified operations.

Since the 2008 Annual Audit, the following new activities have occurred on the TCF forest estate in Mendocino County:

### Timber Harvesting Plans

Salmon Creek Tract:

- Lower Salmon Creek THP has been amended (the majority of which had been operated in 2007) to include additional acreage. Currently in the process of completing harvesting operations on the amended area and two discrete remaining units from the original 2006 THP.
- In the process of completing harvesting operations on the Pullen Gulch THP (begun in 2008). Preparing Compartment B THP for anticipated 2010 operation.

Big River Tract:

- Completed Riverbends THP (2008).
- Closed out Jarvis Camp THP (2008).
- In the process of completing harvesting operations on the North of 20 THP.
- Prepared Wheel Gulch THP – approved by CalFire 2009, began operations 09/11/09.
- Preparing Coombs Gulch THP – anticipated filing date 2009, anticipated operation 2010 or 2011.
- Prepared Laguna Pass THP – pending 2<sup>nd</sup> review by CalFire, anticipated operation 2010.
- Preparing Compartments K and J THP (possibly two separate plans), anticipated operation 2011.

Garcia Tract:

- Prepared LNF#2 – approved by CalFire 2008, anticipated operation 2010.
- Prepared Upper North Fork – approved by CalFire 2008, anticipated operation 2010.

Preparing Olsen Gulch THP – anticipated filing date 2010.

Preparing Graphite THP – anticipated filing date 2009.

- 2008-2009 Rare Plant Surveys: surveys in the North Fork and Blue waterhole sub-watersheds verified that the presence of Santa Cruz Clover (List 1B, identified in 2005 and representing a range extension of 40 miles) is widespread in Garcia River Forest.
- 2008-2009 NSO Surveys: see Assessment and Restoration section below.

### **Management Planning**

The Big River and Salmon Creek Forests Integrated Resource Management Plan was completed August 2009 with review/input solicited from a total of seventeen agencies, advisors, or members of the public. The final draft was approved by agencies (Coastal Conservancy, State and Regional Water Boards, Wildlife Conservation Board) in July 2009; final agency approvals were requested August 10, 2009 and are anticipated by the end of September 2009.

- A Spotted Owl Management Plan that incorporates landscape scale habitat planning is being discussed as a way to streamline the biological review by CDF and USFWS. A preliminary meeting with USFWS was held in August 2009. A draft is in process for anticipated review by USFWS, CalFire, and DFG Nov-Dec 2009.
- Red-legged frog (federally threatened): the historic range was recently expanded into southwest Mendocino County. Habitat surveys will commence the winter of 2010 and protection measures will be incorporated into all future and currently approved THPs.
- Bird surveys on portions of the Big River Forest are continuing by Mendocino Land Trust.
- Forest Management Policies were updated for Big River and Salmon Creek management plan and are in-progress for a stand-alone document.
- Annual operations field review was conducted on November 17-18, 2008.
- Annual management review was conducted January 2009 (see attached memo).

### **Resource Planning & Carbon Certification**

- 14 new permanent ¾-acre plots were established on Big River and Salmon Creek in March of 2009.
- Post-harvest cruising was completed in November 2008; the inventory was updated at the end of 2008 and verified as part of CCAR audit. Additional field plots will be completed in October and November 2009 to provide an updated year-end inventory report. 2008 CCAR verifications were completed in April 2009.
- Field audit for CCAR 2009 re-certification for Garcia and Big River/Salmon Creek is scheduled for the first week of February 2010.
- Multiple carbon offset transactions have been completed, involving past vintages and forward-looking contracts.

### **Assessment and Restoration**

- Tree plantings (all by Redwood Resources, Inc., in December 2008):
- Approximately 20 acres were replanted with Douglas-fir seedlings on the Vultures Roost THP on Garcia [this is a legacy THP from the mid-90s].
- The most severe portions of the Navarro Fire on Salmon Creek were planted with redwood seedlings.
- Big River secondary fire lines were planted with redwood and Douglas-fir seedlings.
- Volunteer tree planting: 2nd volunteer-led restoration planting on Salmon Creek.

