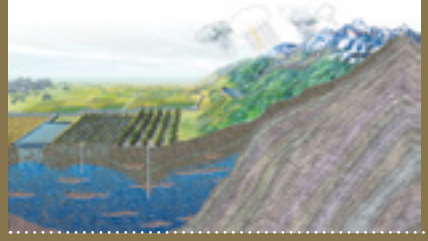
2013 ANNUAL REPORT

SOLUTIONS
FOR OUR GOLDEN STATE

Sustainable Conservation



RIGHT PLACE.
RIGHT TIME.
RIGHT APPROACH.

Dear Friends:

We've long known that difficult times provide fertile ground for Sustainable Conservation's brand of collaborative problem solving to protect California's natural resources, economy, and people. Your generous support has helped build our track record as an honest broker in growing environmental solutions that make economic sense.

Thanks to you, we're ready to tackle our Golden State's biggest challenges yet.

The escalating drought poses a triple threat – jeopardizing our drinking water, food supply, and wildlife habitat. We're meeting this environmental calamity with powerful engagement of business to sow a better path forward. Your 2013 contributions enabled us to join forces with farmers, irrigation districts, and fellow conservation groups to enact community-based strategies that unite for a sustainable water future for the entire state.

As wildfire season strikes earlier and earlier in the year, we continue to make tremendous progress in safeguarding our homes and open spaces from an unlikely fire agitator: invasive garden plants. Our dynamic partnership with the nursery industry removes problem plants from the supply chain – alleviating fire risk and preserving California's unique biodiversity. Your support has shifted this innovative solution into its next phase of growth.

We hope you'll read more inside about the latest advances you've made possible in our efforts to marry business vitality with conservation success.

Together, we're in the right place at the right time with the right approach. Thank you again for progressing ahead of the curve with us.

Warm regards,

Russell Siegelman
Board Chair

Ashley Boren
Executive Director

A THIRSTY PLANET

Freshwater – essential to existence – comprises a mere 3% of all water on earth. California's drought brings that stark, global reality close to home.

The Challenge | California in Crisis

Human survival depends on water. Our biology, and the ecology of the natural world we call home, leans heavily on one of the world's most limited resources.

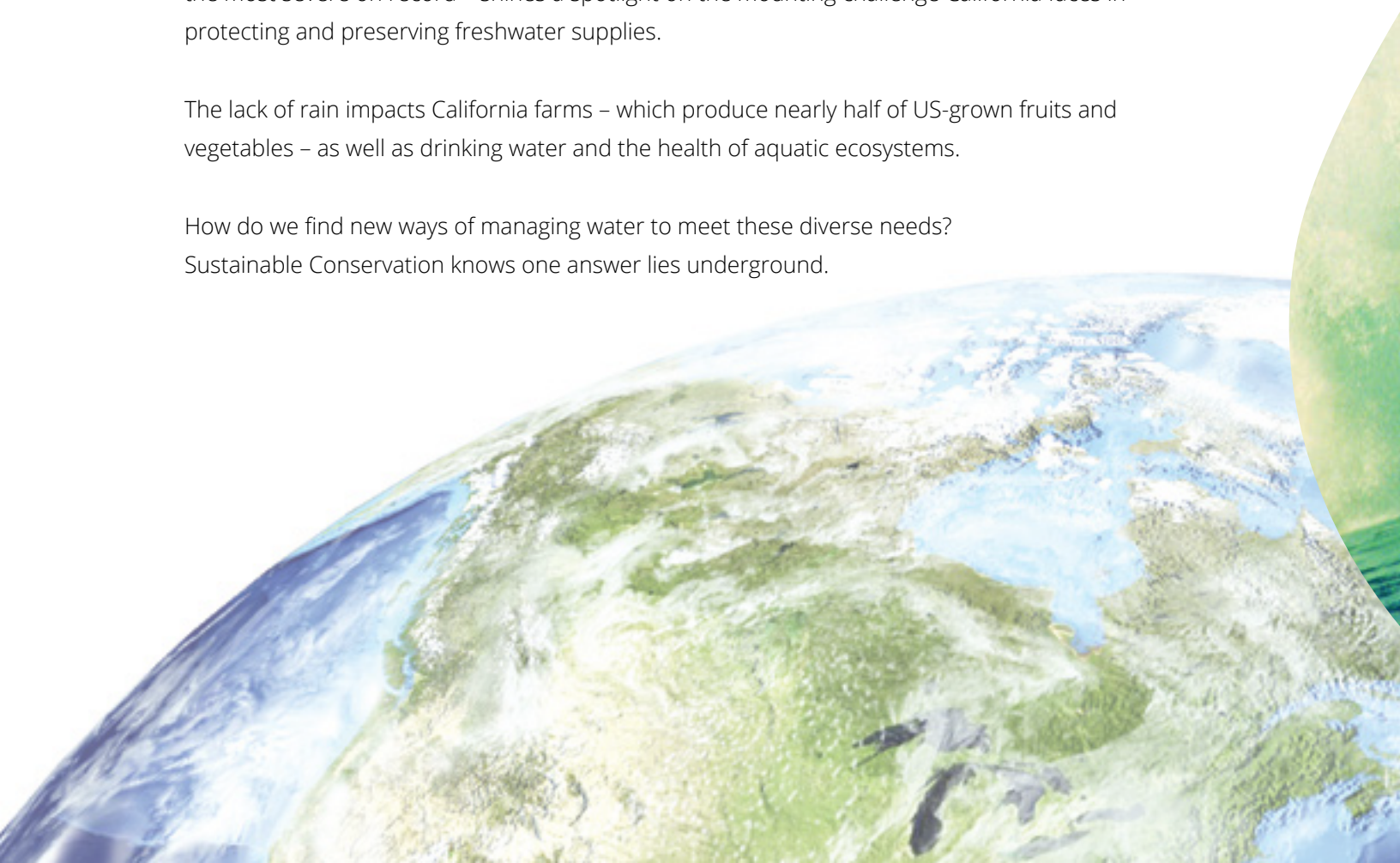
Every cell in our bodies requires water to function properly, to propel us forward in our lives. To care for our families, run our businesses, nurture our communities, and craft our legacies. We need fresh, clean water to maintain our health, grow the food we eat, and create thriving homes for fish and many other species in our rivers and streams.

