



**FSC Certification Report for the
2006 Annual Audit of:**

Swanton Pacific Ranch Forest-California State University Foundation

Certificate Number: SCS-FM/COC-00071N

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

Date of Field Audit: December 14, 2006

Date of Report: January 12, 2007

**Scientific Certification Systems
2200 Powell Street, Suite 725
Emeryville, CA 94608**

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Client Contact: Steve Auten, Swanton Pacific Forest Manager

Section 2.0 (Surveillance Decision and Public Record) will be made publicly available on the SCS website (www.scscertified.com) no later than 60 days after the report is finalized.

1.0 GENERAL INFORMATION

1.1 CONTACT INFORMATION

- Certified entity: Swanton Pacific Ranch, California State University Foundation
- Contact persons: Brian Dietterick, Steve Auten
- Address: 125 Swanton Road, Davenport, CA 95017
- Telephone: (831) 427-1718
- E-mail: bdietterick@calpoly.edu, sauten@calpoly.edu
- Certified products: Redwood and Douglas-fir logs
- Number of Acres/hectares certified: 2997 acres
- Nearest Town: Davenport, CA
- Biome: Temperate Conifer
- Tenure: Private
- Forest Composition: coast redwood, Douglas-fir, Monterrey pine, and oak
- Managed as: Natural Forest

1.2 General Background

This report covers the first annual audit of Swanton Pacific Ranch (SPR) pursuant to the FSC guidelines for annual audits as well as the terms of the forest management certificate awarded by Scientific Certification Systems in May 2004 (SCS-FM –00071N). 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.scscertified.com.

Pursuant to FSC and SCS guidelines, 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
- 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 December 2006 annual audit, there was one open Corrective Action Requests the status of Swanton Pacific's response to this CAR was a key focus of the annual audit (see discussion below for a listing of the CAR and the disposition as a result of this annual surveillance audit).

1.3 Guidelines/Standards Employed

For this annual audit, the SCS auditor evaluated the extent of conformance of the Swanton Pacific Ranch forest management program with the FSC Pacific Coast Regional Standard v9.0. As this was an annual audit, the auditor did not endeavor to assess conformance with the entirety of the Regional Standard. Rather, the intent is that over the span of 4 annual surveillance audits the full scope of the Regional Standard will be covered.

2.0 SURVEILLANCE DECISION AND PUBLIC RECORD

2.1 Assessment Dates

The December 14th 2006 audit was the second annual surveillance audit of Swanton Pacific Ranch since the award of certification. The original audit was conducted in September 2003; the certificate was issued on May 3, 2004.

This annual audit required 1.5 auditor days:

- 1.0 day for audit preparation including stakeholder consultation and document review.
- 0.5 day for the audit conference call and report preparation.

2.2 Assessment Personnel

Mr. Sterling Griffin: Sterling Griffin is a Certification Forester with Scientific Certification Systems (SCS). He is a Registered Professional Forester in the State of California with professional experience in private and public land management. He is a graduate of Purdue University with a B.S in Forestry and has participated in Forest Stewardship Council (FSC) endorsed assessments on over 4 million acres of forestland throughout the United States. As a forest certification practitioner, he has conducted certification assessments on public lands including Michigan DNR, Indiana Division of Forestry, and private operations in Oregon, Washington, and California. Prior to joining SCS, he was the founder of a private consulting firm in Northern California specializing in sustained yield management, fuel reduction, and forest health management. His professional career also includes conducting silvicultural and ecosystem research for the U.S. Forest Service. Areas of research activities included stand level response to vegetative competition and Long-Term Ecosystem Productivity (LTEP) in the Pacific Northwest.

2.3 Assessment Process

The 2006 annual audit for Swanton Pacific Ranch was conducted under the FSC Desk Audit protocols. Under these procedures, the certification body conducts at least one FMU level site visit at the end of the first year in which the certificate was issued, and at least one additional FMU level site visit during the period of validity of the certificate. If there are no outstanding

corrective actions to be evaluated and no unresolved complaints requiring evaluation the remaining surveillance evaluations may be based on review of documentation and records and do not require FMU level site visits.

Swanton Pacific Ranch qualifies as a SLIMF's, and is therefore allowed to undergo a maximum of two desk audits during the four years of annual audits after a main evaluation. In preparation for the 2006 annual audit, the auditor conducted stakeholder interviews and reviewed documents including the Ranch and Forestland Management Plans, NTMPs, THPs, and Water Quality Annual Reports. The audit conference call was used to get a general update on SPR activities and to determine if those activities were in continued conformance with FSC standards.

