



**Bureau Veritas Certification  
North America, Inc.  
SFI Forest Management Audit Report**

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Phone / Fax	719-379-3263
PQC Code	E01E Forestry & logging
Contract Number	US 2133509

Certification Audit:		Re-Certification Audit:		Surveillance Audit:		#1	Scope extension audit:	
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Audit Summary
<p><b>Introduction</b></p> <p>This report summarizes the results of the surveillance audit 1 conducted on Trinchera Property Management LLC (TPM) against the SFI 2015-2019 Forest Management standard. TPM is located near Fort Garland, CO; this is a single site forest. Jim Colla, Bureau Veritas Certification Lead Auditor, conducted the certification audit over 2.5 days from August 23-25, 2016. Mr. Colla is a career forester with over 35 years of experience and an EMS/RABQSA certified lead auditor.</p>
<p><b>Audit Scope, Objectives and Process</b></p> <p>The scope of the certificate is “Land Management”. The purpose of this surveillance audit was to assess conformance of TPM’s SFI program against applicable performance measures and indicators of Objectives 1-15 of the 2015-2019 SFI Forest Management Standard. Specifically, two objectives of the SFI audit were to:</p> <ol style="list-style-type: none"> <li>1. Verify that TPM’s SFI Program is in continued conformance with the SFI objectives, performance measures, and indicators, and any additional indicators that the Program Participant chooses; and</li> <li>2. Verify whether TPM has effectively implemented its SFI Standard program requirements on the ground.</li> </ol>
<p>The opening meeting occurred on August 23, 2016 and took place at the TPM ranch headquarters in Fort Garland, CO. During the opening meeting the objectives for the audit were outlined and the audit process for collecting evidence and making audit findings was explained. Findings of non-conformance, opportunities for improvement, and appeals were also explained. The final audit plan was discussed and agreed upon, and the time and date of the closing meeting were also confirmed. There were no substitutions or edifications of SFI indicators. Standard Bureau Veritas Certification protocols and forms were applied throughout the audit as provided by the current version of the Bureau Veritas Certification SFI Auditor Handbook. Field notes and an SFI indicator checklist were completed. Ty Ryland; Ranch Manager, and/or assigned TPM staff, were present throughout all portions of the audit.</p>
<p><b>Audit Plan</b></p> <p>The audit was conducted over a total of 2.5 days from August 23 through August 25, 2016; plus one day for report writing. A detailed daily audit plan is on file with Bureau Veritas Certification.</p>

## Company Information

TPM, commonly called Trinchera Ranch, is the largest remaining portion of the million-acre Sangre de Cristo Land Grant, established in 1844 by Charles Beaubien, a French Canadian trapper who was then a citizen of Mexico. In 1846, following the Mexican-American War, Sangre de Cristo became part of the United States, which honored the Grant. TPM acquired the property in 2007; it currently occupies approximately 172,000 acres, of which 90,344 are forested and to be included in the certificate scope.

Actively managing and restoring forest and rangelands; in order to preserve and enhance the land and its wildlife, is a primary mission of TPM. Trinchera Ranch has been recognized by the state of Colorado as a wildlife sanctuary for both game and nongame species including bighorn sheep, Rio Grande cutthroat trout, mountain lion, mule deer and elk. Staff works with the Colorado Division of Wildlife to carefully manage hunting on the property through the Ranching for Wildlife program.

All of the Ranch's 172,000 acres are protected by a conservation easement. Trinchera is currently involved in several forest and land management projects that positively affect wildlife in the entire region, including stream restoration and habitat improvement. Trinchera Ranch features a full service lodge for guests to enjoy fly fishing, hiking, hunting, mountain biking, rock climbing, mountaineering, & wildlife viewing.

## Audit Results

The audit consisted of document and record reviews and interviews with all key staff and contractors. In addition, a number field sites in three watersheds were visited, including the two and only active logging operation; that represents the spectrum of activities TPM undertakes.

**Objective 1-Forest Management Planning:** The Trinchera Ranch is now operating under a Forest Management Plan updated in 2015. The ranch has an on-going inventory which was started in 2008, FPS growth and yield projections indicate the Ranch is growing approximately 6.9 MMBF per year. The ranch foresters have access to a complete GIS system which has the entire Ranch ownership with multiple information layers. The ranch has completed studies on carbon storage and has calculated biomass production (tons) for the timberland. On a landscape scale, there is a diversity of timber types, riparian and open meadow areas. All areas are mapped in GIS.