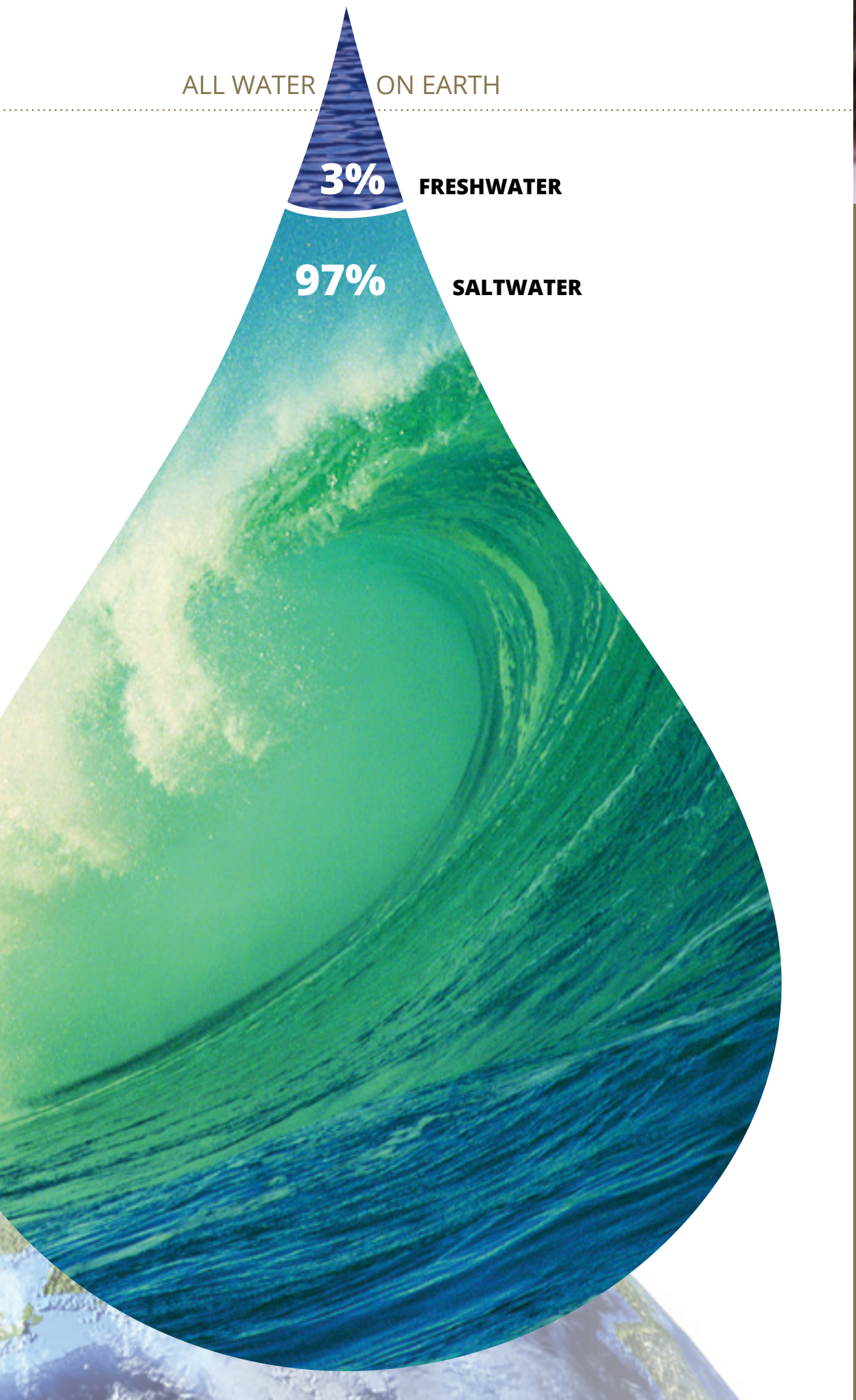
In years past, we may have looked right through water, thought little about the origin and limits of the crystal streams running from our faucets and nourishing our crops. We may have taken this clear element of daily life for granted.

The Golden State's drought crisis has changed all that. Our current state of scarcity – one of the most severe on record – shines a spotlight on the mounting challenge California faces in protecting and preserving freshwater supplies.

The lack of rain impacts California farms – which produce nearly half of US-grown fruits and vegetables – as well as drinking water and the health of aquatic ecosystems.

How do we find new ways of managing water to meet these diverse needs?
Sustainable Conservation knows one answer lies underground.





California's freshwater comes from rain and snowmelt, which flows through rivers, streams, and canals to lakes and reservoirs. As the water winds in great ribbons across the land, some of it percolates down through the soil into aquifers deep below our feet. These hidden groundwater basins have 10 times greater storage potential than anything on the surface. Pumped groundwater provides around 40% of all freshwater used in California during average years. During drought years, that percentage can creep past 60%. The subterranean resource supplies the vast majority of Californians – 75% of us, or nearly 30 million people – with a portion of our drinking water.

