The Community Foundation
Serving the Counties of Riverside and San Bernardino

2015 S.L. Gimbel Foundation Fund Grant Application

Internal Use Only:
Grant: 20150520

$1,000,000

Organization / Agency Information

Organization/Agency Name: The Nature Conservancy 18133		
Physical Address: 4245 North Fairfax Drive		*City/State/Zip* Arlington, VA 22203-1606
Mailing Address: 201 Mission Street, 4th Floor		*City/State/Zip* San Francisco, CA 94105
CEO or Director: Michael Sweeney		*Title:* Executive Director of California Chapter
Phone: (415)281-0456	*Fax:* (415)777-0244	*Email:* msweeney@tnc.org
Contact Persons: Dan Porter Julie Bondi		*Title:* Project Manager North Coast Project Associate Director of Philanthropy
Phone: (415)281-0418 (949)244-2748 (Bondi)	*Fax:* (415)777-0244	*Email:* dporter@tnc.org jbondi@tnc.org
Web Site Address: Nature.org		*Tax ID:* 53-0242652

Program / Grant Information

Interest Area: ☐Animal Protection ☐Education X Environment ☐Health ☐Human Dignity

Program/Project Name: North Coast - Ten Mile			*Amount of Grant Requested:* $1,000,000
Total Organization Budget: $748,695,565	*Per 990, Percentage of Program Service Expenses (Column B/ Column A x 100):* 70.72%	*Per 990, Percentage of Management & General Expenses Only (Column C / Column A x 100):* 17.02	*Per 990, Percentage of Management & General Expenses and Fundraising (Column C+D / Column A x 100):* 12.26%
Purpose of Grant Request (one sentence): To apply science-based methodologies at the Ten Mile River Estuary Restoration Project site to prove that populations of wild salmon can be restored and equip others with the knowledge, tools and resources to work toward the same goals in other locations.			
Gimbel Grants Received: List Year(s) and Award Amount(s) 2008 - $60,000; 2009 - $50,000; 2010 - $40,000; 2011 - $75,000; 2013 - $25,000; 2014 - $50,000			

Signatures

Live signatures are on accompanying pages. Separate signatures were necessary due to separate locations of the executive director (San Francisco), and Chairman of the Board (Los Angeles), from the proposal writer (Orange County).

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Phone: *(415)281-0456*	*Fax:* *(415)777-0244*	*Email:* *msweeney@tnc.org*
Contact Person: *Dan Porter*		*Title:* *Project Manager North Coast Project*
Phone: *(415)281-0418*	*Fax:* *(415)777-0244*	*Email:* *dporter@tnc.org*
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Signatures

Board President / Chair: (Print name and Title)	*Signature:*	*Date:*
Kevin Reilly, Chair		6/15/15
Executive Director/President: (Print name and Title)	*Signature:*	*Date:*

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Signatures

Board President / Chair: (Print name and Title)	*Signature:*	*Date:*
Executive Director/President: (Print name and Title)	*Signature:*	*Date:*
	MIKE SWEENEY EXECUTIVE DIRECTOR, CALIF. PROGRAM	6·16·15

I. Background on The Nature Conservancy, California Program

The mission of The Nature Conservancy (Conservancy) is to conserve the lands and waters on which all life depends. We envision a future where people and nature flourish together. And, though we live in an age of extraordinary threats to our natural world, it is within our power and is our responsibility to respond. The Conservancy's work encompasses hundreds of carefully planned, localized projects designed to have conservation impacts that reverberate around the world. In collaboration with a wide variety of partners, including private individuals, scientists, environmental groups, universities, businesses, and public agencies, the Conservancy helps secure scenic open spaces that protect biodiversity and provide rapidly growing human communities with meaningful opportunities for recreation, education and spiritual renewal.

Established in 1951, we are the largest conservation nonprofit in the world. We work in all 50 United States and in 35 countries across five continents. We are powered by more than 1 million members, 1,350 active volunteers, and 3,700 staff members, including 600 staff scientists that represent the largest private applied conservation science team in the world. Headquartered in San Francisco, our California program is a leader in safeguarding California's critical habitats that support natural ecosystems and native species. Since 1958, the California program has protected more than 1.5 million acres of land throughout the state and 3.8 million acres of sea floor off the coast.

II. The Ten Mile River Estuary Restoration Project

A) Statement of Need

Wild salmon are on the brink of extinction. These fish are the foundation of California's vast coastal ecosystems, so their recovery heralds environmental impacts beyond their own species. Salmon migrations are breathtaking and heroic—from their birth stream they swim hundreds of miles to the ocean and then back again. They navigate a multitude of threats along the way, many from environmental degradation. There is not enough water in streams; water temperatures have risen to lethal levels; passages to spawning grounds have been blocked by dams; estuaries have been degraded from Mexico to Oregon; and habitat for raising young fish is extremely rare.

Where we used to see hundreds of thousands of coho salmon[1] fighting their way upstream to spawn each fall, we now see *less than one percent* of their historic numbers. If we do not act now, in the next 50 years we may see wild Pacific salmon disappear entirely from many parts of their range.

In addition to the many environmental benefits salmon bring, they are a fundamental part of California's economic and recreational welfare. As salmon populations dwindled over the past

[1] Coho salmon are one of five salmonid species that inhabit rivers of northwestern California. Of the five, it is the most sensitive to environmental change. Habitat improvement for coho benefits other salmonids.

(1) **The Project**

The Ten Mile River Estuary Restoration Project is a creative and ambitious endeavor to bring wild salmon back to a key watershed in northern Mendocino County by 2025. We will do this by protecting and restoring essential winter rearing habitat for young salmon along six miles of the South Fork and Main Stem Ten Mile River.

A legacy of impacts from the old-growth forest logging era has cut off portions of the estuary and floodplains from the river. Since the 1970's logging practices have improved, allowing the river to start a long and gradual healing process. However, important off-channel and side-channel slow water habitats remain largely inaccessible to young fish. Recent scientific studies have demonstrated that this is a big problem for salmon. With no slow water habitat to protect them during high winter flow events, young salmon are being washed out to sea before they are fully grown. A growing scientific consensus indicates that restoring off-channel and side-channel slow water habitats along recovering estuaries and floodplains is the single most beneficial intervention we can implement to recover wild salmon in California's rivers[2]. Doing so both prevents direct losses and provides the productive feeding areas young fish use to grow large before migrating to the ocean. We have designed four off-channel habitat enhancements in the South Fork Ten Mile River that we have determined are the highest priority for maximizing coho salmon recovery.

Project implementation is extremely time-sensitive. Left to heal itself, the river may require another 50 – 100 years to fully recover. For coho salmon, which live on a three-year life cycle (1+ year in freshwater, 2 years in the ocean), not intervening on nature's behalf now puts at risk more than 12 generations of fish. Given current population numbers, such a choice could result in local extinction.

A second component of the project is the identification and removal of barriers preventing floodplain and estuary restoration from being initiated by a greater number of landowners and agencies across California and the Pacific Northwest. Doing so will expand our impacts at the Ten Mile River to other coastal rivers and estuaries. As with other successful initiatives undertaken by the Conservancy, we plan to tackle this problem using a combination of science, place-based assets and policy reforms, and/or economic incentives to encourage the change in behavior that we think will be valuable for nature and people.

