



Sustainable Conservation

2007 ANNUAL REPORT

15
YEARS
1993-2008



DEAR FRIENDS: We're thrilled to celebrate Sustainable Conservation's 15th anniversary with you – our committed donors and partners.

Sustainable Conservation grew from a simple but very powerful idea: protecting the environment can also be good for business. From the start, we passionately believed that collaboration – rather than confrontation – with the private sector was the key to true sustainability.

As you'll read inside, we continue to engage California industries to take on pressing issues like climate change, air and water pollution, and disappearing wildlife.

In 2007, Sustainable Conservation launched our Climate Change Agricultural Initiative – crucial because agriculture accounts for roughly 10% of the state's greenhouse gas emissions. We promoted first-of-their-kind farming practices, technologies and programs to turn global warming gases into renewable energy and income. In doing so, we also cut air pollution, improved water quality and increased biodiversity.

Through our popular PlantRight campaign, we worked with the state's horticultural industry to stop the sale of harmful invasive plants. In partnership with major retailers like Lowe's, the industry is replacing problem plants which

wreak havoc on California's unique wild places with beautiful, safe alternatives, helping the industry grow.

There are many reasons to celebrate – and to be optimistic about Sustainable Conservation's next 15 years. With your support, we continue to advance a powerful brand of environmental problem-solving that seeks balanced ways to protect the planet and people.

With sincere thanks,

A handwritten signature in blue ink, reading 'Russell Siegelman'.

Russell Siegelman
Board Chairman

A handwritten signature in blue ink, reading 'Ashley Boren'.

Ashley Boren
Executive Director



Over the last 15 years, Sustainable Conservation and our partners from business, agriculture and government have proven time and time again that environmental gains don't have to mean economic losses.



OUR TRACK
RECORD
OF SUCCESS



Reduced California agriculture’s greenhouse gas emissions by 12,000 tons since 2003. That’s like taking 40,000 cars off the road. We did this by promoting methane digesters – proven technology for converting cow manure into electricity.

Generated enough renewable electricity from digesters to power more than 3,000 homes and offset \$2 million in energy costs to farmers.

Through our renewable energy efforts, diverted 500,000 tons of manure from 40,000 cows that could have otherwise ended up contaminating drinking and irrigation water.

Statewide, digesters have the potential to cut methane – a greenhouse gas 21 times more potent than carbon dioxide – by 450,000 tons a year and power roughly 120,000 homes.

Combating climate change in California and beyond through farming

In collaboration with California farmers, researchers and regulators, we’re promoting a suite of promising farming practices, technologies and incentives to slow climate change. With our partners, we’ll ...

- ▶ Prevent the release of harmful greenhouse gases through creative farming methods like the use of methane digesters, reduced tractor use and less fertilizer.
- ▶ Develop the first-ever carbon offset program designed for California agriculture, rewarding farmers for keeping our skies clean.
- ▶ Produce renewable energy for homes and fuel for automobiles from agricultural wastes.

Our goal

A model for reducing the emissions that fuel climate change, greater stability for the farm economy and increased energy independence.



WHAT’S AT STAKE Climate change is the greatest environmental challenge we have ever faced. In California, threats to freshwater supplies, agriculture, biodiversity and human health are increasing. Although most people associate greenhouse gases with power plants and cars, agriculture – the growing, harvesting and transporting of food and other goods – accounts for roughly 10% of what California emits. Agriculture is part of the climate change solution for California and beyond.



Expanded our permit coordination program, Partners in Restoration (PIR), across millions of acres in California since 1998 to boost water quality and fish habitat. PIR earned a 2004 Governor’s Environmental and Economic Leadership Award, the state’s highest environmental honor.

Created a statewide certification program with the State of California Auto Dismantlers Association that rewards recyclers for processing vehicles sustainably and preventing polluted runoff.

Completed a series of rigorous studies that found copper from automobile brake pads accounts for up to 50% of all human-generated copper discharged into Bay Area waterways. We and our partners are now pursuing legislation that limits copper in brake pads sold in the state.

Empowering individuals and industries to protect clean water

Our approach to improving water quality is to make it easier for committed Californians and businesses to protect the water resources under their care. With their help, we’re working to ...

- ▶ Conserve and restore a diversity of watersheds across millions of acres in California by expanding our Partners in Restoration program – which makes it easier for landowners to implement conservation projects that reduce erosion and polluted runoff.
- ▶ Protect drinking water for people, and sources of fresh water for fish and crops, through the application of farming practices and technologies which limit the harmful impacts of chemicals and sediment.
- ▶ Shape public policies to protect clean water which industries can implement without impacting their bottom lines.