A THIRSTY PLANET

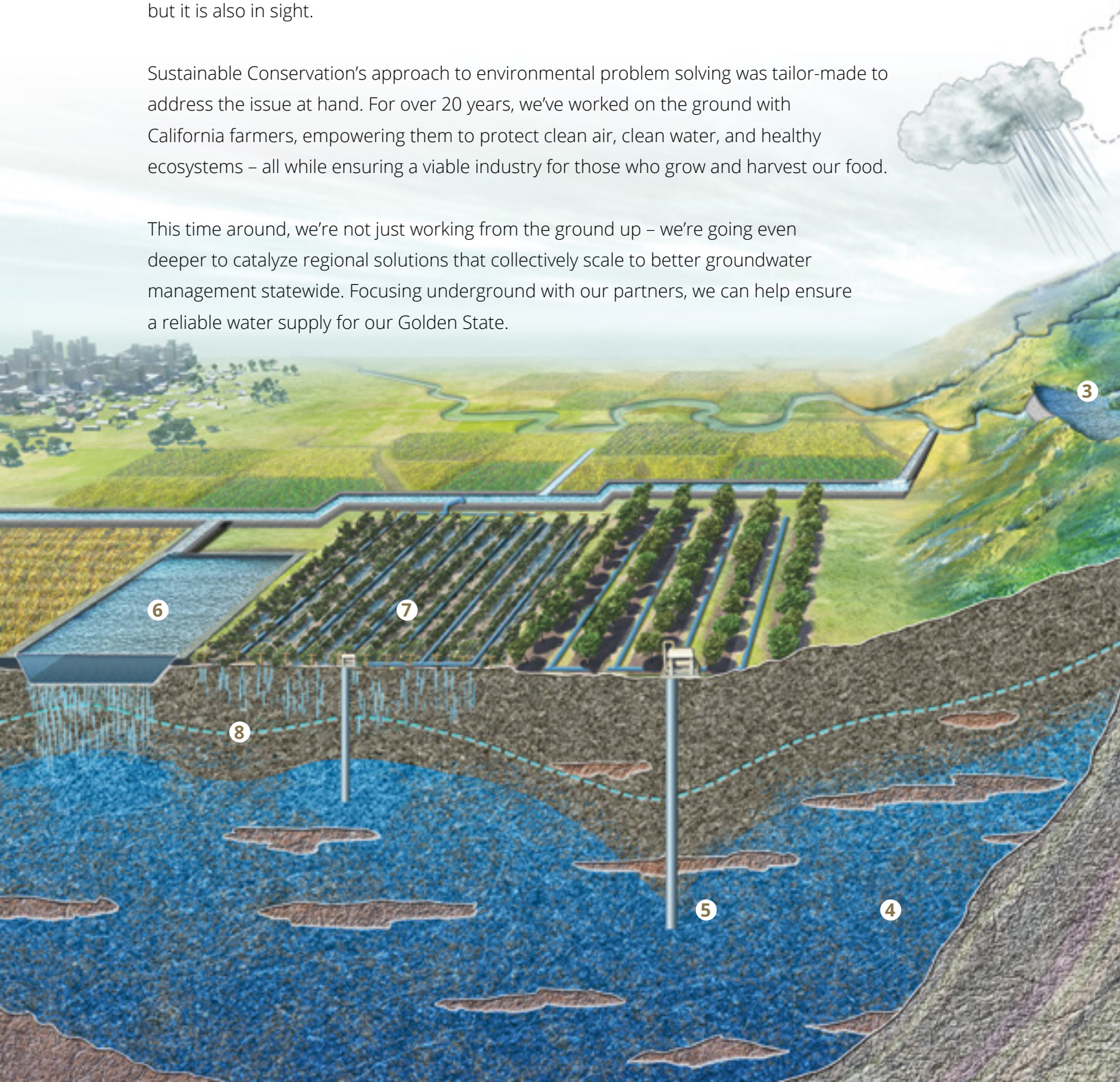
Sustainable Conservation invests in groundwater's incredible storage potential today to build a secure water supply tomorrow.

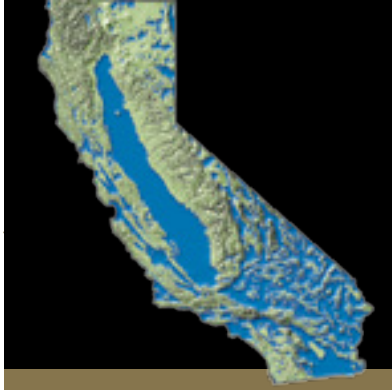
The Solution | Putting Water in the Bank

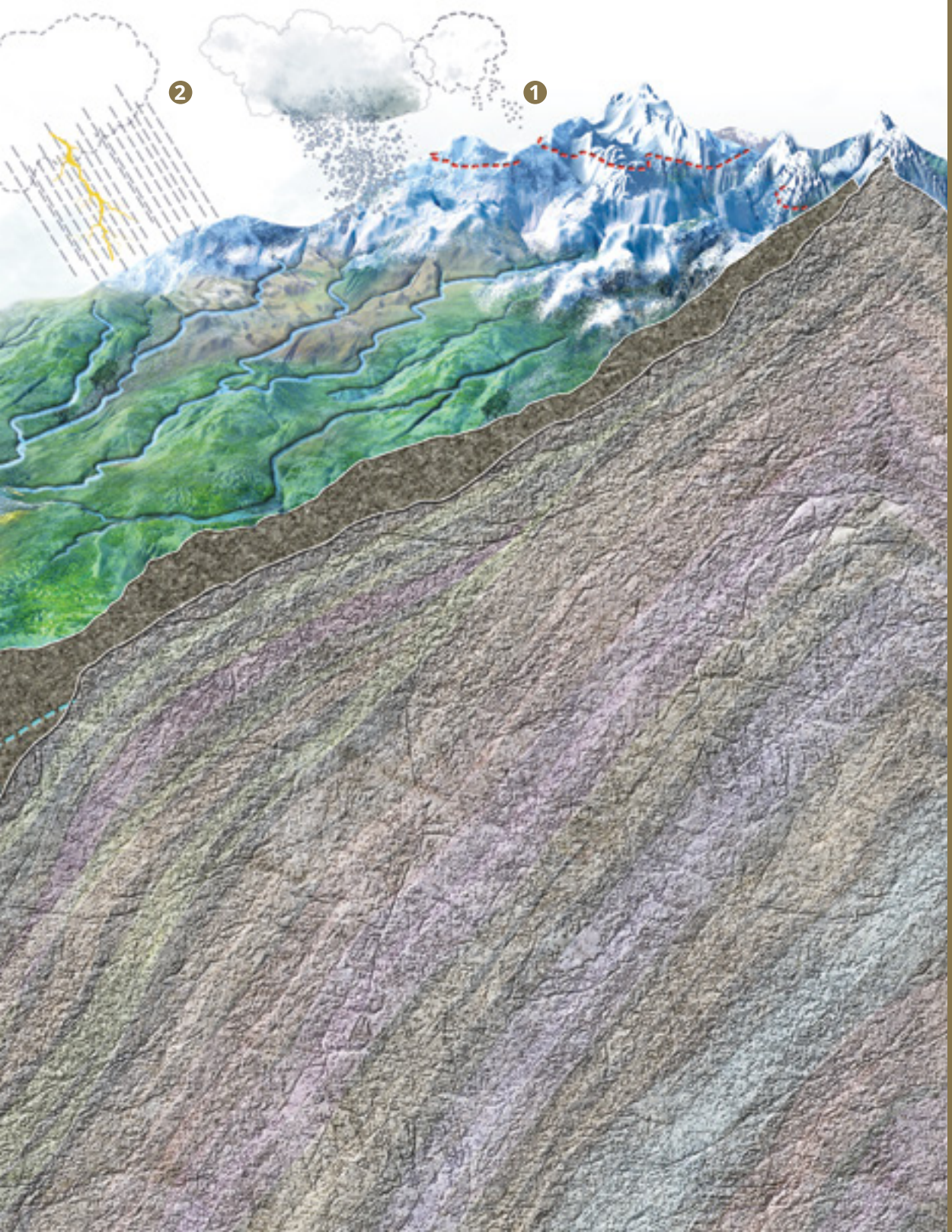
The drought has our attention. A sustainable water future for California is in peril – but it is also in sight.