For the Ten Mile River Estuary Restoration Project, the scientific and place-based building blocks are already in place. To date, the Conservancy has secured permanent protection for 1,272 acres using "working lands" conservation easements that maintain productive uses of the land while affording enhanced protection and the right to actively restore habitat along sensitive water bodies. We plan to close a third conservation easement on the 2,554 acre Parker Ten Mile Ranch this year. And finally, we continue to provide technical support to the residents of the Olson

[2] Studies and technical reports available upon request

Ranch, where a 110-acre federally-held easement is being developed. Within six to 12 months, we expect nearly 4,000 acres of land will be permanently protected in the lower Ten Mile River.

Anticipating the easements, we have also developed science and planning frameworks for the restoration of these properties over the past three years and thoroughly vetted our science and restoration strategy with state and federal agency partners. These accomplishments mean that we are poised to implement the pre-restoration biological monitoring in 2016 and the habitat enhancements in 2017, and start building the policy reforms and/or incentives needed to expand the scale of our work.

A wide variety of people stand to benefit from this project: commercial and recreational fishermen, rural residents that depend on fishing, and everyone who enjoys consuming healthy, wild salmon. Over nearly a decade of work to establish the Conservancy's Salmon Program, we have heard resounding support for our long-term goals from all sectors. Perhaps the most innovative aspect of the project is the degree to which seemingly diverse and oppositional interests are cooperating and collaborating towards the overall goal of saving salmon in California. The Ten Mile River project for example benefits from the insights, perspectives and resources of a large industrial timber company (Hawthorne Timber) and fourteen government agencies, institutions and non-profit organizations[3]. For a window into the breadth and depth of our collaborations, please see the recently launched 'Salmon Snapshots': http://www.casalmon.org/.

(2) **Objectives**

Our objectives for the Ten Mile River Estuary Restoration Project are as follows:

Objective I - Habitat Restoration Detail: Develop and share an innovative approach to estuary and floodplain restoration across six miles of essential habitat to accelerate recovery of the resident coho population by 2025.

While the Ten Mile River's current capacity to support salmon is significantly diminished, it is one of the largest producers of coho salmon on the Mendocino Coast, capable of producing over one-third of the adult fish in the region – a validation of the importance of working to improve this watershed. Specific activities to support the objective are as follows:

a. Development and implementation of a pre-enhancement biological baseline that will establish reliable fish population estimates and patterns of habitat use for coho salmon along the 1.7 mile South Fork Ten Mile River reach, which has been identified as the highest priority for restoration by the Conservancy and its partners.

[3] Wildlife Conservation Board, State Coastal Conservancy, California Department of Fish and Wildlife, U.S. Fish and Wildlife Service, National Oceanographic and Atmospheric Administration / National Marine Fisheries Service, California Coastal Commission, County of Mendocino, CalFire, Trout Unlimited, Mendocino Land Trust, California State Parks, Humboldt State University, University of California, Davis.

b. By 2017, implement four high priority habitat enhancements including two "engineered log jams" and a single off-channel rearing pond. The selected project enhancements, once installed, are predicted to increase the rearing potential of the entire lower reach of the South Fork by an order of magnitude. Smolt production potential for the reach is modeled to go from approximately 200 per year to approximately 2,150 per year.

Objective II - Amplification Detail: Work with partners to transfer restoration frameworks, techniques and resources, and remove barriers to completing similar work across at least 4 of California's 90+ estuaries by 2018.

There are many barriers to effective estuary and floodplain restoration in service of salmon and biodiversity conservation. In broad terms, these include (i) asset control, (ii) the scientific underpinnings of the work, including climate change impacts, (iii) enhancement design, engineering and construction, (iv) complex and redundant permitting requirements, (v) funding and, (iv) reliable programs that evaluate project effectiveness. Despite these barriers, a handful of similar projects are underway, but they are being done in isolation. This 'one watershed at a time' status quo is a barrier unto itself, which the Ten Mile River project will help remove through the following activities of Objective II:

a. By December 2016, publish and disseminate a guidance document summarizing i – iv above, including a cross-project analysis and summary of lessons learned.
b. By March 2017, develop an estuary and floodplain "return on investment" decision support tool that can be used to prioritize similar habitat enhancements for other watersheds, by calculating the number of fish produced for every dollar of restoration funding secured.
c. By June 2017, publish a call-to-action white paper, summarizing the larger opportunity to restore estuaries for salmon across California. The white paper will include potential policy and permitting reforms, standards of practice, recommendations for measuring project effectiveness, and an assessment of climate change impacts. The proposed actions will be thoroughly vetted with partners prior to its release.

In March 2015, Conservancy staff submitted a $2.7M habitat enhancement proposal to the California Department of Fish and Wildlife's (CDFW) Fisheries Restoration Grant Program (FRGP) for Objective I. In the proposal, the Conservancy made a provisional commitment of $1.2M in matching funds (staff time and construction funds) provided that we could secure the necessary private support. The FRGP review process includes environmental permitting and therefore spans 14 months, so we anticipate a decision in May 2016.

A gift of up to $1.0M from the S. L. Gimbel Foundation would enable the Conservancy to improve the quality (more data over time) of the pre-enhancement baseline information by accelerating the project start date. Foundation support would also virtually assure the Conservancy meets the staff time and construction match requirements of the public award, there

by releasing substantial public monies for the project. Thus far, the Conservancy enjoys a 100% success rate in applying for and securing public funds for this project. In the event that the public award did not come through, we would scale the project to match available private funds (e.g. construct two instead of four enhancement sites).

Project Timeline

The project will occur over two years, as further outlined in the table below.

Calendar Year	Period	Description
2015	July - October	Develop biological monitoring framework & contract(s)
2015 / 2016	November - February	Year-1 winter rearing biological monitoring
2016	March - May	Year-1 spring outmigration monitoring
2016	June - October	Biophysical and summer rearing pre-treatment monitoring
2016	December	Guidance paper (Objective IIa) completed and distributed
2016 / 2017	November – February	Year-2 winter rearing biological monitoring
2017	March	Return on investment tool (Objective IIb) completed
2017	March – May	Year-2 spring outmigration monitoring
2017	June - October	Habitat enhancements construction (SF13, SF14, SF16, SF17)
2017	June	Call-to-action white paper competed and disseminated

(3) Target Populations and Service Area

A grant from the S.L. Gimbel Foundation would provide critical first phase support to help to restore the Ten Mile River to its original, naturally functioning estuarine and floodplain habitats—for the benefit of coho salmon and the local and broader communities, which will gain greater public access to this beautiful waterfront. The Ten Mile River winds down from the mountains through redwood forest before meeting the 130-foot-high sand dunes at Ten Mile Beach. The Ten Mile Beach trail runs 14 miles from nearby Fort Bragg through MacKerricher State Park to the mouth of Ten Mile River. This picturesque slice of northern California coastline offers some of the best uninterrupted views to whale and seal watch, and visitors can catch site of the endangered western snowy plover and many other birds populating the tidal lagoons. Our partner, The Conservation Fund is completing legal work (as part of a conservation easement that we negotiated) that will establish an interpretive center with picnic tables and a parking area on the western edge of Smith Ranch that will connect to the Ten Mile Beach Trail and be managed by the Mendocino Land Trust.