- An in-stream Large Woody Debris project is being developed for Salmon Creek and Big River (assessments completed, awaiting further field review and fundraising).
- An LWD project is underway in Inman Creek on Garcia through TNC.
- Herbicide treatments (all conducted by Redwood Resources, Inc.):
- Tanoak was treated with Imazapyr in 2008 on a total of 198 acres on Big River in connection with the North of 20 THP.
- Pampas grass, French broom, and encroaching brush were treated with Glyphosate and Tryclopor on 129 acres in Big River in 2008-2009 in connection with the North of 20 THP and as part of invasive species and road management; this resulted in a review and update of TCF's herbicide policy (attached).
- Road upgrading projects
  - DFG Fisheries Restoration Grants Program funded projects:
    - GRF Watershed Assessment Phase II: completed 2009.
    - Inman Creek (Garcia) Sediment Control Phase I: completed 2009.
    - Signal Creek (Garcia) Implementation Phase I: approved for funding but frozen with state budget crisis.
    - Salmon Creek Assessment: fieldwork expected to be complete 2009, final reporting 2010.
    - Salmon Creek Implementation Phase I: being reviewed for funding.
    - Pulte Holmes Inc: permitting is complete and the project commenced in September of 2009 on the Olsen Gulch portion in the Garcia River Forest.
    - The Mendocino County Resource Conservation District provided funding and oversight of a road-related erosion assessment on 15.6 miles of road in a portion of TCF's Big River property. Project was complete in November 2008. Opportunities for funding treatment of identified erosion sites are currently under discussion.
    - Winter road monitoring was conducted on all tracts over the rainy season including regular monitoring of THP/Regional Water Board Erosion Control Plan sites.
    - Routine road maintenance was conducted on all properties, 2008-2009.
- NSO monitoring was completed for the entire ownership.
- In-stream temperature monitoring (Hobo probes) for all properties was completed for 2008 and is in progress for 2009.
- Historic air and in-stream temperature monitoring in Unit C of Salmon Creek was completed for 2008 and is in progress for 2009.
- Environmental Monitoring and Assessment Program (EMAP) at Garcia was completed in 2008 and 2009 by TNC and the Regional Water Board.
- DFG-led fall/winter salmonid spawning surveys were continued 2008-2009 and were expanded to all properties.
- Invertebrate monitoring was continued at Garcia by TNC.
- North Fork Garcia rehabilitation project: this project proposed to open the waterway by excavating ¾ of the stream channel (an action identified in the Coho Recovery Plan). The proposal was withdrawn after preliminary scoping revealed that it would require many years of environmental analysis with a low probability of success.

- A bridge was installed at Kitchen Gulch in Salmon Creek to expand potential fish passage, August 2009.

### **Public Outreach**

- Offered public tours for each THP prior to submission.
- Conducted public tour of grant-funded road upgrade project completed in Inman Creek, Garcia, 2009.
- Conducted public tour of grant-funded assessment (and proposed implementation) project in Salmon Creek, 2009.
- Presented introduction to Garcia River Forest at Pacific Community Charter School (65 students, grades 1-8), September 2009; ongoing coordination for additional presentations and tours.
- Met with neighbors of Big River in connection with roadside spraying (July 2009).
- Private tours by Salmon Creek Forester Darcie Mahoney for stakeholders regarding invasive plant removal, tree planting and follow-up, and bridge installation.
- Implemented Stewardship Equestrian Permit Program for Salmon Creek, April 2009.
- Anticipate implementation of Stewardship Pedestrian Access Program on all properties in fall of 2009.
- Volunteer hand-removal of invasive pampas grass was accomplished on Salmon Creek. Cost (\$7000) of backhoe removal of pampas was split with the local community group.
- Community walk was led in June 2009 to view spring azalea bloom on Salmon Creek, and to monitor planted trees.
- Completed an improved North Coast Program page on the TCF website that is a resource for the public and partners ([http://www.conservationfund.org/north\\_coast\\_forests](http://www.conservationfund.org/north_coast_forests)).

### **Administration**

- Evan Smith has been promoted to TCF Vice-President
- Program Manager Jenny Griffin returned to work May 1, 2009 after a 7-month medical leave of absence.
- Contractor Jordan Golinkoff will join TCF as staff in September 2009.
- No other staffing changes occurred or are contemplated.