Sustainable Conservation's approach to environmental problem solving was tailor-made to address the issue at hand. For over 20 years, we've worked on the ground with California farmers, empowering them to protect clean air, clean water, and healthy ecosystems – all while ensuring a viable industry for those who grow and harvest our food.

This time around, we're not just working from the ground up – we're going even deeper to catalyze regional solutions that collectively scale to better groundwater management statewide. Focusing underground with our partners, we can help ensure a reliable water supply for our Golden State.







Sustainable Conservation partners with farmers, irrigation districts, and fellow conservation groups to improve groundwater management – promoting responsible pumping of the deep stores during dry years, and allowing levels to replenish during wet years. Together, we can provide a powerful survival strategy with which to confront future droughts. As climate change continues to shift precipitation trends, we will see less snow and more rain in the coming years. As the annual snowpack in the Sierra Nevada diminishes ❶, rain unleashed by increasingly volatile storm events ❷ will run quickly off the land and be difficult to capture. As dry years deplete freshwater available in our rivers, lakes, and reservoirs ❸, we need to keep surface flows in place for fish and other aquatic species. Hidden beneath our feet, groundwater ❹ *(and map above)* holds our best hope for a sustainably hydrated California. During wet years, the avoidance of over-pumping ❺, and capture of floodwater on fields through dedicated recharge basins ❻ and within active cropland ❼, will allow groundwater levels to recover ❽.

A THI

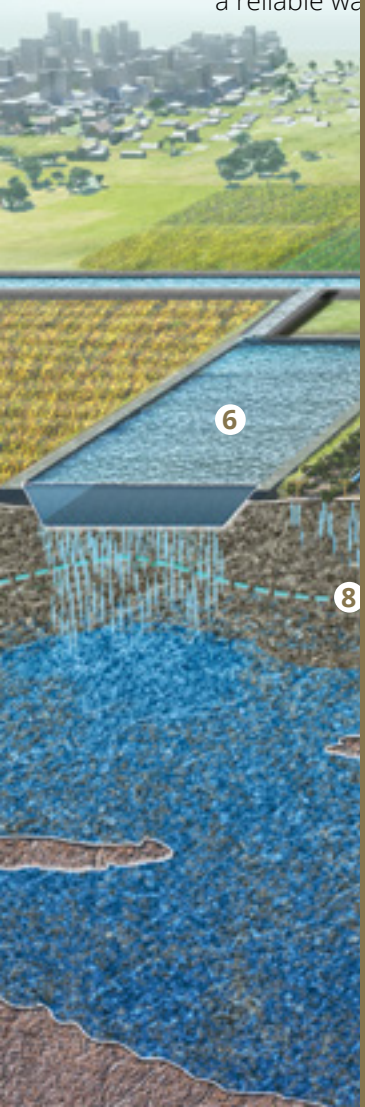
**Sustainabl
today to bu**

The Solu

The drought
but it is also

Sustainable
address the
California fa
ecosystems

This time ar
deeper to ca
managemen
a reliable wa



Replenishing Groundwater

Kings River Basin

FRESNO COUNTY

In the high water year of 2011, Sustainable Conservation partnered with Don Cameron of Terranova Ranch to test an unusual practice that could aid regional water woes – the application of seasonal floodwater from the Kings River onto active cropland to help recharge groundwater.

Don grows wine grapes and other crops in his corner of Fresno County, and his neighbors thought he was crazy when they saw standing water slaked across his valuable vineyard acreage for weeks. As we had hoped, Don was able to recharge a significant amount of water to the aquifer without suffering any yield losses.

We're growing this solution by engaging additional farmers, irrigation districts, water management agencies, and the Kings River Conservation District to accept flood flows onto working cropland. This innovative strategy can renew and balance groundwater needs without requiring the purchase of more land or easements for dedicated recharge basins. By 2017 we aim to capture an additional 25,000 acre-feet of flood flows from the Kings River to replenish groundwater during wet years – and bolster a reliable water supply during future droughts.