As with all of the Conservancy's demonstration projects, we are developing solutions that can be replicated in similar ecosystems across the state, so grant funds from the S.L. Gimbel Foundation will have exponential benefits beyond the local community. At Ten Mile River, we are pioneering restoration techniques that can be implemented in estuaries from Oregon to Mexico.

(4) **Community Partner and Related Projects**

The Nature Conservancy is working with a number of partners on salmon recovery. We are collaborating with environmental organizations like Trout Unlimited, California Trout, The Conservation Fund, and the Mendocino Land Trust. Trout Unlimited has been working with The Hawthorne Timber Company over the last 10 years on fisheries restoration at the river's headwaters, so our projects in the estuaries downstream will be able to link up for a more salmon-friendly habitat from reef to ridge.

The project is being monitored by the California Department of Fish and Wildlife and the National Oceanic and Atmospheric Administration, which are informing the development of technical standards and protocol for salmon recovery efforts across 300 miles of coastal watershed lands from the San Francisco Bay to the Oregon border. We are also working with public agencies at the state and federal level, like the Natural Resource Conservation Service and California State Coastal Conservancy.

Most of the land around wild salmon streams in California is privately owned. Partnering with private landowners is paramount to our success to restore salmon populations. At Ten Mile River, we are working with a few key ranchers and private landowners as well as a large timber company. The Conservancy is developing strategic, durable solutions that will provide benefits to salmon and bolster the economic situation of the ranchers and foresters who depend on this river. Because California wild salmon are listed as threatened or endangered by the state and federal governments, private landowners along salmon streams are generally required to conduct protection and restoration projects, but they have too little guidance on how to design and implement effective recovery actions, and they face onerous and costly permitting processes that often inhibit them from taking action. So restoring salmon populations to healthy levels will not only benefit the fish, but could also streamline or make more predictable the regulatory process for landowners.

C) Project Outcomes and Evaluation

The most important outcome of the overall project is up to a ten-fold increase in the number of juvenile salmon along a 1.7 mile reach of the South Fork Ten Mile. Demonstrating an increase however is only possible if we achieve several key outcomes under in this project. From the pre-enhancement biological monitoring, we will learn how many fish are actually using this part of the river in the winter, spring and summer in its current, degraded condition. We will also learn *how* coho salmon are using the river. For example, are the fish mostly passing through, foraging in place or visiting the reach for short periods of time. And finally, we will learn how young fish are interacting with the river. Detailed physical characterizations of the river (microhabitats) will be correlated to fish presence or absence and residence time. We will also know how young fish behave during different flow regimes, like those immediate before and after large storm events.

In June or July of 2017, the Conservancy and its contractors will have started construction on up to four habitat enhancements, described in more detail above. Construction is expected to be complete by October or early November 2017.

In 2016 and 2017 (see Project Timeline for specific dates), we will have established the Conservancy as a knowledgeable and effective partner among the agencies, landowners and organizations who are in a position to influence how California's estuaries are protected and managed. Examples include but are not limited to California State Parks, the U.S. Army Corps of Engineers, Caltrans and the State Coastal Conservancy. Our standards of practice and call-to-action white papers will be distributed to every such entity and the Conservancy will convene at least one multi-party conference to determine how best to apply the work across multiple estuaries. We will have also developed and vetted a return-on-investment tool (Objective IIb) with up to three agencies, with the goal of having the investment model used in current or future funding program allocations.

Participants in the project will be positively affected because (a) the science and technical standards will be made more accessible and transparent, (b) a centrally located demonstration site, the South Fork Ten Mile enhancement reach, will be made widely available as a place to test and refine ideas and, (c) the Conservancy will continue to encourage that the collective effort to restore estuaries for salmon and associated biodiversity in California be focused in the places where the conservation gains can be sustained. We will know that the project is successful if there is tangible evidence that the Conservancy's approach is, or soon will be, applied in at least four additional estuaries by 2018.

D) Grant Spending *

Line Item Description	Line Item Explanation	Support From Your Agency	Support From Other Funders	Requested Amount From GF	Line Item Total
Personnel & Fringe	▪ Project Director II – 910 hrs @ $57/hr (25%) ▪ Senior Ecologist – 910 hrs @ $48/hr (25%) ▪ Project Director I – 1820 hrs @ $49/hr (50%) ▪ GIS Analyst – 364 hrs @ $31/hr (10%) ▪ Staff benefits (@40%) Hours and requested amount for full 2-Year Grant	N/A	N/A	$275,268	$275,268
Contractual**	▪ Biological monitoring baseline contract(s) ▪ Habitat enhancement construction contract(s) ▪ Permitting analysis contract ▪ Project and policy analysis contract	T.B.D.	$100,000	$516,203	$616,203
Indirect Cost Recovery	▪ Grant and general administration ▪ Office lease and equipment costs ▪ Copying, reproduction of project materials	N/A	N/A	$208,529	$208,529
TOTALS				$1,000,000	$1,100,000

** For a more detailed description of Grant Spending, please refer to section V. Project Budget in application section of this proposal*

***For full description of Contractual Scope of Work, please refer to Exhibit C.*

III. Project Future

During the grant performance period, we anticipate receiving approximately $1.5M in implementation funds from the California Department of Fish and Wildlife (CDFW), which along with funding from the S. L. Gimbel Foundation, would be used to construct and monitor the four habitat enhancement sites *after* they are constructed. The CDFW grant includes funding for post-enhancement biophysical monitoring, a portion of which the Conservancy intends to raise through its capital campaign. We expect the recent passage of Proposition 1 (Water Bond) will reinvigorate state and federal programs intended to protect water-related resources, including functioning estuaries and salmon populations. If true, private funding from the S. L. Gimbel Foundation will be leveraged to plan and implement additional enhancements. We have conceptual designs for 16+ additional enhancement sites, so the leverage could be considerable.

IV. Governance, Executive Leadership and Key Personnel

The Conservancy's California program has a Board of Trustees that plays a vital role in our success as the 22 members act as ambassadors, conservationists, advisors and fundraisers for our program. The Board of Trustees also serves to advise the Conservancy's worldwide Board of Directors on major policy decisions and organizational initiatives.

The Ten Mile River Estuary Restoration Project is one of our most visible and highest priority engagements. As a result, it benefits from a wide range skills and capacities working towards our short- and long-term objectives. Our work is used by executive leadership and policy staff to highlight the need for state and federal funding and legislation that supports statewide salmon, marine and land conservation efforts.

The biographies for Key Personnel:

Daniel Porter, California Forests Project Director. Dan spent five years as the Conservancy's lead ecologist for the North Coast region before becoming project director for our California Forest work. He holds a B.S. in Biological Sciences from the University of California, Davis, and an M.A. in Biology from Humboldt State University. His experience includes leading multi-party science engagements on behalf of private industry, governmental organizations and environmental nonprofits. He has developed and implemented multi-species Habitat Conservation Plans, launched successful landscape-scale restoration efforts for forest ecosystems, and established several enduring partnerships between leading California Universities and the environmental non-profit sector.