Our goal

Clean water for people and wildlife, and powerful models for environmental stewardship in which people and businesses actively participate.



WHAT’S AT STAKE Poor water quality harms people and wildlife. The majority of California’s rivers, streams, lakes and wetlands don’t meet current clean water requirements. Engaging the private sector and public is crucial to address ongoing threats to the quality of California’s precious water resources in a rapidly growing state.



OUR TRACK
RECORD
OF SUCCESS



Reduced dust and diesel emissions by 70% and 45%, respectively, since 2003 on California farms practicing conservation tillage. Statewide, this and other practices could cut dust pollution from agriculture by up to 85%.

Expanded the number of conservation tillage acres in California to more than 80,000 with help from our industry, academic and government partners. That's over 60,000 football fields.

Saved farmers \$2 million in fuel, maintenance and labor costs.

Enabled farmers to save up to a month previously dedicated to field cultivation and grow three crops a year. In 2007 alone, the ability to produce more than the traditional one or two crops helped California farmers offset \$8 million in livestock feed.

Reducing pollution and improving health through sustainable agriculture

To promote farming practices that make good sense for the planet and people, we're advancing the adoption of cultivation techniques that reduce harmful emissions throughout the Central Valley.

Our vision is to ...

- ▶ Cut tons of dust and diesel emissions each year from agriculture through sustainable cultivation methods like conservation tillage, which is less damaging and less costly.
- ▶ Help farmers stay in business and slow the conversion of irreplaceable farmland to urban sprawl.
- ▶ Improve public health in regions hit hardest by farming's unintended consequences – including those in the San Joaquin Valley which has some of the dirtiest air and highest rates of respiratory illness in the county.

Our goal

Dramatically cleaner air, healthier communities and a viable industry for those who grow and harvest our food.



WHAT'S AT STAKE When people hear “air pollution,” they usually think of cars or factories. But much of this pollution comes from a surprising source – farming. Standard cultivation practices leave California fields exposed to the wind, and tractors kick up dust and emit diesel fumes – two major sources of air pollution in the state. Hardest hit is the Central Valley, which grows more than 50% of the fruits and vegetables consumed in the US each year. Economical practices with less environmental impact will help communities and farmers breathe easier.



Launched the PlantRight campaign to stop the sale of damaging invasive plants and promote beautiful, safe alternatives. PlantRight has the potential to trim the more than \$85 million California spends each year on controlling and eradicating invasive species.

Enabled landowners across 800,000 acres in California to protect a variety of endangered wildlife through innovative conservation tools like Safe Harbor Agreements.

Kept the imperiled Tricolored blackbird off the endangered species list. We and our partners did this by developing a groundbreaking recovery strategy involving habitat conservation, research and public education.

Building healthy ecosystems through habitat restoration and species conservation

To secure the future of California’s unique wildlife, we’re enlisting the help of farmers, ranchers and other landowners in voluntary conservation. Together, we’ll ...

- ▶ Identify and prioritize the most biologically rich, agriculturally productive and vulnerable working landscapes for conservation.
- ▶ Promote the adoption of conservation programs and tools which reward committed landowners for their sound environmental stewardship – and help them keep their land in production.
- ▶ Execute on-the-ground projects throughout key regions to protect a multitude of declining species like the kit fox (left).

Our goal

Thriving wildlife and habitat – and even more ways committed landowners can protect California’s unique animals and plants.



WHAT’S AT STAKE Habitat destruction is driving once-healthy populations of animals, plants and insects to extinction. California is home to a wider array of wildlife than any other state and has the greatest number of species found nowhere else on earth. Because half of California is privately owned – and more than half of the state’s imperiled species make their homes on private land – the health of these and other species largely rests in the hands of private landowners.

Because you, our supporters, are very important to us, the preceding list was developed with great care and attention. We sincerely apologize for any errors and ask that you contact us at (415) 977-0380 so we may correct our records.

PARTNERS

Sustainable Conservation extends our sincere gratitude to our dedicated partners.