Conserving Groundwater

Pajaro Valley

SANTA CRUZ AND MONTEREY COUNTIES

In the Pajaro Valley, an agricultural region known for its berries and other high-value crops, years of over-pumping groundwater have caused seawater from nearby Monterey Bay to steadily seep inland. Salt pollution of underground stores threatens farming production and communities who rely on groundwater for their drinking water.

Sustainable Conservation is working with a unique group of partners to reverse this trend. Together, we're developing metrics and incentives to accelerate adoption of water conservation technology and practices. As we connect farmers with feedback about the efficiency of their water and fertilizer use, and improve their ability to report the results, collective efforts in the region have the potential to reduce agricultural water use by up to 30% *and* cut down on nitrate contamination.

Meeting the needs of local farmers and communities, we're building toward a renewable water supply while also improving water quality. As our partner Sacha Lozano (Program Manager, Resource Conservation District of Santa Cruz County, pictured far right above) knows, dual benefits like these are core to enduring environmental solutions.

Sustainable Conservation partners with farmers, irrigation districts, and fellow conservation groups to improve groundwater management – promoting responsible pumping of the deep stores during dry years, and allowing levels to replenish during wet years. Together, we can provide a powerful survival strategy with which to confront future droughts. As climate change continues to shift precipitation trends, we will see less snow and more rain in the coming years. As the annual snowpack in the Sierra Nevada diminishes ❶, rain unleashed by increasingly volatile storm events ❷ will run quickly off the land and be difficult to capture. As dry years deplete freshwater available in our rivers, lakes, and reservoirs ❸, we need to keep surface flows in place for fish and other aquatic species. Hidden beneath our feet, groundwater ❹ *(and map above)* holds our best hope for a sustainably hydrated California. During wet years, the avoidance of over-pumping ❺, and capture of floodwater on fields through dedicated recharge basins ❻ and within active cropland ❼, will allow groundwater levels to recover ❽.

BEAST IN THE BEAUTY

More than half of California's invasive plants were originally introduced through gardening.

The Challenge | Looks Can Be Deceiving

With its glossy green leaves and attractive purple flowers, periwinkle (*Vinca major*) 1 is quite the charmer. Home gardeners looking to plant groundcover may be drawn to periwinkle – but the plant has a dark side. Fast-growing and fiercely competitive, periwinkle can quickly jump the fence from yards, or even slither forth from garden containers, to form dense mats of growth that wreak havoc on natural ecosystems. A notoriously thirsty plant, periwinkle flourishes near creeks and streams where the plant can drink greedily and easily send bits of vine downstream to establish new populations. Aggressive in setting down roots, even fragments of the plant are enough to start new vines – which build monocultures that crowd out native vegetation and degrade animal habitat. Periwinkle can also host Pierce's disease, a bacterial infection deadly to grape vines in California and other states.

Pampas grass (*Cortaderia selloana*) 2 beguiles gardeners with its feathery plumes growing forth from majestic stands – but don't get the wrong idea about this plant's soft appearance. A single pampas grass plume can produce 100,000 seeds annually, and those wily seeds can blow up to 20 miles in the wind, allowing the grass to spread rapidly and ruthlessly colonize new areas. Pampas grass grows quickly and soon towers over its neighbors, reducing light availability and directly threatening such native species as the beloved Mission Blue butterfly. Significant quantities of extremely flammable biomass produced by the giant plant put urban and suburban communities in harm's way by increasing both the frequency and intensity of fire.

More than half of California's invasive plants – including periwinkle and pampas grass – were originally introduced through gardening channels. How can we stem this tide?

Sustainable Conservation has the answer.

Invasive species are the second greatest threat to biodiversity after outright habitat destruction, and are a contributing factor in the decline of almost half of all imperiled species nationwide. Invasive plants threaten communities by clogging waterways, increasing flooding risk, and fueling fire danger. In California, the estimated annual cost to manage invasive plants tops $82 million. Nationally, the cost runs in the billions of dollars.

BEAST IN THE BEAUTY

Sustainable Conservation's PlantRight initiative engages the nursery industry to prevent the sale of invasive plants.

The Solution | Planting Right

PlantRight assists both home gardeners and nursery industry leaders in making smarter plant choices. Bringing together nursery and landscape professionals, environmental advocates, and academics, PlantRight promotes non-invasive garden plants to protect California's unique biodiversity and curtail costly regulation.

From plant propagators to green-thumb weekenders, our outreach and education efforts reach the entire spectrum of folks who grow, sell, and purchase plants. Our evolving resource list includes invasive plants to avoid and safe plants to use in their place. For example, instead of opting for invasive periwinkle, home gardeners can choose from a host of beautiful, non-invasive alternatives, including star jasmine (*Trachelospermum asiaticum*) 1. In addition to shiny green foliage and fragrant white flowers, star jasmine boasts a congenial temperament when sharing space and nutrients with other plants and animals.

Gardeners can also seek the advice of knowledgeable staff at local stores participating in our Retail Nursery Partnership program. Our valued retail partners have pledged to sell only non-invasive plants, and have completed our training course on invasive plant issues and prevention. With their help, you can actively protect natural landscapes by saying no to pampas grass, and yes to pink muhly grass (*Muhlenbergia capillaris*) 2 – a whimsical, cotton candy accent for your yard that won't wander beyond where you plant it.

Every smart gardening choice makes a difference to California's wildlife and wildlands. To learn more, visit **www.PlantRight.org**.

Since 2005, PlantRight has made huge strides in stopping the sale of known invasive plants commonly sold at retail. To track our progress and inform our strategies going forward, we conduct a Spring Nursery Survey each year in collaboration with the UC Cooperative Extension California Master Gardener Program. During our 2013 survey (our 4th annual), we tracked a 74% reduction in stores selling invasive plants since the start of the PlantRight program. Of the stores selling invasive plants, most (67%) sold only one type of invasive. Our outreach has been so successful in lowering the number of Golden State garden centers in the invasive plant game, we've retired several plant species from our list of bad actors as they are no longer sold at retail.