Lisa Hulette, Salmon Program Senior Project Director. Lisa is the lead scientist on the Salmon and Steelhead Coalition, a formal partnership of the Conservancy, CalTrout and Trout Unlimited. Prior to leading the Conservancy's Salmon Initiative, she was the Executive Director of the Gold Ridge Resource Conservation District from 2003 – 2011. During her tenure there, she successfully managed numerous salmon restoration projects and studies, which garnered over $6 million in private, state and federal funds. She was awarded the Environmental Protections Agency's 2009 Environmental Achievement Award, and in 2010 she led her staff to be recognized as District of the Year by the National Association of Conservation Districts. In addition, she was part of a team that was awarded one of 50 NOAA American Recovery and

Reinvestment Act of 2009 grants for innovative water conservation work in the Salmon Creek Watershed. Lisa holds a B.S. in Environmental Science and an M.B.A. from Sonoma State University.

Jennifer Carah, Regional Ecologist. Jennifer has been with the Conservancy since 2004. She holds a B.A. in Diplomacy and World Affairs from Occidental College, and an M.S. in Ecology and Systematic Biology from San Francisco State University. She has successfully managed numerous salmon habitat restoration and monitoring projects on the North Coast of California, and is currently deeply engaged in work to protect critical stream flows for salmon. Her experience includes restoration project management, implementation, and effectiveness monitoring; salmon habitat and population monitoring; and convening diverse groups of landowners, scientists and restoration practitioners to demonstrate solutions to critical salmonid restoration and management challenges.

V. Project Budget

Line Item Description	Line Item Explanation	Support From Your Agency	Support From Other Funders	Requested Amount From GF	Line Item Total
Personnel & Fringe	▪ Project Director II – 910 hrs @ $57/hr (25%) ▪ Senior Ecologist – 910 hrs @ $48/hr (25%) ▪ Project Director I – 1820 hrs @ $49/hr (50%) ▪ GIS Analyst – 364 hrs @ $31/hr (10%) ▪ Staff benefits (@40%) Hours and requested amount for full 2-Year Grant	N/A*	N/A	$275,268	$275,268
Contractual* **	▪ Biological monitoring baseline contract(s) – up to three contracts / subcontracts. o Monitoring protocol design; rental and installation of antennae arrays, fish out migrant traps and other monitoring equipment; fish trapping and sampling, installation of passive integrated transponders (PIT) tags in fish (Yr-1 & Yr-2); recapture (Yr-1 & Yr-2); data entry and analysis of PIT tag detections, estimation of reach sub-population size; physical characterization of enhancement sites. o 2-Yr Total estimated @ $251,111 ▪ Habitat enhancement construction contract(s) – up to three contracts / subcontracts. o Construction of enhancement sites SF13, SF14, SF16, SF17. o Gimbel supported portion of construction costs estimated @ $265,092	T.B.D.**	T.B.D.	$516,203	$516,203

Line Item Description	Line Item Explanation	Support From Your Agency	Support From Other Funders	Requested Amount From GF	Line Item Total
Contractual (TNC)	▪ Permitting contract o Sensitive species surveys (plants, northern spotted owls, etc); California Environmental Quality Act (CEQA) documentation prep; streambed alteration agreement, Section 404 (clean water) permit, U.S. Army Corps, California Coastal Commission and U.S. Fish and Wildlife Service consultations; other permits as required. ▪ Project and policy analysis contract o Inventory and analysis of California projects, 10 year time horizon. o Review of existing polices including redundancies, pinch points, outdated standards, etc.	T.B.D	$100,000	$0.00	$100,000
Indirect Cost Recovery	▪ Grant and general administration ▪ Office lease and equipment costs ▪ Copying, reproduction of project materials	N/A	N/A	$208,529	$208,529
TOTALS				$1,000,000	$1,100,000

**N/A – with regard to staff time, TNC has invested over 4-years of staff time to get the project to its current state of readiness and expects to expend additional staff time on it after the performance period of this grant.*

***T.B.D – with regard to TNC support, additional funds will be budgeted as needed to keep the project on track; with regard to support from other funders, these funds may be used to expand the scope or depth of the monitoring and/or construction activity beyond what is described.*

**** For the detailed Scope of Work for contractual expenses, please refer to Exhibit C*

2015 S.L. Gimbel Foundation APPLICATION

VI. Sources of Funding: Please list your current sources of funding and amounts.

Secured/Awarded

Name of Funder: Foundation, Corporation, Government	Amount
Krehbiel Foundation	$20,000
FRGP DWR NOAA (Multi year award)	$246,508
Private donation	$10,000
Felton Foundation (Multi year gift)	$100,000
Private donation (Multi year gift)	$50,000
Private donation	$1,000

Pending

Name of Funder: Foundation, Corporation, Government	Amount	Decision Date
FRGP DWR NOAA	*1,838,437*	*May 2016*

Diversity of Funding Sources: A financially healthy organization should have a diverse mix of funding sources. Complete those categories that apply to your organization using figures from your most recent fiscal year.

Funding Source	Amount	% of Total Revenue	Funding Source	Amount	% of Total Revenue
Contributions	$1,744,905	.18	Program Fees	$134,562,207	14.16
Fundraising/Special Events	$6,987,711	.74	Interest Income	$95,571,481	10.06
Corp/Foundation Grants	$589,364,132	62.04	Other:	$10,910,201	1.15
Government Grants	$110,849,784	11.67	Other:	$	

Notes:

2015 S.L. Gimbel Foundation APPLICATION

VII. Financial Analysis

Agency Name: The Nature Conservancy
Most Current Fiscal Year (Dates): From July 1, 2013 **To:** June 30, 2014

This section presents an overview of an applicant organization's financial health and will be reviewed along with the grant proposal. Provide all the information requested on your **entire organization.** Include any notes that may explain any extraordinary circumstances. Information should be taken from your most recent 990 and audit. **Double check your figures!**

Form 990, Part IX: Statement of Functional Expenses

1) Transfer the totals for each of the columns, Line 25- Total functional expenses (page 10)

(A) Total Expenses	(B) Program service expenses	(C) Management & general expenses	(D) Fundraising expenses
$748,695,565	$529,509,734	$127,436,862	$91,748,969

2) Calculate the percentages of Columns B, C, and D, over A (per totals above)

- Program services (B) – A general rule is that at least 75% of total expenses should be used to support programs
- Management & general administration (C) – A general rule is that no more than 15% of total expenses should be used for management & general expenses
- Fundraising (D) – A general rule is that no more than 10% of total expenses should be used for fundraising

(A) Total Expenses	(B) Program service expenses	(C) Management & general expenses	(D) Fundraising expenses
	Columns B / A x 100	Columns C / A x 100	Columns D / A x 100
Must equal 100%	70.72%	17.02%	12.26%

3) Calculate the difference between your CURRENT year budget for management & general expenses and your previous management & general expenses per your 990 (Column C)

Percentage of Organization's Current Total Budget used for Administration	Column C, Management & general expenses per 990 above	**Differential**
20.10%	17.02 %	3.08 %

If the differential is above (+) or below (-) **10%**, provide an explanation:
The increase in administrative cost organization wide is due to the launch of several new systems, including financial management system of record, for use globally. TNC has used its current financial system for more than 25 years, a system which will no longer be supported by the vendor. Since the financial system of record was in need of replacement the organization found that changing or modifying the support systems would be necessary as well. The sub systems will be launched in phases over the next 2 – 3 years.