**Objective 2-Forest Health and Productivity:** Currently, all harvest areas are designated for natural regeneration. Most stands are overstocked and the silvicultural prescription is modified commercial thinning to improve wildlife habitat. Aspen restoration is being conducted by clear-cutting and removal of conifer encroachment, aspen relies on natural re-sprouting (coppice) to regenerate.

Following commercial thinning operations or aspen clearcut operations, harvest areas are monitored for any natural regeneration that is established. The goal is to create more grass, shrubs and forage for wildlife. While there is no proscribed minimum stocking levels for Colorado; TPM has developed requirements for regeneration prescriptions and stocking guidelines. Aspen restoration areas are monitored for re-establishment of aspen. There are no issues with re-establishment of aspen in these areas when using constructed elk fences from non-merchantable material around the perimeter of harvest units. No planting has been conducted to date, except for the living snow-fence project on adjacent rangelands.

TPM has Chemical Application Guidelines in place. The only chemicals that are currently being applied are for noxious weed control along rangeland roads. There is no use occurring in forested areas at present.

Guidance for harvesting and any site disturbance activities are driven by the Colorado BMP's. Operators have received training on these guidelines through an SIC approve training program. All observed sites met BMP guidelines for soil disturbing activities.

TPM is actively managing to reduce impacts from the spruce budworm and beetle infestations. Over the past ten years, the budworm and beetle have had a huge impact; this has driven the ranch to develop plans to significantly ramp up efforts to control the outbreaks, which is now estimated to affect 60% of the inventoried stands. The goal is to reduce impacts and reduce epidemic outbreaks in the future. Salvage operations are in progress to harvest dead and dying trees and increase health and vigor of live trees.

TPM conducts slash pile burning each year and pays fees to the State of Colorado. Each year the Ranch contributes to the emergency fire fund for Costilla County. This is voluntary; Trinchera is the largest landowner in the County. TPM has a Type VI Engine.

**Objective 3-Protection and Maintenance of Water Resources:** TPM is committed to adhering to all Colorado BMP's. It has developed its own Riparian Area Management Plan. Employees and contractors have been trained. Ranch foresters monitor road maintenance and harvesting activities for BMP compliance. Conformance is documented on inspection forms. One minor NC issued as an SMZ harvest area was not marked on the ground as required in the BMPs. The Riparian Area Management Plan and Colorado State BMP's govern the management and protection of rivers and streams on the Trinchera Ranch. Legacy roads have been inventoried for hot spots that need attention. Over the last year substantial reconstruction efforts have been undertaken to address these hot spots by relocating segments out of SMZs, upgrading stream crossings and relief culverts, and out-sloping. TPM is very quick to address any issues that may arise from flash flood events, one occurred two before this audit. TPMs pro-active approach to managing their roads, far beyond any BMP requirements, is notable.

**Objective 4-Conservation of Biological Diversity:** As stated in the Forest Management Plan, the Ranch has a diversity of vegetation communities from the valley floor to alpine mountain tops that provide a complexity of habitat types which support a wide array of animal species. Elevations range from 6000' to 14,000'. Slope, aspect, micro-climate and soils create a diverse assemblage and pattern of vegetation. The TPM mission statement encapsulates the management intent "Practice sound stewardship to sustain and enhance the diverse natural resources of the Trinchera Ranch for recreational use and enjoyment, the overall health of the ecosystem, and economic benefit, while preserving the natural beauty of the ranch for future generations".

To meet these goals, TPM has developed structural retention guidelines for timber harvest that address stand-level wildlife habitat elements. These are being implemented at a significant net loss due to the low value of harvest timber. Through harvest operations, the ranch is attempting provide a diversity of stands and age classes that more closely mimics pre-grazing and fire suppression regimes. They are also actively treating rangelands for wildlife habitat improvement and reduction of wildfire risk.

The Trinchera Ranch was directly involved and participated in the development of the Land Protection plan for the Sangre de Cristo Conservation area. The plan is intended to conserve high elevation wildlife habitats. The environmental assessment completed allowed the conservation easements with the U.S. Fish and Wildlife Service and Colorado Open Lands to later be executed on the Trinchera Ranch. In 2009, TPM signed a data license and use agreement with the Colorado Natural Heritage Program to provide natural heritage data for the ranch. The report is extensive and contains element occurrence reports and identifies potential conservation areas. This handbook of information addresses conservation of known sites on the Ranch property. Long term conservation efforts by the Trinchera Ranch for the Rio Grande cutthroat trout have precluded that species from being federally listed.

