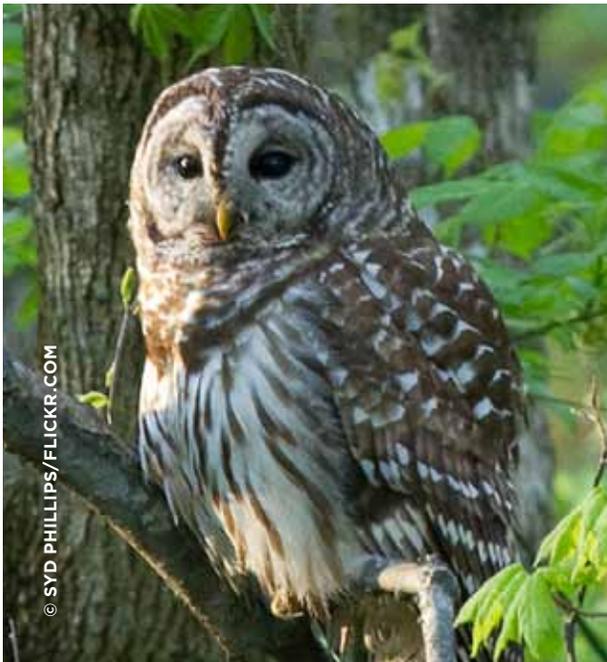




NORTH COAST FOREST CONSERVATION INITIATIVE



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At The Conservation Fund,

we believe that well-managed forests can be both economically viable and ecologically sustainable. On California's North Coast, we are demonstrating a new approach to forest conservation that balances environmental restoration and stewardship with the economic imperatives of ownership and the desire to sustain the local timber economy. Since 2004, with the help of our public and private partners, we have protected more than 100,000 acres of forestland as part of our North Coast Forest Conservation Initiative. Of these protected forests, we own and manage more than 54,000 acres: the Garcia River, Big River, Salmon Creek and Gualala River forests. We seek to demonstrate that large, understocked tracts of coastal forest can be returned to ecological and economic viability through patient, adaptive management by a nonprofit organization, in partnership with private and public entities and community stakeholders.

We invite you to learn more about the major accomplishments, challenges and activities of our program in 2011. Our success results from strong support among a diverse set of partners—neighbors, local businesses, government agencies and conservation groups. Thank you for your interest and support!

THE CONSERVATION FUND
www.conservationfund.org

*Redwood Forest, CA (top).
Barred owl (above)*



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Volunteer Linda Perkins, caring for a redwood seedling (left).

Madrone tree berries (right).

Caspar Index

2009 2010 2011

	2009	2010	2011
Timber harvest acreage	501	857	291
Volume of logs removed (net board feet)	1,484,000	5,329,00	956,280
Number of log trucks	330	1,250	225
Carbon offsets: Climate Reserve Tonnes generated and verified	511,546 metric tons of CO2 reductions	739,762 metric tons of CO2 reductions	375,065 metric tons of CO2 reductions
Cumulative miles of roads covered in Sediment Source Assessments	375	450 All major roads have now been assessed on Big River, Salmon Creek and Garcia River forests.	
Approximate cubic yards of sediment saved through road improvement projects	44,689	30,663	21,472
DFG salmonid spawner survey reaches sampled	6	5	5
Numbers of logs added to streams to improve salmonid habitat	62 (Inman Creek, Garcia)	0	266 (Signal Creek, North Fork Garcia River, Little North Fork Big River)
Number of instream remote water temperature monitoring stations (Hobo Temps)	38	38	38
Lowest summer stream temperature (Mean Weekly Average Temperature)	49F (Upper Two Log Creek in Big River)	46F (Upper Two Log Creek in Big River)	48F (Upper Two Log Creek in Big River)
Highest summer stream temperature (Mean Weekly Average Temperature)	73F (mainstream Big River at easternmost property boundary line)	75F (mainstream Big River at easternmost property boundary line)	70F (mainstream Big River at easternmost property boundary line)
Northern spotted owl activity centers	32	32	32
Northern spotted owl successfully fledged	1-Garcia, 4-Big River/Salmon Creek	5-Garcia, 3-Big River/Salmon Creek	1-Garcia, 2-Big River/Salmon Creek
Barred owl activity centers detected	1-Salmon Creek	3-Garcia, 1-Salmon Creek	3-Garcia, 1-Salmon Creek
Miles of roads treated to reduce invasive weeds	10	3	34
Estimated local economic contribution (employment, contractors, purchases)	\$2.1 million	\$3.9 million	\$2.8 million
Number of participants in the Pedestrian and Equestrian Stewardship Access Program on Salmon Creek and Big River	12	19	16
Public tours offered on the property	9	12	10
Estimated number of illegal marijuana gardens on the Garcia River Forest	16	14	12