BEAST

Stopping the Problem before It Takes Root

Sustainabl
industry to

The Solu

PlantRight a
smarter plan
environmen
garden plant
regulation.

From plant p
education e
purchase pla
and safe pla
periwinkle, h
alternatives,
to shiny gree
temperame

Gardeners c
participating
partners hav
training cou
actively prot
pink muhly g
for your yard

Every smart
wildlands. To

A new screening tool will help avoid plant invasions in wild landscapes (above) and protect California's biodiversity (right).

While preventing the sale of *known* invasive plants will always be a priority for PlantRight, we've added an exciting new strategy: sleuthing and removing *new* invasive plants long before they're even a glimmer in a retailer's eye.

Plant propagators and growers are always introducing new products to market, and there is a premium on novel, low-maintenance plants sought by home gardeners. A small percentage (less than 1%) of these new plants will be highly invasive and devastate the natural landscapes with which they come into contact – so we're digging deeper into the supply chain to detect and expel invasive plants sooner.

In partnership with plant scientists at UC Davis and the University of Washington, we developed a screening tool with 98% accuracy in identifying invasive characteristics in plants. We're piloting the tool with leading international propagators, and working toward ubiquity of the screening process in new product development across California – and around the globe.

Since 2005, PlantRight has made huge strides in stopping the sale of known invasive plants commonly sold at retail. To track our progress and inform our strategies going forward, we conduct a Spring Nursery Survey each year in collaboration with the UC Cooperative Extension California Master Gardener Program. During our 2013 survey (our 4th annual), we tracked a 74% reduction in stores selling invasive plants since the start of the PlantRight program. Of the stores selling invasive plants, most (67%) sold only one type of invasive. Our outreach has been so successful in lowering the number of Golden State garden centers in the invasive plant game, we've retired several plant species from our list of bad actors as they are no longer sold at retail.

THANK YOU

Sustainable Conservation's 2013 Partners. Sustainable Conservation extends our sincere gratitude to our

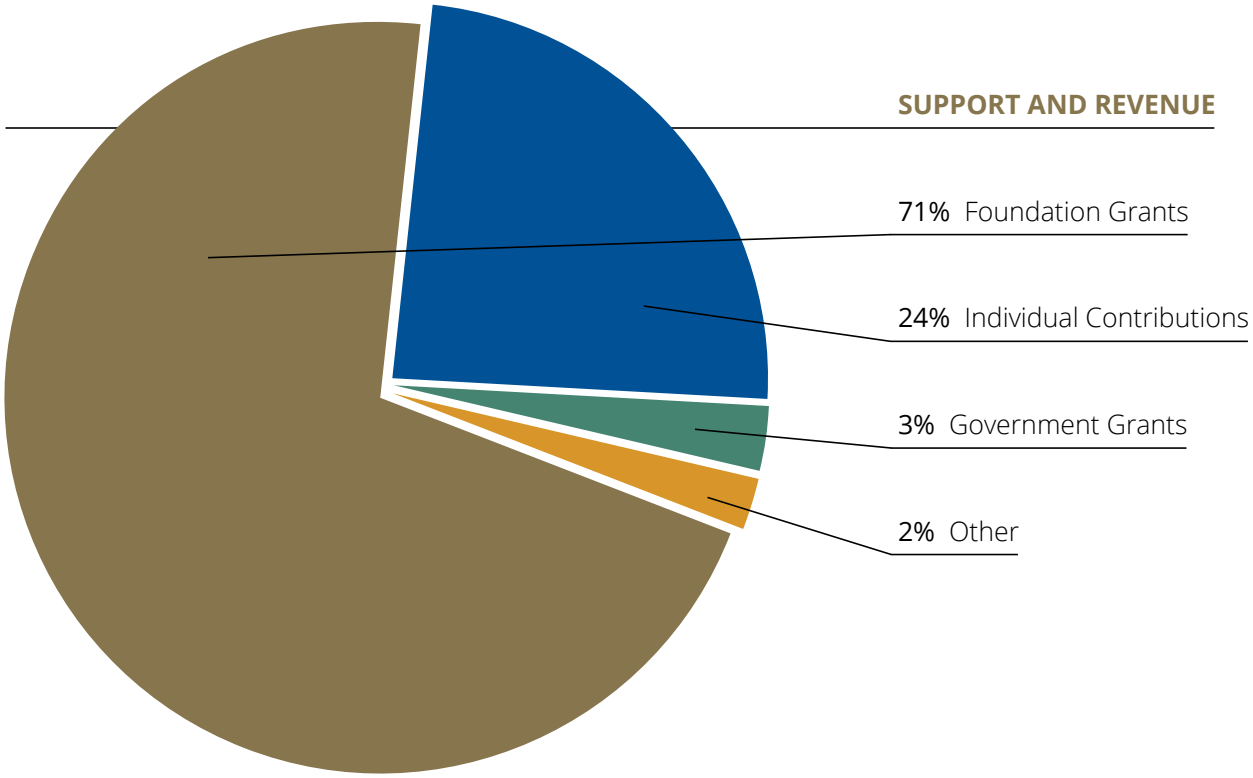
Ag Innovations Network
Agricultural Water Quality Alliance
Alameda County Resource Conservation District
Almond Board of California
Altman Plants
AmericanHort
American Farmland Trust
American Nursery and Landscape Association
American Society of Landscape Architects – Northern California Chapter
Association of Professional Landscape Designers – California Chapter
Audubon California
Ball Horticultural
Bar Vee Dairy, Inc.
Bay-Friendly Landscaping & Gardening Coalition
Belmont Nursery
Bert Wilgenberg Dairy Farms
Biofiltro USA, Inc.
Blooms of Bressingham
Cachuma Resource Conservation District
CalCAN
California Ag Solutions
California Agricultural Commissioners and Sealers Association
California Agricultural Systems Institute
California Air Resources Board
California Association of Nurseries and Garden Centers
California Association of Resource Conservation Districts
California Biomass Collaborative
California Cattlemen's Association
California Coastal Commission
California Dairy Campaign
California Dairy Quality Assurance Program
California Dairy Research Foundation
California Department of Conservation
California Department of Fish and Wildlife
California Department of Food and Agriculture
California Department of Water Resources
California Energy Commission
California Environmental Associates
California Environmental Dialogue
California Environmental Protection Agency
California Farm Bureau Federation
California Fish Passage Forum
California Garden Clubs, Inc.
California Invasive Plant Council
California Invasive Species Advisory Committee
California Native Plant Society
California Natural Resources Agency
California Polytechnic State University, San Luis Obispo
California Rangeland Conservation Coalition
California Rangeland Trust
California Rice Commission
California Roundtable on Agriculture and the Environment
California Roundtable on Water and Food Supply
California Seed Association
California State University, Fresno
California State University, Fresno – California Agricultural Technology Institute
California State University, Fresno – Center for Irrigation Technology
California State University, Fresno – Water & Energy Technology Center
California State University, Monterey Bay
California State University, Sacramento – Center for Collaborative Policy
California State Water Resources Control Board
California Water Foundation
California Water Institute
Castelanelli Brothers Dairy
Central Coast Agricultural Water Quality Coalition
Central Coast Water Quality Preservation, Inc.
Cheekwood Botanical Garden
City Farmers Nursery
Climate Action Reserve
Cloverdale Farms
Clover Prairie Farms
Coastal San Luis Resource Conservation District
Conservation Strategies Group
Dairy Cares
Dairy Central
Defenders of Wildlife
DeJager Dairy
Denele Analytical, Inc.
Driscoll's
EAC Engineering, Inc.
East Bay Municipal Utility District
East Stanislaus Resource Conservation District
Eco Landscape California
Elkhorn Slough Foundation
Elkhorn Slough National Estuarine Research Reserve
Environmental Defense Fund
Environmental Incentives, LLC
EuroAmerican Propagators
F&R Ag Services
Fanelli Dairy
Fiscalini Farms
Garden.org
Giacomazzi Dairy
Gold Ridge Resource Conservation District
Grasmere Dairy
Green Acres Nursery & Supply
Grower-Shipper Association
Growers Express
Heritage Oak Winery
Hilmar Cheese
Holland & Knight LLP
Humboldt County Resource Conservation District
Huntington Botanical Gardens
Inspire / Bain Consulting (San Francisco)
International Plant Propagator's Society, Western Region
Joseph Gallo Farms
Kern County Weed Management Area
Kings River Conservation District
Land Conservancy of San Luis Obispo County
L.E. Cooke Company
Living Machine Systems
Lodi Winegrape Commission
Loma Prieta Resource Conservation District
Marin Municipal Water District
Marin Resource Conservation District