## **2.6 New Corrective Action Requests, Recommendations, and Observations**

Following the completion of the field reconnaissance, interviews and TCF staff personnel as well as contractors and team deliberations, the audit team found no new non-conformities relative to those portion of the Pacific Coast Standard that were featured this audit. Accordingly, the audit team assigned no new Corrective Action Requests during the 2009 annual audit. Five observations were specified that identify opportunities for further enhancing TCF's conformity to the certification standard:

### **New Observations:**

**Background/Justification:** TCF does not have a comprehensive plan regarding hazardous spills. Although in their safety contract there is a section on spills, the wording is very vague and should be more explicit than "take appropriate action to mitigate".

<b>OBS 2009.1</b>	TCF should develop a fuel spill policy that is clear and in conformance with FSC principles and local laws. Spill kits should also be available on site in case of a spill.
<b>Reference</b>	FSC Pacific Coast Standard Indicators 6.7b

<b>Background/Justification:</b> TCF currently uses a 20 year rolling time period to determine average harvest rates. The Pacific Coast Standard speaks to rolling periods of no more than 10 years for computing average annual harvest levels. Were TCF's harvest levels near to annual growth levels (thus making the calculation of harvest versus growth more than a mere formality), this would be a CAR rather than an OBS.	
<b>OBS 2009.2</b>	TCF should calculate and determine allowable timber harvest by using rolling periods of no more than 10 years
<b>Reference</b>	FSC Pacific Coast Standard Indicator 5.6.b.

<b>Background/Justification:</b> Although monitoring results that address the subject areas listed in Criterion 8.2. are available to the public, monitoring results are not summarized in a central location.	
<b>OBS 2009.3</b>	TCF should develop a comprehensive summary of monitoring results and incorporate in one annual report for the public
<b>Reference</b>	FSC Criteria 8.5 and 8.2, Indicator 8.5.a

<b>Background/Justification:</b> TCF presently lacks a unifying umbrella management plan that provides a cohesion or linkage between the management plans developed for Garcia River and separately for Big River/ Salmon Creek..	
<b>OBS 2009.4</b>	TCF should make publically available a single umbrella management plan summary that presents a unified management plan of the entire North Coast Forest Conservation Program forest units.
<b>Reference</b>	FSC Pacific Coast Standard Criteria 7.1 and 7.4

<b>Background/Justification:</b> TCF would benefit from better training protocols (including maintenance of training records) aimed at assuring that all forest workers and natural resource professionals engaged in the management of the North Coast Forest Conservation Program are adequately informed about and qualified to contribute to the implementation of the management plan.	
<b>OBS 2009.5</b>	TCF should develop a training manual and process for all employees to adequately inform them on the implementation of the management plan. Maintenance of training records should also be improved upon.
<b>Reference</b>	FSC Pacific Coast Standard Indicator 7.3

## 2.7 General Conclusions of the Annual Audit

Based upon information gathered through site visits, interviews, and document reviews, the SCS audit team concludes that TCF's management of its forest estate in Mendocino County, California continues to be in strong overall compliance with the FSC Principles and Criteria, as elaborated by the Pacific Coast Regional Guidelines. That is, the SCS audit team has concluded from this annual audit that TCF's forest management program is in solid conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as TCF's operations are classified as "natural forest management" under the FSC definitions). As such, continuation of the certification is warranted.

### 3.0 DETAILED OBSERVATIONS

This Section is divided into two parts: Section 3.1 details the determining of conformance and non-conformance with the elements of the standard examined during this annual surveillance audit. Section 3.2 discusses any stakeholder comments.

