



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

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Company Name	TRINCHERA PROPERTY MANAGEMENT, LLC
Contact Person	Ty Ryland
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PQC Code	E01E Forestry & logging
Contract Number	US 2133509

Certification Audit:	X	Re-Certification Audit:		Surveillance Audit:		#	Scope extension audit:	
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Audit Summary	
Introduction	
<p>This report summarizes the results of the stage 2 certification audit conducted on Trinchera Property Management LLC (TPM) against the SFI 2015-2019 Forest Management standard. A stage 1 audit was completed on August 25, 2015. TPM is located near Fort Garland, CO; this is a single site, initial certification audit. Jim Colla, Bureau Veritas Certification Lead Auditor, conducted the certification audit over two days on August 26-27, 2015.</p>	
Audit Scope, Objectives and Process	
<p>The scope of the certificate is "Land Management". The purpose of this certification 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"> 1. Verify that TPM's SFI Program is in conformance with the SFI objectives, performance measures, and indicators, and any additional indicators that the Program Participant chooses; and 2. Verify whether TPM has effectively implemented its SFI Standard program requirements on the ground. 	
<p>The opening meeting occurred on August 26, 2015 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>	
Audit Plan	
<p>The audit was conducted over a total of 2.0 days from August 26 through August 27, 2015, 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. In addition, a number field sites were visited, including the one and only active logging operation; that represents the spectrum of activities TPM undertakes.

Objective 1-Forest Management Planning: The Trinchera Ranch has been operating under a Forest Management Plan originally developed in 1995. It has gone through significant revision to include SFI required elements. It is in near final form, the only remaining piece is inventory of an additional 1853 acres. The ranch has an on-going inventory which was started in 2008, with the final acres to be done in 2016. The ranch foresters have access to a complete GIS system which has the entire Ranch ownership with multiple information layers. The ranch uses FPS to determine growth and yield capabilities. 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. A non-conformity issued during the stage 1 audit concerning rationale over proposed future harvest levels was closed by citing mortality data out of the inventory, Colorado Forest Service forest health assessment data and the interagency wildfire risk map.

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 approved training program. Road construction and maintenance activities observed were done in accordance with Colorado BMP's. Cut and fill slopes and road drainage structures were to specification. Skid trail spacing and layout was done to minimize soil impacts. Where excavated skid trails were required, they were re-contoured and grass seeded following use.

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 estimated to affect 50% 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. Broadcast burning has been conducted on rangelands in the past, to reduce wildfire risks, and will again be done in the future. TPM may consider under-burning in forested stands in the future. 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. 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 may have hot spots that need attention. These are identified by drainage and an operating plan is developed to address any issues prior to logging.

The riparian corridors have been heavily impacted in the past by primarily grazing from sheep and cattle. Many areas have been substantially altered and degraded by these activities. Fire suppression has also played a role. As a result, typical composition of species, their diversity and vigor have been widely compromised. Native riparian woody vegetation displacement and invasion of blue spruce has become so dense that it has shaded out all other vegetation. The absence of dense, fine rooted herbaceous vegetation and heavy-rooted native woody vegetation has allowed incising of many streams and resulting sedimentation. This in turn has adversely affected native fish populations. A key TPM goal is to protect and enhance riparian ecosystem function. Management activities that restore conditions will be prescribed. This often means that the conifer component in the SMZ will be removed so that hardwood species can re-establish.

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 8000' to above 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. Conservation easements have been in place on the Trinchera Ranch through the U. S. Fish and Wildlife Service and Colorado Open Lands for several years. 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 protected the species locally and contributed to its long-term health.

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. The majority of clearcut units will be aspen restoration harvest units. The auditor observed several aspen restoration units, ranging from 10-40 acres. To date only aspen stands have been clearcut. 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. Most of the sites are located in either rangeland or alpine communities. Four areas identified as Candidate Conservation Areas are located within areas of potential forest treatment. These areas are not currently identified for treatment, but will be treated in a manner that protects these values if eventually treated in some manner.

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 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 permit has been approved for 2015. Ranch foresters are responsible for regulatory compliance with Colorado BMP's. A written policy statement of commitment to comply with social and workplace requirements is noted in the SFI handbook. Applicable policies and regulations are posted in the ranch workroom. Auditor has confirmed via interview that employees and subcontractors are free to associate with whomever they wish.

Objective 10-Forestry Research, Science and Technology: TPM is 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. Trinchera participated in the annual Central Rockies SIC meeting via phone on August 26.

Objective 11-Training and Education: Staff has been adequately trained for their roles and responsibilities. The Master Contract for Logging contains a clause requiring training. Trinchera has recently joined the Central Rockies SIC. The SIC has a 16 hour Core Logging Training Curriculum, SIC logger training was completed on August 4-5, 2015 on site and included all contractor personnel as well as relevant ranch personnel. The participants received a Master Logger Certificate. Loggers are required to complete 12 hours of continuing education every two years to maintain certification.