Through various surveys and inventory cruising, no old-growth forests have been identified on the Trinchera Ranch. An old-growth policy has been developed for future identification and protection of old growth forest types. Past logging history has precluded development of old growth stands. While no FECV has been formally designated, approximately 13,000 acres are in a reserve status where no harvest is planned. The Trinchera ranch exclusively used the Colorado Natural Heritage Program to identify, catalog and map important sites or candidate conservation areas for protection. CNHP has identified four unique plant association communities; the entire ranch is under a conservation easement.

**Objective 5-Management of Visual Quality and Recreational Benefits:** The clearcut treatment policy states individual clearcut size will not exceed 120 acres. To date the clearcut units have all been aspen restoration harvest units. The auditor observed several aspen restoration units, ranging from 8-32 acres. The Trinchera Ranch is gated and not open to the general public for recreation. Limited access may be granted by contacting the ranch manager. Short season limited public hunting is allowed under the requirements listed in Ranching for Wildlife Program.

**Objective 6-Protection of Special Sites:** The Trinchera Ranch uses the Colorado Natural Heritage Program to

identify special sites for protection. Four such sites have been identified on the ranch; all are located on rangelands, none in the forest.

**Objective 7-Efficient Use of Fiber Resources:** There is good utilization of harvest residue considering the marketability of products. Aspen and Douglas fir sawlogs are merchandized for local markets (pallets, furniture stock) and remaining material is marketed for firewood. Residual material is also utilized for constructing elk fences around aspen restoration areas.

**Objective 8: Recognize and Respect Indigenous People's Rights:** There are no federally or state recognized Tribes with treaty rights on the ranch; which was once part of Mexico. The various ingenious peoples that are known to have been in the area were contacted during the environmental assessment process in developing the Land Protection Plan for the Sangre de Cristo Conservation area. No responses were received. Cultural sites are identified through Colorado State Historical Preservation Office and the Colorado Natural Heritage Program. The SFI handbook includes a list of tribes that have historically used the area, contacts and process details.

**Objective 9-Legal and Regulatory Compliance:** The ranch foresters monitor operations several days a week and complete harvest inspection forms. The ranch produces a Forest Annual Work plan that is submitted to the Colorado State Forest Service. An inspection is then made to verify the status of activities. A county permit is also required; comprehensive review and approval of a management plan is required. The ten -year operating permit was approved in 2015. Ranch foresters are responsible for compliance with Colorado BMP's. A written policy statement of commitment to comply with social and workplace requirements is noted in the SFI handbook.

**Objective 10-Forestry Research, Science and Technology:** TPM remains actively involved with the US Fish and Wildlife Service in protection and research on the Rio Grande cutthroat trout. TPM has a long history of cooperation with various federal, state and university entities in a number of forest and range research endeavors. Aspen regeneration and restoration efforts key among them.

**Objective 11-Training and Education:** There has been no turnover of key staff and contractors; staff has been adequately trained for their roles and responsibilities. The Central Rockies SIC has a 16 hour Core Logging Training Curriculum; Trinchera sponsored a course in 2015.

**Objective 12-Community Involvement and Landowner Outreach:** Not audited this surveillance.

**Objective 13: Public Land Management Responsibilities:** Not applicable

**Objective 14-Communications and Public Reporting:** The 2015 TPM Audit Report is posted on the SFI Website. All records necessary for reporting to SFI are maintained electronically and were reviewed as part of this audit. The 2015 SFI Annual Progress Report was submitted to SFI, Inc. as required.

**Objective 15-Management Review:** TPM has a process to review their management system. A robust internal audit and management review was completed July 19-20, 2016. This was done by a consultant fully qualified as a SFI lead auditor. Two minor findings were noted, these were quickly addressed.

## Findings

**Previous non-conformances:** None issued during the certification audit, one minor NC01 issued during the stage 1 audit was quickly closed. Effective conformance recovery has been maintained.

**Non-conformances:** NC02: PM 3.1 (1) – BMPs - BMPs were applied on all sites, with one very minor exception one, the SMZ boundary on the one unit where harvest occurred near the stream was not marked on the ground as noted in the Colorado BMPs. A root cause analysis and correction action were quickly developed and accepted by the auditor. TPM will start flagging SMZs where appropriate.