2.4 Status of Corrective Action Requests and Recommendations

Corrective Action Request

Background/Justification: The use of the FSC Logo on the SPR web site is not in conformance with the FSC logo use guidelines, as the obligatory text is not inserted immediately below the logo.	
CAR 2005.1	Staff responsible for the content of the Swanton Pacific Ranch web site must consult with the SCS logo administrator for the purpose of modifying the use of the FSC logo on the web site to bring it into conformance with the FSC logo use guidelines. For instance, the SPR CoC certificate number must be included immediately below the FSC logo.
Deadline	Within 60 days of receipt of this audit report.
Reference	FSC Logo Use Guidelines as incorporated into the FSC Logo Pack that was conveyed to SPR at the time of award of certification.
Status	Auditor Comments (2006): The FSC logo displayed on the SPR ranch is now in conformance with the FSC logo use guidelines. CAR is closed.

Recommendations

Background/Justification: To further enhance the level of transparency and public access to key documents associated with the management of the SPR Forest, it would be helpful if a hotlink was created on the Ranch web site to the CCRWQCB web site. The reason is that the annual report submitted to the CCRWQCB by Ranch managers that details the results of road monitoring is posted on the CCRWQCB web site. So a link from the SPR web site to the CCRWQCB web site will enhance overall transparency.	
REC 2005.1	Swanton Pacific Ranch/Cal Poly personnel should consider creating, on the Ranch web site, a link to the Central Coast Regional Water Quality Control Board web site, specifically to the place on the CCRWQCB web site that contains annual road monitoring reports submitted to SPR.
Reference	FSC Criteria 4.4, 6.1., 7.4 and 8.5

	Auditor Comments (2006): SPR managers have responded favourably to this recommendation and intend to create such a link.
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Background/Justification: SCS prefers that our certificate-holding clients use our corporate logo in conjunction with the FSC logo, particularly in off-product logo use circumstances.	
REC 2005.2	Swanton Pacific Ranch/Cal Poly personnel should consider employing the SCS logo in conjunction with their use of the FSC logo on the Ranch web site
Reference	FSC and SCS Logo Use Guidelines
	Auditor Comments (2006): SPR has indeed placed a SCS logo on their website with a link to the company website.

Background/Justification: While SPR managers have now demonstrated, through a Cross Walk document conveyed to the SCS Lead Auditor, that all of the monitoring requirements enumerated in FSC Criterion 8.1. are being addressed in the collective body of SPR planning documents, there is not a concise publicly available summary.	
REC 2005.3	SPR managers should consider: a) posting the Monitoring Activities Cross Walk on the SPR web site so as to provide the public with an easily digestible summary of where the results of various monitoring activities are available within other planning documents and, b) developing a standard operating procedure for generating an annual monitoring report.
Reference	FSC Criterion 8.5
	Auditor Comments (2006): SPR has posted a monitoring link on their website, but the attached spreadsheet does not display change associated with management activities. The public summary should be posted on the website to make it more accessible to the general public.

2.5 General Observations

Major activities during 2006 included the preparation a Non-Industrial Timber Management Plan for forested stands on the ranch and an intensive forest management course conducted by the University. As part of the submission of the NTMP, a portion of the ranch (Scotts Creek Unit) is undergoing a zoning change from Commerical Agriculture to Timber Production Zone (TPZ). This would resolve questions regarding the ability to obtain regulatory approval for timber harvesting on this parcel.

No harvesting activities occurred during 2006; however, a work completion report was filed for the 2004 Lower Little Creek THP. Additionally, monitoring activities including the Monitoring and Reporting Program annual report were completed.

The Little Creek Project is a highly acclaimed paired watershed study designed to assess impacts related to timber harvesting activities. This study should greatly contribute to the discussion on the adequacy of the California Forest Practice Rules to protect water quality. This type of activity, along with other courses and guided tours, appears to be well suited to the goals associated with the establishment of the Ranch endowment, especially the “learn by doing” philosophy. Swanton Pacific Ranch managers are to be commended for their contribution to advancing social and environmental awareness as they relate to forest management in the State of California.

2.6 New Corrective Action Requests and Recommendations

No new Corrective Actions Requests or Recommendations were generated as a result of the 2006 annual audit.