Objective 12-Community Involvement and Landowner Outreach: Trinchera has long been involved with multiple public outreach activities. Trinchera has participated in regional conservation efforts and operates under a conservation easement with the U.S. Fish and Wildlife Service and Colorado Open Lands.

TPM has joined the Central Rockies SIC which now consists of two members. At present there is no dues structure or financial contributions from the SIC for outreach.

Objective 13: Public Land Management Responsibilities: Not applicable

Objective 14-Communications and Public Reporting: Trinchera understands they will be required to submit the approved audit summary report for posting on the SFI website. Trinchera understands the SFI annual progress report will be submitted next spring once certified.

Objective 15-Management Review: TPM has a process to review their management system. A robust internal audit and management review was completed prior to the stage 1 audit. This was done by a consultant fully qualified as a SFI lead auditor. The internal audit occurred July 21-22; several subsequent reviews were held to ensure all identified items were addressed.

Findings

Previous non-conformances: (stage 1)

NC01: PM 1.1 (2) – Long term sustainable harvest levels - FPS growth and yield projections indicate the ranch is growing approximately 6.2 MMBF per year. While general statements are made in the forest management plan to justify going from a harvest equals growth number of 138 MMBF to what is proposed at 250 MMBF over the next 20 years; specificity and rationale for accelerated harvest is lacking. The finding was not challenged and the management team went to work to develop specific rationale for the proposed harvest levels. This was provided (by citing mortality data out of the inventory, Colorado Forest Service forest health assessment data and wildfire risk map) and the management plan has been updated accordingly. The NC was closed effective August 26 at 0800, paving the way to continue on with the stage 2 audit.

Non-conformances: None issued.

Opportunities for Improvement: None issued.

Notable Practices:

P.M 4.1 – Conservation of biological diversity – A number of notable elements are 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.

Trinchera 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. Trinchera Ranch has a conservation easement in place covering the ranch with the U. S. Fish and Wildlife Service and an overlay easement with Colorado Open Lands covering the southern half of the ranch.

In 2009, TPM signed a data license and use agreement with the Colorado Natural Heritage Program to provide data for the ranch. The report is extensive and contains element occurrence reports and identifies potential conservation areas. This information addresses conservation of known sites on TPM property. Long term conservation and research efforts by TPM for the Rio Grande cutthroat trout have protected it locally and also provided a unique guided fishing experience.

Logo/label use:

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

SFI reporting:

Not applicable, initial audit.

Conclusions

The closing meeting was held at the TPM Fort Garland, CO office on August 27, 2015. The findings related to the stage 1 non-conformity and notable practice was 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 has developed and is implementing an effective SFI program that meets the requirements of the SFI 2015-2019 Forest Management Standard. Immediate certification is recommended.

SEE SF61 FOR AUDIT NOTES

Summary of Audit Findings:										
Audit Date(s):			From: August 26, 2015				To: August 27, 2015			
Number of SF02's Raised:				Major:		0		Minor:		0
Is a follow up visit required:			Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>	Date(s) of follow up visit:			
Follow-up visit remarks:										
Team Leader Recommendation:										
Corrective Action Plan(s) Accepted			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	Date:	
Proceed to/Continue Certification			Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input type="checkbox"/>	Date: Aug 27, 2015	
All NCR's Closed			Yes	<input type="checkbox"/>	No	<input type="checkbox"/>	N/A	<input checked="" type="checkbox"/>	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			1							
Proposed Date for Next Audit Event										
Date		August 23-25, 2016								
Audit Report Distribution										
Trinchera Property Management: Ty Ryland, Ranch Manager - ty.ryland@trincheraranch.com										
Bureau Veritas: Dawn Komnic, Client Account Coordinator; dawn.komnick@us.bureauveritas.com										

Clause	Audit Report
Opening Meeting	<p>Participants: Ty Ryland (ranch manager), James Fischer (ranch forester), Craig Taggart (ranch environmental manager), Brock Purvis (consultant), Gary Ellingson (consultant); and Jim Colla, Lead Auditor</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions ➤ Scope of the audit ➤ Audit schedule/plan ➤ Nonconformance types – Major / Minor ➤ Review of previous nonconformances - 1 ➤ Process approach to auditing and audit sampling ➤ Confidentiality agreement ➤ Termination of the audit ➤ Appeals process ➤ Closing meeting timing
Closing Meeting	<p>Participants: Ty Ryland (ranch manager), James Fischer (ranch forester), Craig Taggart (ranch environmental manager), Brock Purvis (consultant), Gary Ellingson (consultant); and Jim Colla, Lead Auditor</p> <p>Discussions:</p> <ul style="list-style-type: none"> ➤ Introductions and appreciation for selecting Bureau Veritas Certification. ➤ Review of audit process - process approach and sampling. ➤ Review of OFIs and System Strengths ➤ Nonconformances - 0 ➤ Date for next audit. ➤ Reporting protocol and timing