- Advanced Drainage Systems
- Affinia
- Ag Innovations Network
- Agricultural Leadership Foundation
- Akebono Brake Corporation
- Alameda County Resource Conservation District
- Alameda Countywide Clean Water Program
- American Farmland Trust
- American Nursery and Landscape Association
- American Society of Landscape Architects, Northern California Chapter
- Amyris Biotechnology
- AQUA TERRA Consultants
- Aquarium of the Pacific
- Association of Bay Area Governments
- Association of Landscape Design Professionals
- Atmospheric and Environmental Research, Inc.
- Audubon California
- Bank of America
- Bay Area Open Space Council
- Bay Area Stormwater Management Agencies Association
- Biodiesel Industries
- BiRite Food Service
- Brake Manufacturers Council – Product Environmental Committee
- Brake Parts, Inc.
- Cachuma Resource Conservation District
- CALFED Bay-Delta Program
- California Agricultural Commissioners and Sealers Association
- California Air Resources Board
- California Association of Nurseries and Garden Centers
- California Association of Resource Conservation Districts
- California Biodiversity Council
- California Cattlemen’s Association
- California Climate Action Registry
- California Coastal Commission
- California Coastal Conservancy
- California Cotton Growers and Ginners Association
- California Dairy Campaign
- California Dairy Quality Assurance Program
- California Department of Conservation
- California Department of Fish and Game
- California Department of Food and Agriculture
- California Department of Transportation
- California Department of Water Resources
- California Energy Commission
- California Environmental Dialogue
- California Environmental Protection Agency
- California Farm Bureau Federation
- California Invasive Plant Council
- California Landscape Contractors Association
- California Native Plant Society, Santa Cruz County Chapter
- California Polytechnic State University, San Luis Obispo
- California Resources Agency
- California Rice Commission
- California Roundtable on Agriculture and the Environment
- California State Floral Association
- California State University, Fresno
- California State Water Resources Control Board

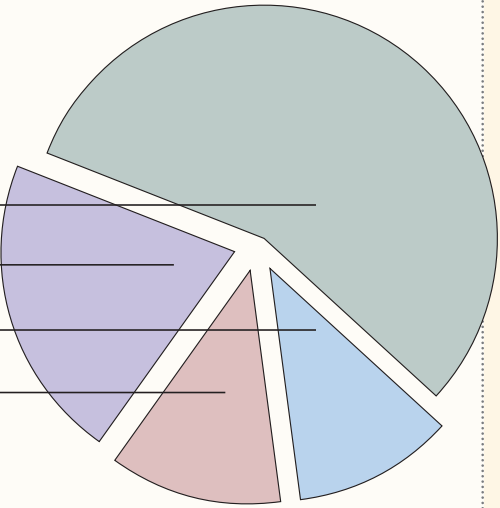
- California Stormwater Quality Association
- CALSTART
- Central Coast Regional Water Quality Control Board
- Central Coast Resource Conservation and Development Council
- Central Valley Bird Club
- Central Valley Joint Venture
- Central Valley Regional Water Quality Control Board
- CLEAN South Bay
- Clemson University
- Coastal San Luis Resource Conservation District
- Community Fuels
- Contra Costa County Department of Public Works
- Contra Costa County Resource Conservation District
- Cotton Growers and Ginners Association
- Cottonwood Creek Watershed Group
- Crowell Dairy Farm
- Defenders of Wildlife
- E2 – Environmental Entrepreneurs
- East Lake County Resource Conservation District
- East Merced Resource Conservation District
- Ecological Solutions, Inc.
- Elkhorn Slough Foundation
- Environmental Defense
- Erb Institute for Global Sustainable Enterprise, University of Michigan
- Extengine Transport Systems
- Friends of Marsh Creek Watershed
- Glenn County Resource Conservation District
- Great Valley Center
- Grower-Shipper Association
- Hilmar Cheese
- Humboldt County Resource Conservation District
- Huntington Botanical Gardens
- Hydro Engineering, Inc.
- Inland Empire Utilities Agency
- Lawrence Livermore National Laboratory
- Loma Prieta Resource Conservation District
- Longfellow Farming Company
- Los Angeles Regional Water Quality Control Board
- Marin County Resource Conservation District
- Mendocino County Resource Conservation District
- Merced County Department of Public Works
- Merced County Resource Conservation District
- Tim Merkel, Ph.D.
- Milk Producers Council
- Mission Resource Conservation District
- Monrovia
- Morro Bay National Estuary Program
- Morse Automotive
- National Marine Fisheries Service
- Natural Resources Defense Council
- The Nature Conservancy
- North Coast Regional Water Quality Control Board
- Olsen-EcoLogic Engine Testing Laboratories
- Pacific Coast Producers
- Pacific Gas and Electric
- Peninsula Open Space Trust
- Point Reyes National Seashore – National Park Service
- PRBO Conservation Science
- Process Profiles
- Quikrete
- RCM Digesters
- Redwood Community Action Agency
- Resource Conservation District of Monterey County