2011 Highlights

The North Coast program made important gains this year. Working with partners across California, we:

- **Completed California's largest working forest conservation easement.** In July, the Wildlife Conservation Board (WCB) granted TCF \$19.5 million in Prop 84 funds to purchase a conservation easement from the Redwood Forest Foundation on 49,678 acres of the Usal Redwood Forest. This land is now permanently protected.
- **Protected the 14,000-acre Gualala River Forest.** We have conveyed a working forest conservation easement on this property to The Nature Conservancy. Our conservation work was possible thanks to a WCB grant of \$19 million.
- **Protected a 464-acre portion of the Ten Mile Ranch near the mouth of the Ten Mile River,** with funding from the California Coastal Conservancy and the David and Lucile Packard Foundation. We are now working with The Nature Conservancy to secure funding for a conservation easement over an adjacent 875-acre property.

These projects enjoyed extraordinary support in the local community and at all levels of government, reflecting a broad recognition that well-managed working forests are essential to the long-term ecological health and economic productivity of the region's iconic redwood forests. We are deeply grateful to WCB for their long-standing support of the Forest Conservation Program and these projects.

Like any year, 2011 was not without challenges. All forest owners in the region confronted weak demand for logs and lumber, which limited our ability to complete all of our planned operations. The entire region also grieved the loss of community members Matt Coleman and Jere Melo, killed in the line of duty while working for other conservation organizations. In response to this loss, local conservation groups and timberland owners have redoubled efforts to maintain the highest standards of forest safety and security, in partnership with local, state and federal partners.



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Timber Harvests

The continued downturn in the economy and the overabundance of logs on the market brought the price of redwood to a historic low. We deferred almost all redwood harvest for better market conditions, while maximizing one of the best export markets in years for fir and whitewoods. On Big River we operated two timber harvest plans—the North of 20 THP (extended from 2008) and Elephant Seal. On Garcia we resumed two old THPs, Lower North Fork #2 and Upper North Fork. As planned, we deferred all harvest on Salmon Creek. For 2012, we anticipate modest operations on Big River, Garcia and Gualala forests.

Azaleas on Salmon Creek (above).

Licensed timber operator Rick Hautala, at work on the Salmon Creek Forest (left).

Restoration and Enhancement



With the help of several key partners, including the California Department of Fish and Game and The Nature Conservancy, we made significant management improvements to benefit habitat, including installing wood and upgrading roads. Some highlights:

- Signal Creek (Garcia):** With cost-share funding from the Department of Fish and Game (DFG), Pacific Watershed Associates completed the upgrading of more than 5 miles of forest road and decommissioning of 2.9 miles of forest roads in the Garcia Forest Signal Creek Watershed. An estimated sediment savings of 13,680 cubic yards was achieved through upgrade and decommission treatments of 61 potential sediment delivery sites and associated reaches of hydrologically connected roadbed, ditch and cutbank surfaces. This project included a large wood installation project to enhance stream habitat with funding by The Nature Conservancy. To view a short video on large wood installation produced by the Nature Conservancy go to www.screencast.com/t/rHzlyzUBbAzy
- North Fork (Garcia):** With cost-share funding from the National Oceanic and Atmospheric Administration and The Nature Conservancy, 41 road abandonment sites were completed with a total sediment savings of 5,097 cubic yards. The North Fork Garcia Large Wood Habitat Enhancement Project was completed with the installation of 80 pieces of large wood along 1.5 miles of the active river channel.
- North Fork and Blue Waterhole (Garcia):** Road upgrade projects, funded by TCF included 42 sites, preventing a total of 7,464 cubic yards of potential sediment delivery. This project included the replacement of 24 culverts.
- East Branch Little North Fork (Big River):** Initiation of a road upgrade project, funded by The S.D. Bechtel Jr. Foundation, to be completed in 2012.
- Little North Fork (Big River):** Large wood installation project, cost-share funding from the Department of Fish and Game. During implementation, 81 pieces of large wood were placed within the bankfull channel, within the 1.7 mile project area. All wood was either anchored, i.e. wedged using nearby riparian roughness elements, or left completely unanchored.