Quick Ratio: Measures the level of liquidity and measures only current assets that can be quickly turned to cash. A generally standard Quick Ratio equals 1 or more.

Cash	+ Accounts Receivables	/Current Liabilities	= Quick Ratio
$179,262,000*	$137,316,000*	$252,988,000*	1.25

Excess or Deficit for the Year:

Excess or (Deficit) Most recent fiscal year end	Excess or (Deficit) Prior fiscal year end
$201,294,856[x]	$106,916,879[x]

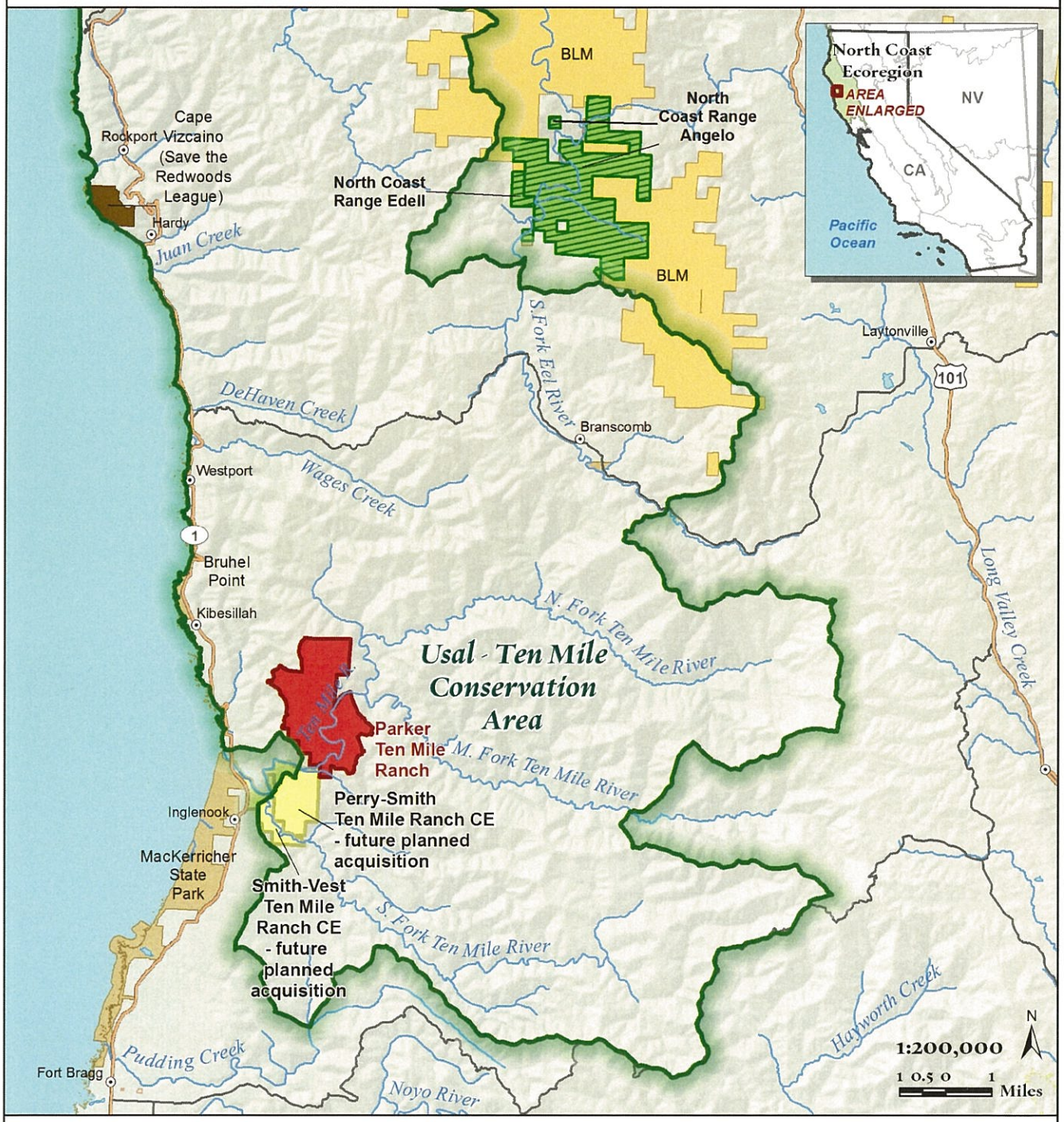
Notes:

* The figures for ratio calculations came from the Audited financial statements not the 990 the figures don't directly translate due to reconciliation items.

[x] The figures for the excess came from the 990

EXHIBIT A

Mendocino Coast / Usal-Ten Mile (Parker Ten Mile Ranch)
Regional Map
Mendocino County, CA - North Coast Ecoregion



Tract Boundary
TNC Easement
Conservation Area
Future planned acquisitions

Managed Lands
US Bureau of Land Management
State
Local (County and City)
Private Protected

Major Cities/Towns
US or State Highway
Major Streams

July 31, 2013

Map Created by :
A.Duperault, CARO, California

Map Projection:
NAD_1983_California_Teale_Albers

Data Sources:
Tract Boundary, TNC Interests - TNC (2011);
Conservation Area - TNC (2005)
Managed Lands - CPAD (2010)

N:\North_Coast\Projects\Ten_Mile\Mxds\CAbot_ParkerTenMileRanch_map1of2_20130507.mxd