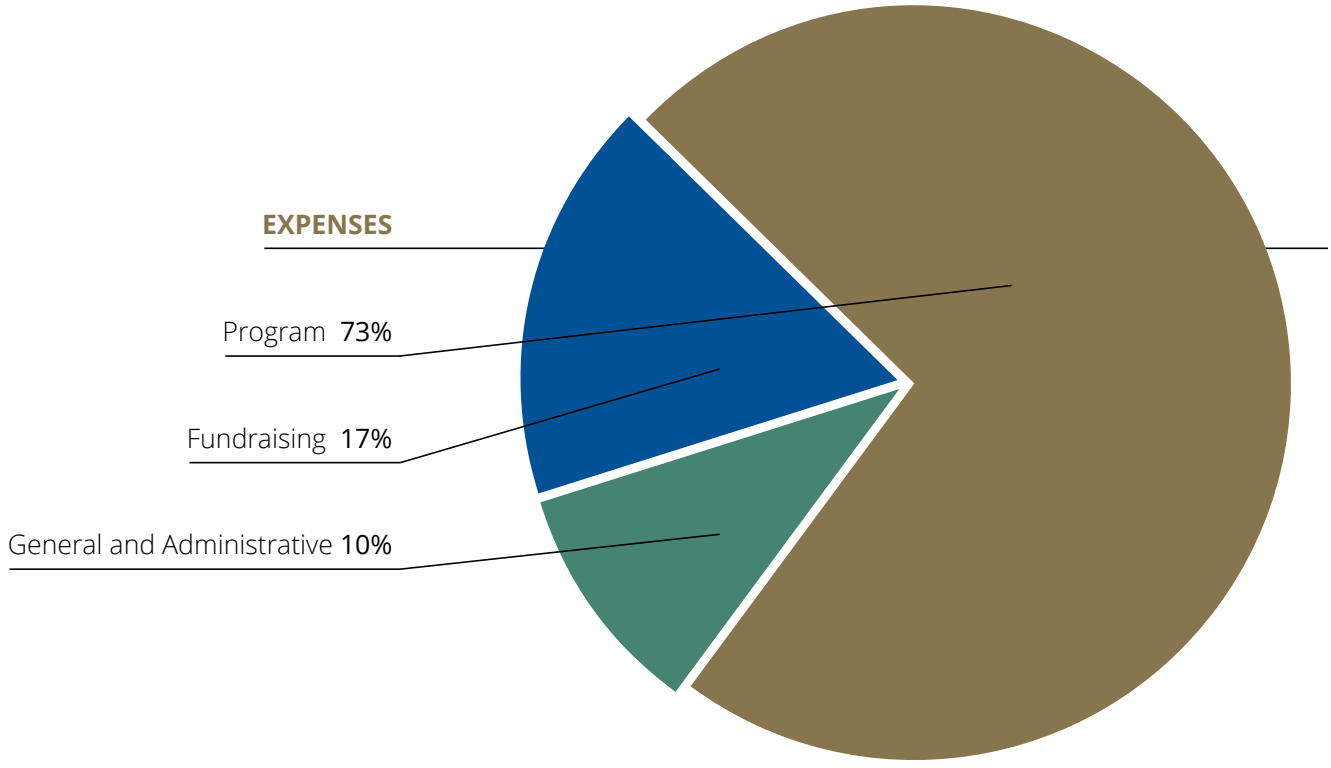
dedicated partners, without whom our work wouldn't be possible.