- Resource Conservation District of Santa Cruz County
- Resource Landowners Coalition
- RIDNIS – UC Davis
- Riparian Habitat Joint Venture
- Sacramento Municipal Utilities District
- Sacramento River Partners
- San Benito Resource Conservation District
- San Diego County
- San Diego Regional Water Quality Control Board
- San Francisco Bay Regional Water Quality Control Board
- San Francisco Estuary Institute
- San Francisco Estuary Project
- San Joaquin Valley Air Pollution Control District
- San Joaquin Valley Clean Energy Organization
- San Luis Obispo County
- San Mateo County Farm Bureau
- San Mateo County Resource Conservation District
- Sand County Foundation
- Santa Cruz County
- Sierra Club
- Soil and Water Conservation Society
- Sonoran Joint Venture
- State of California Auto Dismantlers Association
- TDC Environmental
- Tennessee Valley Authority
- Trout Unlimited
- Tulare Basin Wildlife Partners
- Tulare Lake Basin Working Group
- UC Cooperative Extension
- UC Cooperative Extension, Contra Costa Master Gardeners Program
- UC Cooperative Extension, Davis
- UC Cooperative Extension, Kearney Agricultural Center
- UC Cooperative Extension, Kings
- UC Cooperative Extension, Riverside
- UC Cooperative Extension, Stanislaus
- UC Cooperative Extension, Tulare
- UC Davis
- UC Davis Arboretum
- UC Santa Cruz Arboretum
- UC Sustainable Agriculture Research and Education Program
- University of Washington
- Upper Salinas-Las Tablas Resource Conservation District
- URS Corporation
- US Army Corps of Engineers
- US Department of Agriculture, Natural Resources Conservation Service
- US Department of Interior
- US Environmental Protection Agency
- US Environmental Protection Agency, Region 9
- US Fish and Wildlife Service
- US Geological Survey
- Ventura County Resource Conservation District
- West Lake County Resource Conservation District
- Western United Dairymen
- Yamagami’s Nursery
- Yolo County Resource Conservation District

2007 FINANCIAL HIGHLIGHTS

SUPPORT AND REVENUE

Foundation Grants	56%
Contributions	21%
Government Grants	12%
Client Services	11%

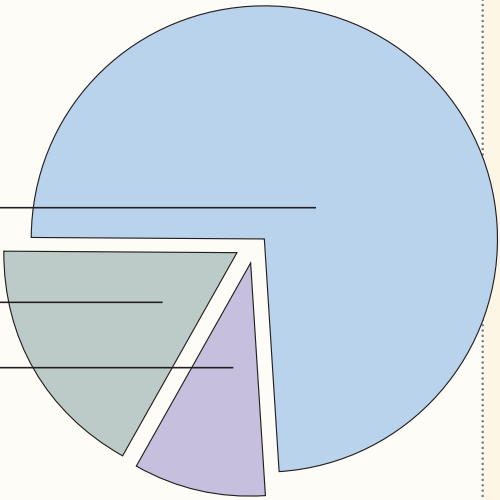


STATEMENT OF ACTIVITIES

Government Grants	\$	400,272
Foundation Grants		1,846,086
Contributions		629,337
Client Services		371,057
In-Kind		28,080
Other		3,207
Total Support and Revenue	\$	3,278,039

EXPENSES

Program	75%
General and Administrative	16%
Fundraising	9%



Program	\$	1,663,909
General and Administrative		353,076
Fundraising		197,129
Total Expenses	\$	2,214,114
Net Assets Beginning of Year	\$	864,757
Net Assets End of Year		1,928,682
Increase in Net Assets	\$	1,063,925

For a complete financial report audited by Ghaffari Zaragoza LLP, Certified Public Accountants, please contact Sustainable Conservation.



“We’ve always been highly impressed with Sustainable Conservation. They have a real solutions-based approach to problems. They also clearly demonstrate through their projects that environmental solutions are good for the earth and good for business.”

Amy Lyons, Executive Director, Richard and Rhoda Goldman Fund



Governor Arnold Schwarzenegger congratulates Ashley Boren, Sustainable Conservation Executive Director, on receiving a 2007 James Irvine Foundation Leadership Award. The award recognizes Ashley's innovative, collaborative approach to solving critical environmental problems facing California.



Sustainable Conservation

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