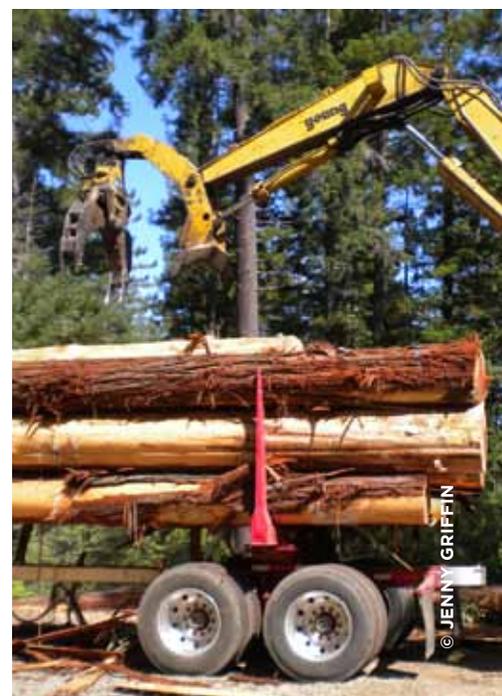
The Good of Wood

During 2011, we completed three significant projects that will quickly improve fish habitat. By strategically adding logs to our waterways, we formed “pools” where fish can safely hide and rest. The pools also increase stream complexity and diversity and eventually lower stream temperature, making the waters a healthier habitat. Our strategies are designed to mimic natural conditions, providing a cost-effective, low-impact way to manage habitat. Our efforts follow on pioneering work by The Nature Conservancy, Trout Unlimited and Campbell Timberland Management.

In addition to the stream-related work, we are pleased to have been able to work with the California Conservation Corps on a weeklong effort to remove invasive plants on Salmon Creek, with significant engagement from the local community.

Large wood installation site on the Little North Fork of Big River (above).

Loading logs on Big River (right).



Botanical Surveys

For the past six years, TCF has contracted with local botanists Geri Hulse-Stephens and Kerry Heise to conduct rare plant surveys on our properties. Stephens and Heise have made important discoveries, such as the 2005 discovery of Santa Cruz clover, a plant that had not previously been found in Mendocino County but is now recognized as occurring throughout the Garcia River Forest. In spring 2011, they also found Monterey clover on our Big River property. Listed as endangered, with only 25 previously known plants, Monterey clover thrives on our Big River property, where an estimated 5,000 plants occur. This discovery results from countless days of systematically classifying all the tiny plants along the edge of a small stretch of logging road.



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Stewardship Permit Access Program

2011 was the second successful year for our permit-based pedestrian access program in the Big River and Salmon Creek forests, which was launched as an effort to provide access, cultivate stewardship and increase surveillance on the property. Our permit-based equestrian program in the Salmon Creek forest completed its third year. We are pleased with the development and acceptance of the access programs and will continue to evaluate them annually on cost of administration, avoidance of environmental impacts and respect for our neighbors' privacy and property rights.

Forest Certification

In October 2011, verifiers for the Forest Stewardship Council (FSC) and Sustainable Forestry Initiative (SFI) programs completed their audit of the North Coast Forest Conservation Program. As they have for the past five years, the auditors found that our forest management operations remain in overall conformance with both standards—the two strictest and most comprehensive standards for forest management available. In addition, TCF actively participates in the California SFI Implementation Committee. TCF welcomes comments and suggestions regarding our forest certification, particularly as may relate to concerns about inconsistent practices. Full audit reports are available at:

www.conservationfund.org/north_coast_forests/documents.



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Monterey clover (top).

Garcia River Forest (left).

Replacing the Mill D Bridge on the Garcia River (above).

Climate Action

Both the Garcia River Forest and the Big River and Salmon Creek forests are Conservation-Based Forest Management projects registered with the Climate Action Reserve (CAR) and verified by Scientific Certification Systems. In 2011, the forests produced 275,000 metric tons of verified emission reductions. Sale of these offsets has provided significant additional financial support for the forests, enabling us to accelerate restoration activities and defer harvests when log prices are low. Additional references and project documents are available on the CAR website, www.climateactionreserve.org, and numerous publications are available on our website.



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Personnel

Our success stems from our consistent, dedicated team of employees and consultants. This year, we're pleased to announce news for one of our team members: Madison Thomson has received his Registered Professional Forester license. He's the youngest RPF in California, and we're very pleased he's taking on yet more responsibility with us.

Big River Forest (above).

Coastal tailed frog (middle).

Forest certification field review at the Garcia River Forest (right).



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Acknowledgments

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Margery Hoppner, Accounting

Geri Hulse-Stephens, Botany

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of Fish and Game

California State
Coastal Conservancy

David and Lucile
Packard Foundation

Mendocino Land Trust

North Coast Regional Water
Quality Control Board

Pulte Holmes Inc.

S. D. Bechtel Jr. Foundation

Salmon Creek Project Team

The Nature Conservancy

Wildlife Conservation Board

MAJOR CUSTOMERS:

3 Degrees*

Agwood Mill & Lumber

CW Wood Products

Disney Company*

EcoProducts*

Humboldt Exports, LLC

Humboldt Redwood
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*Salmon Creek volunteers plant
redwood seedlings (top).*

*Office Manager Holly Newberger shows off figs
picked at Jack's Opening—homestead site on
Garcia River Forest (above).*

Contact Us

Please see our website for more information on the North Coast Forest Conservation Initiative:
www.conservationfund.org/north_coast_forests

Detailed monitoring reports are also available by topic from our office in Caspar, CA:
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