Ten Mile River and Pudding Creek Watersheds

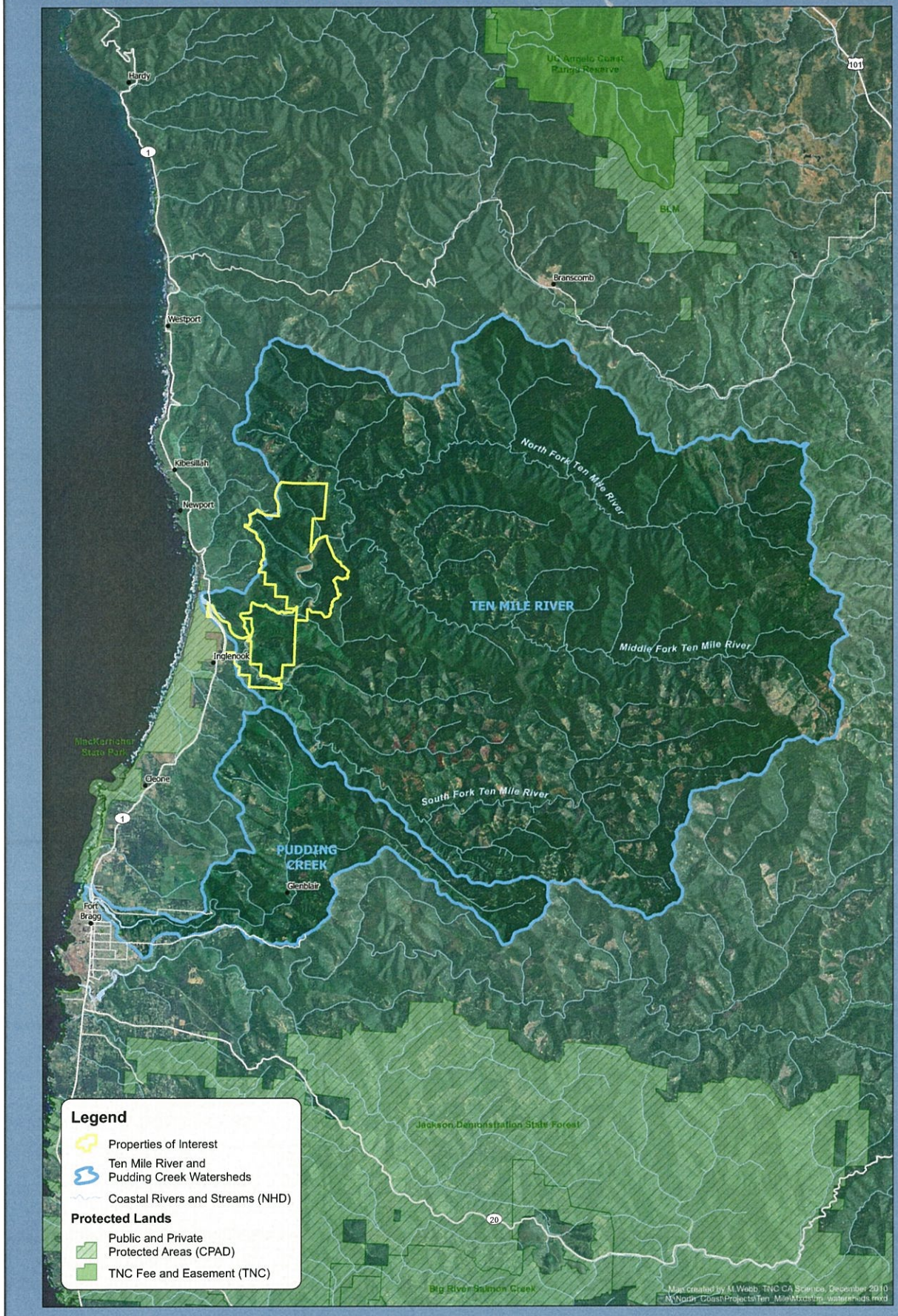


EXHIBIT B

Intermediate or Conceptual Plan

TEN MILE RIVER
SOUTH FORK ENHANCEMENT PROJECT
FRGP 2015 SUBMITTAL - PHASE 1

SITES SF13-14, AND SF16-17

SPONSORED AND FUNDED BY
THE NATURE CONSERVANCY
AND
CALIFORNIA DEPARTMENT OF FISH AND WILDLIFE

VICINITY MAP
SCALE: NTS

LOCATION MAP
SCALE: 1" = 2000'
USGS

PROJECT ADDRESS: The Smith Ranch 28761 N. Highway 1
Fort Bragg, CA 95473

SITE LAYOUT
SCALE: 1" =400'

LEGEND

GENERAL:
- ø DIAMETER
- ± APPROXIMATE
- Δ DELTA
- ▽ WATER SURFACE
- SF SOUTH FORK
- TR TOP OF ROCK
- TL TOP OF LOG
- TW TOP OF WALL
- FIELD FIT PER ENGINEER
- FLT ENGINEERED LOG JAM
- LWD LARGE WOODY DEBRIS
- SECTION OR DETAIL DESIGNATION
- SHEET WHERE SECTION OR DETAIL OCCURS

PROPOSED	EXISTING
	LIMITS OF GRADING
	STORM DRAIN/CULVERT PIPE
	ALIGNMENT/FLOWLINE
	EDGE OF ROAD
	ACCESS ROAD
	TEMPORARY CONSTRUCTION ACCESS
	CONTOUR LINE
	APPROXIMATE PROPERTY LINE
	FENCE
	BRUSH/VEGETATION LINE
	OVERHEAD LINE
	BRUSH LAYER OR BAFFLE
	LOG MEMBER
	TREES
	TREES TO BE REMOVED
	SURVEY CONTROL POINT

SHEET INDEX

SHEET NO.	TITLE
1	TITLE SHEET
2	SHEET INDEX
3	SF 13-14 PLAN & PROFILE
4	SF 13-14 LWD SCHEMATICS
5	SF 16-17 PLAN & PROFILE
6	SF 16-17 CROSS SECTIONS
7	SF 16-17 LWD SCHEMATICS
8	SF 16-17 PLANTING PLAN
9	CONSTRUCTION DETAILS

SURVEY NOTES
TOPOGRAPHIC GROUND AND RTK SURVEY PERFORMED BY PRUNUSKE CHATHAM, INC. JANUARY 2015. SURROUNDING TOPOGRAPHIC LIDAR DATA OBTAINED FROM NOAA AND IS APPROXIMATE ONLY.
HORIZONTAL DATUM: NAD83 CALIFORNIA STATE PLANE (ZONE 2)
VERTICAL DATUM: NAVD 1988
HORIZONTAL AND VERTICAL CONTROL AS SHOWN
PROJECT LOCATION: LAT. 39°38'57"N, LONG. 123°48'30"W

VERIFY SCALES
ONE INCH

PRUNUSKE CHATHAM, INC.
400 SUMMERS STREET, SUITE G
UKIAH, CA 95482
(707) 234-4400

PREPARED FOR:
THE NATURE CONSERVANCY
201 MISSION ST, 4TH FLOOR
SAN FRANCISCO, CA 94105

REVISIONS	DATE	BY
65% SUBMITTAL NOT FOR CONSTRUCTION		

DATE: MAR 2015
SCALE: AS SHOWN
MAPPING BY: JP
DESIGNED BY: MJ, LH, LW
DRAFTED BY: JP, LW
CHECKED BY: MJ, LH

TEN MILE RIVER
SOUTH FORK - FRGP 2015
TITLE SHEET

SHEET 1 OF 9

EXHIBIT C

Section 5: Project Description

1. *Introduction:*

Rearing and refugia habitat for coho and other salmonids will be created through the installation of four distinct, yet interrelated, enhancement project elements within a 0.3 mile reach of the lower South Fork Ten Mile River (See Map 1: Site topographic map). These four projects represent a high-priority suite of project sites and types documented in the Framework for Coho Salmon Habitat Restoration and Enhancement in Lower Ten Mile River (Stillwater Sciences 2013) and in Lower Ten Mile River Habitat Enhancement Plan and Concept Designs Report (PCI 2014) developed as part of the Ten Mile River Coho Off-Channel Habitat Design Project funded by FRGP in 2013. The project elements include one off-channel pond (SF16), a split-flow side channel to maintain year-round pond inlet accessibility (SF17), and two engineered log jams to reestablish channel meandering and floodplain connection (SF14 and SF13, respectively). See supplemental documents for 65% Plans and Project Elements Stationing map.