Mayo Dairy Farms
McShane's Nursery and Landscape Supply
Mendocino County Resource Conservation District
Mendocino Land Trust
MicroBio Engineering, Inc.
Milk Producers Council
Mitloehner Consulting
Monrovia Growers
Monterey Bay National Marine Sanctuary
Morro Bay National Estuary Program
National Marine Fisheries Service
National Oceanic and Atmospheric Administration Restoration Center
National Park Service
Orthman Manufacturing
Pacific Coast Fish, Wildlife and Wetlands Restoration Association
Pacific Coast Producers
Pacific Gas and Electric Company
Pajaro Valley Water Management Agency
Peninsula Open Space Trust
PH Ranch
PH Ranch #2
Point Blue
Protected Harvest
Provost & Pritchard
Public Policy Institute of California
Quarryhill Botanical Garden
Reciprocating Water Technologies, LLC
Redwood Community Action Agency
Regional Water Quality Control Board, Central Coast Region
Regional Water Quality Control Board, Central Valley Region
Regional Water Quality Control Board, North Coast Region
Regional Water Quality Control Board, San Francisco Bay Region
Resource Conservation District of Monterey County
Resource Conservation District of Napa County
Resource Conservation District of San Mateo County
Resource Conservation District of Santa Cruz County
Resource Conservation District of Sutter County
RMC Water and Environment
Roger's Gardens
Sacramento Municipal Utility District
San Diego Horticultural Society
San Joaquin County Resource Conservation District
San Joaquin Valley Air Pollution Control District
San Marcos Growers
San Mateo County Weed Management Area
Sand County Foundation
Santa Barbara Botanic Garden
Saracino and Mount, LLC
Shasta Valley Resource Conservation District
Sierra Club
Sierra Nevada Conservancy
Sloat Garden Center
Soil and Water Conservation Society, California-Nevada Chapter
Sonoma Land Trust
Sonoma Resource Conservation District
Soquel Nursery
South Coast Habitat Restoration
Nan Sterman
Stewardship Index for Specialty Crops
Stillwater Sciences
Summer Winds Nursery (California)
Suncrest Nurseries
SureHarvest
Terranova Ranch
Tetra Tech
The Garden Company
The Home Depot Garden Centers, California
The Nature Conservancy
Tomales Bay Watershed Council
Tri-County FISH Team
Trinity County Resource Conservation District
Trout Unlimited
Tulare Basin Wildlife Partners
UC Cooperative Extension, California Master Gardener Program
UC Cooperative Extension, Davis
UC Cooperative Extension, Kearney Agricultural Center
UC Cooperative Extension, Kings
UC Cooperative Extension, Monterey
UC Cooperative Extension, Riverside
UC Cooperative Extension, San Joaquin
UC Cooperative Extension, Stanislaus
UC Cooperative Extension, Tulare
UC Cooperative Extension, Westside Research and Extension Center (Five Points)
UC Davis
UC Davis Arboretum
UC Davis – California Center for Urban Horticulture
UC Davis Department of Plant Sciences
UC Davis Information Center for the Environment
UC Division of Agriculture and Natural Resources
UC Santa Cruz Arboretum
UC Sustainable Agriculture Research and Education Program
University of Washington – School of Environmental and Forest Sciences
Upper Salinas-Las Tablas Resource Conservation District
US Department of Agriculture, Natural Resources Conservation Service
US Department of Interior
US Environmental Protection Agency, AgSTAR
US Environmental Protection Agency, Region 9
US Fish and Wildlife Service
US Forest Service
US Geological Survey
Ventura County Resource Conservation District
Village Nurseries
Vino Farms
Wegman's Nursery
Western Environmental Services
Western Growers
Western United Dairymen
Xerces Society
Yamagami's Nursery
Yolo County Resource Conservation District
Yurok Tribe

2013 FINANCIAL HIGHLIGHTS

Sustainable Conservation





STATEMENT OF ACTIVITIES

Foundation Grants	$ 4,702,021
Individual Contributions	1,599,599
Government Grants	189,502
Other	105,014
Total Support and Revenue	**$ 6,596,136**
Program	$ 2,651,867
Fundraising	624,432
General and Administrative	382,162
Total Expenses	**$ 3,658,461**
Net Assets Beginning of Year	$ 3,353,802
Net Assets End of Year	6,472,859
Change in Net Assets	**$ 3,119,057**

For a complete financial report audited by DZH Phillips LLP, Certified Public Accountants & Advisors, please visit www.suscon.org.

CHARITY NAVIGATOR

Four Star Charity

In 2013, the country's largest and most-utilized non-profit evaluator, Charity Navigator, awarded Sustainable Conservation a four-star rating – its top endorsement – in recognition of our financial strength, excellent governance, and ability to maximize the impact of our donations. We've received this exceptional designation eight of the last 10 years.

Sustainable Conservation

Environmental solutions that make economic sense.

98 Battery Street, Suite 302
San Francisco, CA 94111
(415) 977-0380

suscon@suscon.org

201 Needham Street
Modesto, CA 95354
(209) 576-7729

www.suscon.org

DESIGN: VICKI VALENTINE
ILLUSTRATIONS: COMMISSIONED BY SUSTAINABLE CONSERVATION FROM SAYO-ART LLC
PHOTOGRAPHY:
MISSION BLUE BUTTERFLY ON COVER: PATRICK KOBERNUS/USFWS
PAGE 3: PAOLO VESCIA
PAGE 6 CENTER AND RIGHT: JOSEPH CHOPERENA; LISA LURIE

SustainableConservation @SusCon_CA sustainable-conservation suscon123

PRINTED ON 100% POST-CONSUMER, CHLORINE-FREE PAPER WITH SOY-BASED INK