**Opportunities for Improvement:** None issued.

**Notable Practices:**

P.M 3.2 – Roads and water quality – Legacy roads may have hot spots that need attention. Over the last year substantial reconstruction efforts have been undertaken to address these hot spots by relocating segments out of SMZs, upgrading stream crossings and relief culverts, and out-sloping. TPM is very quick to address any issues that may arise from flash flood events, one occurred two weeks before this audit. TPMs pro-active approach to managing their roads, far beyond any BMP requirements, is notable as no landowner in this region of the country is treating their roads similarly.

P.M 4.1 – Conservation of biological diversity – A number of notable elements remain in place for this PM. The Trinchera Ranch Mission statement encapsulates the management intent “Practice sound stewardship to sustain and enhance the diverse natural resources of the Trinchera Ranch for recreational use and enjoyment, the overall health of the ecosystem, and economic benefit, while preserving the natural beauty of the ranch for future generations”. The ranch structural retention guidelines for timber harvest and rangelands address stand-level wildlife habitat elements. These are being implemented at a significant net loss due to the low value of harvest timber. They are also actively treating rangelands for wildlife habitat improvement and reduction of wildfire risk.

**Logo/label use:**

Trinchera does not intend to use the Bureau Veritas Certification or SFI on-product or off-product trademarks.

**SFI reporting:**

The auditor verified the previous audit report (2015) was submitted and posted on the SFI website. All required information for SFI reporting has been supplied to SFI as required.

**Conclusions**

The closing meeting was held at the TPM Fort Garland, CO office on August 25, 2016. The findings related to the minor non-conformity and notable practices were reviewed, and the confidentiality of audit results assured. The findings were not challenged or appealed. In the opinion of the auditor, Trinchera Property Management LLC continues has implementing an effective SFI program that meets and exceeds the requirements of the SFI 2015-2019 Forest Management Standard. Continued certification is recommended.

**SEE SF61 FOR AUDIT NOTES**

<b>Summary of Audit Findings:</b>									
Audit Date(s):		From: August 23, 2016				To: August 25, 2016			
Number of SF02's Raised:			Major:		0		Minor:		1
Is a follow up visit required:			Yes	No	X	Date(s) of follow up visit:			
Follow-up visit remarks:									
Check in the file next audit									
<b>Team Leader Recommendation:</b>									
Corrective Action Plan(s) Accepted			Yes	X	No		N/A	Date:	Aug 25, 2016
Proceed to/Continue Certification			Yes	X	No		N/A	Date:	Aug 25, 2016
All NCR's Closed			Yes		No	X	N/A	Date:	
Standard audit conducted against:									
1)	SFI 2010:2015 Forest Mgmt			3)					
2)				4)					
Team Leader (1):			Team Members (2,3,4...)						
Jim Colla			2)						
			3)						
Scope of Supply: (scope statement must be verified and appear in the space below)									
'Land Management'									
Accreditation's			ANAB						
Number of Certificates									
Proposed Date for Next Audit Event									
Date		August 22-24, 2017							
Audit Report Distribution									
Trinchera Property Management: Ty Ryland, Ranch Manager - ty.ryland@trinceraranch.com									
Bureau Veritas: Dawn Komnic, Client Account Coordinator; dawn.komnick@us.bureauveritas.com									

<b>Clause</b>	<b>Audit Report</b>
Opening Meeting	<p>Participants: Ty Ryland (ranch manager), James Fischer (ranch forester), Craig Taggart (ranch environmental manager), Vincente Corrao (consultant) and Jim Colla,</p> <p>Discussions:</p> <p>Lead Auditor</p> <ul style="list-style-type: none"> <li>➤ Introductions</li> <li>➤ Scope of the audit</li> <li>➤ Audit schedule/plan</li> <li>➤ Nonconformance types – Major / Minor</li> <li>➤ Review of previous nonconformances - 1</li> <li>➤ Process approach to auditing and audit sampling</li> <li>➤ Confidentiality agreement</li> <li>➤ Termination of the audit</li> <li>➤ Appeals process</li> <li>➤ Closing meeting timing</li> </ul>
Closing Meeting	<p>Participants: Ty Ryland (ranch manager), James Fischer (ranch forester), Craig Taggart (ranch environmental manager), Vincente Corrao (consultant) and Jim Colla,</p> <p>Discussions:</p> <p>Lead Auditor</p> <ul style="list-style-type: none"> <li>➤ Introductions and appreciation for selecting Bureau Veritas Certification.</li> <li>➤ Review of audit process - process approach and sampling.</li> <li>➤ Review of OFIs and System Strengths</li> <li>➤ Nonconformances - 1</li> <li>➤ Date for next audit.</li> <li>➤ Reporting protocol and timing</li> </ul>