The four proposed project elements are a Phase 1 implementation of a larger habitat enhancement program that includes up to twenty project elements along the entire 1.7-mile reach of the lower South Fork Ten Mile River on the Smith-Perry Ranch. The selected project elements, once installed, will increase the rearing potential of the entire lower reach of the South Fork by an order of magnitude; smolt production potential for the reach will go from approximately 200 per year to approximately 2150 per year (analysis per Joshua Strange, Stillwater Sciences). The majority of the smolt production improvement comes from the off-channel pond (SF16) and the high quality, continuous winter rearing and foraging opportunities it will provide. The in-channel project elements (SF17, SF14, and SF13) will increase the complexity of the channel habitat for juvenile survival during winter baseflow and high flow events, reestablish dynamic channel processes that have been largely lost, and ensure continuous connectivity to the off-channel habitat.
The completed limiting factors analysis for coho salmon in the South Fork Ten Mile (Stillwater 2011) concludes that the availability of winter rearing habitat is a key factor limiting the recovery of coho salmon populations in the South Fork Ten Mile River basin. The need for the proposed projects is summarized in the following excerpts from Stillwater Sciences' Framework for Coho Salmon Habitat Restoration and Enhancement in Lower Ten Mile River (2013).

"Channel incision, confinement, and habitat simplification in the lower Ten Mile River study areas has reduced juvenile coho salmon access into historical floodplain habitats. ... Reduced floodplain connectivity and degradation of in-channel winter rearing habitat are key factors limiting coho smolt production in the Ten Mile River, which is evident at both the geomorphic reach and study area scales. ... The primary goal of habitat enhancement in the Project Area is to improve coho salmon survival and production by addressing winter habitat as a limiting factor through increasing juvenile rearing habitat capacity and complexity over a range of winter flows. ...constrained reaches would benefit from constructing mid-channel and bank margin large wood structures to increase instream habitat complexity within the bankfull channel. ... [less constrained reaches would benefit from] constructing seasonal floodplain ponds."

The Phase 1 implementation reach is located between river mile 1.0 and 1.4. The lower 0.1 miles of the implementation reach is a straight, uniform, fairly plane-bed section of channel with good riparian forest buffer that transitions upstream to a straight, unvegetated 0.1 mile section. This lower 0.2 miles of the project

reach is constrained and exhibits poor rearing habitat value. The restoration goal for this reach is to aggrade the channel to reconnect floodplain features and create a dynamic, meandering or multi-threaded channel form. Creation of deep, sheltered pools and complex, vegetated edge habitats at a wide range of flows would dramatically improve the rearing habitat value of this reach. This reach provides good opportunities to use large wood structures to aggrade the channel and reconnect floodplains. A Cross-channel Racking Jam (SF13) at RM 1.08 and Bank Deflection/Meander Jam (SF14) at RM 1.12 are designed to begin the transformation of this reach. Additional engineered log jams (ELJs) and associated overflow channels have been designed for later phase implementation after SF13 and SF14 have begun to adjust the channel bed and form. Evaluation of their functioning and channel response will provide design guidance for these future phases.

SF13 is an engineered log jam designed to trap free-floating wood and to create in-channel complexity. One desired outcome is to constrict the flow area sufficiently to aggrade the channel, back water up, and cause vegetated floodplain benches to be inundated more frequently. The cross-channel racking jam is designed to basically set up conditions to "rack" or trap material coming down the channel during flood events. It acts as a catcher's mitt. The structure's form and functionality will adjust frequently depending on the material caught and released, and its configuration. SF13 will be built using multiple log piles driven into the bed and bank. The structure has two channel spanning logs that are installed to kick-start the process of aggradation while developing a downstream pool. As the bed elevation rises, the floodplain/ terrace will be reconnected and indurated on a more frequent basis. The jam will likely force lateral expansion of the outer banks around the existing dense alder stands creating overflow channels behind trees or possible creating new channel further out on the existing terrace. The structure will be pinned to existing trees as well as driven vertical piles with threaded rod to prevent large scale adjustment. The vertical piles are 18-inch diameter and will be driven a minimum of 15 feet into the existing bed. Several salvage trees will also be threaded over the vertical log piles to trap sediments and provide channel complexity. Total wood pieces in SF13 are:

- Vertical piles: 9
- Straight logs: 2
- Salvage trees: 2-4

SF14 is a left bank deflection/meander jam approximately 200 feet upstream of SF13. The structure will extend into the channel and constrict the active channel area by approximately 60%. This will force flows into the right bank, initiating meandering and medial bar formation. The structure is designed with approximately half of the logs buried into the left bank to prevent flanking as the upstream meander is developed, as well as two buried rootwads located in the middle of the structure to prevent undermining. The upstream face of the structure has three rootwads resting on a cross log that are meant to divert flows and create a hammerhead to initiate an obstruction scour pool with much of the structure then acting as cover. A single large rootwad will be placed will be placed on the right bank just downstream of the bank jam to form a bar apex jam, amidst the existing young alder grove, to further split flow and possibly promote a mid-channel island formation. Total wood pieces in SF14 are:

- Rootwads: 11
- Straight logs: 5
- Vertical Piles: 5

These ELJs will be constructed using multiple redwood or Douglas fir rootwads and logs. The key logs and

horizontal members of the structures will be anchored to wood piles driven a minimum of 15 feet into the streambed and banks. See Large Wood Structures Stability Memo in the supplemental documents for a description of the analyses conducted to design the structures to be stable during flood events. Five to six feet of scour is expected. Threaded rebar and nuts will be used to pin logs to the vertical piles to prevent buoyancy forces from removing single logs and to stabilize the overall structure. SF14 will be additionally ballasted with soil, gravel, and live willow stakes. Construction will require dewatering, and a minimum of two excavators and possibly a loader.

Upstream of the straight reach where the ELJs will be installed to promote channel reconfiguration, the South Fork makes two 90 degree bends and abuts the west valley wall at river mile 1.33. Existing low ground in the adjacent left bank terrace and a relatively stable meander bend provide a practical location for creating an off-channel feature that will be fed by groundwater from the neighboring ridge.

SF16 is an off-channel pond at river mile 1.34 that will be excavated into the existing wetland depression on the left bank, and will backwater from the river. The channel bank and terrace elevation is around 23 feet, and summer water surface elevation is approximately 16.5 feet. The pond is designed to be continuously connected to the South Fork to allow year-round access for juvenile salmonids for rearing and refugia. Pond depths in the summer will range 1-8 feet and total pond volume will be 1.3 acre-feet in summer and 1.7 acre-feet in winter. The inlet will be initially excavated to be 1 foot deep during summer base flow. Groundwater monitoring data indicates that the water table in the pond area is consistently 2 feet higher than the adjacent stream water surface, indicating that there is likely to be a strong flow of groundwater into the pond site. Extensive vegetated wetland edges and benches extending out from the pond will be inundated during winter baseflow (elevation 17.5 to 18.5) and frequent annual storm events (elevation 19.5 to 20.5). The 0.3 acres of flooded wetlands will provide extensive new foraging opportunities for juveniles and smolts. In addition, wood structures will be installed within the pond to provide shelter and territorial elements for salmonids, as well as habitat for other wildlife. Spoils from the pond excavation will be used to create a small berm around the pond and wetland edge to protect the site from high overbank flows (10+ year flood events). However, most of the 10,000 cubic yards of soil will be hauled off site to a spoils site on a neighboring ridge. Revegetation around the pond will be designed to maximize productivity. The existing ranch road will be retained but shifted to skirt around the southwest side of the pond. Pond excavation, spoils removal, and spoils pile preparation will be done using excavators, dozers, loaders, and articulated dump trucks.