2.7 General Conclusions of the Annual Audit

Based upon information gathered through the stakeholder consultations, audit conference call, and document reviews, the SCS lead auditor concludes that Swanton Pacific’s management of the Cal-Poly forest estate in Santa Cruz County, California continues to be in strong overall compliance with the FSC Principles and Criteria, as further elaborated by the Pacific Coast Regional Guidelines v9.0. That is, and while there remains aspects of the management program for which there are opportunities for further improvement relative to the standard of certification, the SCS auditor has concluded from this annual audit that Swanton Pacific’s forest management program is in general conformance with FSC Principles 1 through 9 (Principle 10 is not applicable as Swanton Pacific’s operations are classified as “natural forest management” under the FSC definitions). As such, continuation of the certification is warranted subject to ongoing annual surveillance audits.

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 audit. Section 3.2 discusses any stakeholder comments.

3.1 Evaluation of Conformance

The auditor chose to focus on Principles 5 and 8 during this surveillance audit:

REQUIREMENT	N/C	COMMENT/CAR
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.		
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.	C	SPR was donated to Cal Poly in 1993 and is managed by the College of Agriculture, Food, and Environmental Sciences. The Al Smith Agriculture Endowment along with various research grants, timber receipts, and agricultural leases position SPR in good financial standing and should allow adequate investment in forest protection measures.
C5.2. Forest management and marketing operations should encourage the optimal use and local processing of the forest's diversity of products.	C	The local sawmill, Big Creek Lumber, has purchased nearly all of SPR timber sales in the recent past.
C5.3. Forest management should minimize waste associated with harvesting and on-site processing operations and avoid damage to other forest resources.	C	Residual stands had minimal stand damage following most recent harvesting operations. Managers actively supervise contractors to keep damage and wastes within acceptable levels.
C5.4. Forest management should strive to strengthen and diversify the local economy, avoiding dependence on a single forest product.	C	In addition to redwood timber sales, SPR has initiated a new Enterprise Project that will teach students to cut and mill lumber on the ranch sawmill and then construct octagon picnic tables to be sold locally.
C5.5. Forest management operations shall recognize, maintain, and, where appropriate, enhance the value of forest services and resources such as watersheds and fisheries.	C	SPR is conducting a long term study to determine the effects of timber harvesting on water quality and fish habitat. Great care is taken when operating near watercourses.
C5.6. The rate of harvest of forest products shall not exceed levels that can be permanently sustained.	C	CFI plots are used to gather data on standing inventories and growth data. The ranch forest management plan, and NTMPs, use the inventory to prepare annual allowable cut levels.
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.		
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.	C	Monitoring activities undertaken on the ranch far exceed efforts on similar sized operations. A CFI system has been established and is inventoried every 10 years. The Little Creek Project is a paired watershed study designed to evaluate timber harvesting impacts on water quality. Measurements are taken from a control stream and above and below harvest areas on the experimental stream. The Monitoring and Reporting Program for the Wavier of Discharge Permit is publicly available and includes a Road Inventory and Maintenance Program.
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.	C	Volume of timber harvests is tracked by mark tallies and mill tickets and filed for use in future NTMP calculations. Growth, regeneration and condition of forest is closely monitored with the CFI system. Social impacts are evaluated by public comments on THPs and NTMP along with high levels of public interaction associated with other ranch activities including guided education tours, u-pick orchards, and train museum visits.
8.2.a. Yield of all forest products harvested.	C	Captured in CFI
8.2.b. Growth rates, regeneration, and condition of the forest	C	Captured in CFI
8.2.c. Composition and observed changes in the flora and fauna	C	Captured in CFI and preharvest Rare Plant Surveys
8.2.d. Environmental and social impacts of harvesting and other operations	C	CFI and extensive public involvement
8.2.e. Cost, productivity, and efficiency of forest management	C	Covered by extensive forest management planning documents including the General Ranch Management Plan, Forest Management Plan and NTMPs

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."	C	Load tickets include Certificate number
C8.4. The results of monitoring shall be incorporated into the implementation and revision of the management plan.	C	Monitoring data is used to revise harvest levels within NTMPs
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.	C	All ranch management planning documents and monitoring documents are available to the public. The web site is being updated to include additional monitoring results as they are compiled.

3.2 Stakeholder Comment

The Following types of stakeholders were interviewed as part of the 2006 annual audit:

- Locally based environmental organizations and conservationists
- Forest industry representative
- State regulatory agency personnel
- Swanton Pacific Ranch personnel

Summary of Comments

Economic

- SPR is good representative of well-managed forestland
- Concerns over rumors of potential sale of property

Social

- Concerns over log truck traffic
- Support of educational mission
- SPR is good neighbor and forest steward

Environmental

- No regulatory violations
- Careful when operating near watercourses and building roads
- In general, SPR managers are "good players"
- Committed to FSC when developing management plans

3.3 Controversial Issues

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

3.4 Changes in Certificate Scope

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