#### 3.1 Evaluation of Conformance

The auditors chose to focus on Principles 5 and 8 as well as Criterion 6.7 during this surveillance audit:

**C= Conformance with Criterion**

**C\*= Overall Conformance with Criterion, but there are Indicators with non-conformances**

**NC= Non-Conformance with Criterion**

REQUIREMENT	C C* NC	COMMENT/CAR
<b>P5 Forest management operations shall encourage the efficient use of the forest’s multiple products and services to ensure economic viability and a wide range of environmental and social benefits.</b>		
<b>C5.1. Forest management should strive toward economic viability, while taking into account the full environmental, social, and operational costs of production, and ensuring the investments necessary to maintain the ecological productivity of the forest.</b>	C	<ul style="list-style-type: none"> <li>• The management plan and supporting documents for the Big River/Salmon Creek tract contained a financial analysis of TCF’s long-term ability to repay loans, taking into account the management goals. An AAC of 4.65 MMBF per year was determined for the two properties; actual harvests are below allowable levels.</li> <li>• 20-year State Revolving Fund loan has a very low interest rate at 2.3%.</li> <li>• Prices obtained for redwood remain relatively stable though they are lower due to the national housing recession.</li> <li>• Sale of forest carbon offsets is providing a substantial non-timber income stream for the properties which is all the more important with regard to the financial viability of the North Coast operations given the depressed lumber markets</li> </ul>
<b>C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest’s diversity of products.</b>	C	<ul style="list-style-type: none"> <li>• All logs are processed regionally and most are processed locally, specifically in the same county.</li> <li>• Logs are sorted by species and diameter. Divided sales (e.g. redwood to one customer, white wood to another) help to optimize value.</li> </ul>
<b>C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.</b>	C	<p>Conformity is found, based on evidence seen in the field: landings had been cleared and there was minimum wastage at the THP on the Garcia River Forest, Big Creek and Salmon Creek units.</p> <p>There are no on-site processing operations within the subject forest area</p>
<b>C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.</b>	C	<ul style="list-style-type: none"> <li>• Particularly on GRF, there is active supervised restoration being undertaken in cooperation with state agencies as well as TNC; public education and recreation activities for the local community are being pursued on all three forest</li> </ul>

		<p>tracts.</p> <ul style="list-style-type: none"> <li>TCF has had GRF and BR/SCS carbon offsets verified and sold under the Climate Action Reserve (ex-CCAR) protocols, thus creating financial value and diversifying the forests' income streams; it also creates a marginal amount of additional regional work related to carbon inventories and projections</li> </ul>
<b>C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhances the value of forest services and resources such as watersheds and fisheries.</b>	C	TCF's forest management policies include watercourse and lake protection zone measures as well as high conservation value forest designations, both of which are well in exchange of regulatory requirements.
<b>C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.</b>	C	TCF currently uses a 20 year rolling time period to calculate average harvest rates. Harvest levels are very conservative relative to annual increment. Growth rates should equal or exceed average harvest rates over rolling periods of no more than 10 years. See OBS.
<b>P6 Forest management shall conserve biological diversity and its associated values, water resources, soils, and unique and fragile ecosystems and landscapes, and, by so doing, maintain the ecological functions and the integrity of the forest.</b>		
<b>C6.7. Chemicals, containers, liquid and solid non-organic wastes including fuel and oil shall be disposed of in an environmentally appropriate manner at off-site locations.</b>	C	TCF does not have a comprehensive plan regarding Hazardous spills. Although in their safety contract there is a section on spills, the wording is very vague, and should be more explicit than "take appropriate action to mitigate". See OBS.
<b>P8 Monitoring shall be conducted -- appropriate to the scale and intensity of forest management -- to assess the condition of the forest, yields of forest products, chain of custody, management activities and their social and environmental impacts.</b>		
<b>C8.1. The frequency and intensity of monitoring should be determined by the scale and intensity of forest management operations, as well as, the relative complexity and fragility of the affected environment. Monitoring procedures should be consistent and replicable over time to allow comparison of results and assessment of change.</b>	C	<ul style="list-style-type: none"> <li>TCF employs an adaptive management approach, described on page 109 of the GRF IRMP. Section IV includes a discussion of monitoring metrics and approach.</li> <li>THPs are monitored by CDF and other regulatory agencies (e.g., DFG, Mines &amp; Geology, as well as federal agencies such as NMFS).</li> <li>Ecological monitoring on GRF is very extensive; less so on BR/SC</li> </ul>
<b>8.2. Forest management should include the research and data collection needed to monitor, at a minimum, the following indicators: a) yield of all forest products harvested, b) growth rates, regeneration, and condition of the forest, c) composition and observed changes in the flora and fauna, d) environmental and social impacts of harvesting and other operations, and e) cost, productivity, and efficiency of forest management.</b>	C	<ul style="list-style-type: none"> <li>The forest inventory is updated annually, and annual reports are produced after monitoring tasks are completed.</li> <li>Ecological indicators are assessed before and after harvests as part of the THP process. Large scale/landscape scale analyses are also conducted by TCF and other environmental organizations involved in the management of this forest property</li> </ul>
<b>8.2.a. Yield of all forest products harvested.</b>	C	Records of harvest volumes are kept at the TCF offices in Caspar.
<b>8.2.b. Growth rates, regeneration, and condition of the forest</b>	C	<ul style="list-style-type: none"> <li>An inventory system has been planned to monitor these attributes, and baselines have been established for these indicators. However, due to the lack of a track record, TCF has not yet produced comparative results.</li> <li>Accumulated carbon stocks are also included in the inventory.</li> <li>TNC will carry out aquatic monitoring on the Garcia River Property.</li> </ul>
<b>8.2.c. Composition and observed changes in the flora and fauna</b>	C	Provisions are included in the management plan for monitoring progress on the GRF Conservation Targets, which include anadromous fish bearing streams and northern spotted owl habitat. Staff and contract personnel maintain tabs on vegetative changes across the ownership
<b>8.2.d. Environmental and social impacts of harvesting and other operations</b>	C	Post-THP reviews monitor the after effects of harvesting

		operations. TNC personnel are engaged in a wide array of ecological monitoring activities on the Garcia tract
<b>8.2.e. Cost, productivity, and efficiency of forest management</b>	C	TCF actively monitor costs, revenues, and other financial indicators.
<b>C8.3. Documentation shall be provided by the forest manager to enable monitoring and certifying organizations to trace each forest product from its origin, a process known as the "chain of custody."</b>	C	TCF has written guidance to Licensed Timber Operators, Log Haulers, and Log Buyers, reminding them that maintenance of the products' certified status is dependent on the purchaser holding a valid FSC Chain of Custody certificate. The document also contains a sample "Daily Log Summary" spreadsheet sufficient to track log production and sales outputs.
<b>C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.</b>	C	TCF does not yet have a demonstrated track record of adaptively utilizing the results of monitoring activities in the revision of management plans; provisions are included in the GRF IRMP for adaptive management and incorporating monitoring results into plan revisions.
<b>C8.5. While respecting the confidentiality of information, forest managers shall make publicly available a summary of the results of monitoring indicators, including those listed in Criterion 8.2.</b>	C	Although monitoring results that address the subject areas listed in Criterion 8.2. are available to the public, monitoring results are not summarized in a central location. See OBS.

### 3.2 Stakeholder Comment

#### Professional Personnel Interviewed During this Annual Audit

<b>Person interviewed</b>	<b>Position/Organization</b>
Jennifer Carah	Field Scientist TNC
Dan Porter	TNC North Coast Ecologist
Evan Smith	Vice-President, The Conservation Fund
Scott Kelly	TCF Senior Forester
Jonathan Warmerdam	Environmental Scientist- North Coast Regional Water Quality Control Board
Holly Newberger	TCF Office Manager
Jenny Griffin	TCF North Coast Program Manager
Darcie Mahoney	Consulting Forester
Tom Duffus	TCF-Upper Midwest
Eric Hontou	Summit Forestry Technician
Lee Susan	Consulting Forester, Summit Forestry
Charlie Martin	CalFire Officer, Mendocino County
John Starkey	Philbrick Logging
Mark Robertson	Philbrick Logging

#### Stakeholder Comments

SCS has not received any stakeholder complaints or disputes pertaining to TCF's North Coast operations since the previous surveillance audit, and stakeholder consultation by the audit team has not revealed any further stakeholder complaints or disputes.

### **3.3 Controversial Issues**

No exceptionally controversial or difficult issues presented themselves during this surveillance audit.

### **3.4 Changes in certification scope**

There were no changes in the scope of this certificate during the previous year.