The current location of the designed pond inlet on the South Fork channel bank is an overgrown overflow channel that is not connected to the active channel except during winter storm events. To ensure that the pond inlet connects to the active channel and remains accessible throughout the year and over time, several engineered log jams are needed to realign the channel and create a pool at the inlet.

SF17 is a series of ELJs at river mile 1.36 that will create a split flow channel, deep pools, and complex edge habitat adjacent to the SF16 pond inlet. A bar apex jam will be installed approximately 150 feet upstream of the pond inlet. Bank jams on both banks will constrict the active channel area and force a flow split, with 60% of the flow going down the left bank and 40% down the right. A mid-channel island will be formed behind the bar apex jam. The log structures will be ballasted using vertical log piles and gravel cover. Oblique logs and willow cuttings will be added to the fill to provide additional stabilization. Horizontal logs and rootwads will be

anchored to the vertical log piles with threaded rebar. The 120-foot long mid-channel bar is 15-feet wide in the middle, has 3:1 side slopes, and will be heavily vegetated to prevent erosion. Creating a split flow provides multiple channels for fish to utilize during low and high flows. Total wood pieces in the bar apex and bank jams at SF17 are:

- Rootwads: 14
- Straight logs: 7
- Vertical Piles: 9

Channel edge habitat will be increased and the in-channel habitat improved. The site now contains one of the largest pools in the lower South Fork. We expect that this large pool will change shape and size with the channel split and mid-channel bar creation. To ensure that a pool is created and maintained at the pond inlet, a meander jam will be constructed on the bank immediately downstream of the inlet. The meander jam is oriented to create an eddy at the inlet and back water into the pond. Two multi-log and one single-log habitat structures in this reach are designed to add complexity as well as help prevent bank erosion along the left bank. Total wood pieces for the meander jam and log habitat structures at SF17 are:

- Rootwads: 9
- Straight logs: 3
- Vertical Piles: 8

As with the other ELJ installations, the work at SF17 will require dewatering effort and the use of two excavators and a loader.

A critical element of the design and installation of these four enhancement sites is the expected longevity, or lifespan, and the factors that affect their potential functional lifespan. Predicting the lifespan of a large wood structure is difficult, as so many factors are at play. There is also the question of how long do we want the structure to be functional. The ELJs that have been designed for this project are intended to do significant geomorphic work and are set high into the flow field so that they will divert and reroute streamflows and capture more wood. The sediment load in the system is high, as is scour potential. They will take a beating. We would like the structures to continue to function for at least 20-30 years, while the recruitment of wood from the upper watershed is restored to a higher rate and the local riparian forest regrows and can begin to trap wood effectively. We intend to use high quality, large specimen 2nd growth redwood and Douglas fir, which have the slowest rot rate of the wood species in our region. We are using 18-24" vertical log piles driven 15+ feet into the bed. We are judiciously pinning key logs to limit log loss from the structures.

We expect the pond lifespan to be many decades if not at least a century; however, unexpected flood events and channel shifts could reduce its functionality. The pond should have limited sediment delivery to it. Suspended silts and clays will come in and settle out during high flows, but the aggradation rate from this input is likely undetectable. A small intermittent tributary flows from the adjacent hillside and onto a gravel fan near the southwest corner of the pond. It appears that the sediment this channel carries is deposited on the fan and water disperses across the fan and sinks into the gravels. During very large storm events this stream may flow directly into the pond, bringing some sands and gravels with it. The greater threat to pond functionality is the potential for the South Fork channel to shift away from the pond inlet or to avulse into the pond. The site selected for the pond and inlet is one of the most geomorphically stable sites in the valley. The

installation of the SF17 ELJs is intended to improve the stability of the pond inlet area while maximizing habitat value.

2. Objectives:

The objective of the Project is to construct four habitat projects that create complex in-channel and off-channel habitat conditions to support survival and rearing of juvenile coho salmon in the lower South Fork. The Project elements will serve as demonstration sites for future projects on the South Fork and other low-gradient coastal alluvial valleys. Channel responses to the installation of the engineered log jams and fish utilization of the off-channel pond will inform the design and construction of similar potential habitat restoration sites. The specific, measurable Project objectives are:

1. One 0.35 acre off-channel pond with an additional 0.3 acres of adjacent flooded wetland area.
2. One side channel and log jam complex to split flow and maintain pond inlet opening.
3. One bank deflection jam to realign the channel and create complex flow paths.
4. One racking jam to collect woody debris, aggrade channel, and reconnect floodplain benches.

2. *Project Set Up:*

Project oversight will be conducted by the California Chapter of The Nature Conservancy (TNC CA). All reporting and billing will be pursuant to contract and regulatory guidelines. See Task 1 for more detail.

A subcontractor, Prunuske Chatham, Inc. (PCI), will manage and perform all construction and revegetation tasks and a portion of the pre- and post-construction monitoring tasks. PCI may hire and oversee local subcontractors, operators, or laborers as needed and available for portions of the work. Key requirements for secondary subcontractors will include availability within project timeline, cost efficiency, and ability to comply with CDFW contract conditions.

3. *Materials:*

The following list describes, in general, the materials required for the construction sub tasks outlined in the PCI SF13-17 $est Summary in supplemental documents. Other miscellaneous materials not specifically called out in this list may be needed.

Materials in Site Management to facilitate and sustain construction operations:

- Safety equipment and signs
- First aid supplies
- Small hand tools and supplies that will be expended during project construction
- Miscellaneous hardware
- Site repair materials
- Wire, power cords and electrical fittings to power site and equipment
- Gravel for temporary access roads

Materials in Flow Diversion and Dewatering for in-channel and off-channel restoration sites to allow equipment to work in channel and install project elements:

- Sump pumps

- Sand or rock bags
- Plastic sheeting
- Pipe, HDPE, various diameters
- Pipe, PVC, various diameters
- Pipe and pump fittings

Materials in Grading for permanent road realignment around off-channel pond for ranch and timber harvest access, as well as repairing site and spoils area access roads:

- Rock, including drain rock, gravel, and 2" minus perm
- Geotechnical fabric

Materials in Log Structures to create in-stream hydraulic and habitat features:

- Redwood or Douglas fir rootwads with 30-40 foot stems
- Redwood or Douglas fir logs of varying diameters, 20-40 feet long
- Threaded rebar, nuts

Materials in Erosion Control (permanent and temporary) to comply with SWPPP BMPs:

- Wattles, burlap encased
- Plastic sheeting
- Stakes, wooden, various sizes
- Coir, twine mat

Materials in Planting and Plant Maintenance for revegetation of pond site and vegetation survival:

- Plants, including plugs in supercells or similar, tree pots, and 1 gallons
- Browse protectors
- Weed protection mats
- Irrigation supplies
- Replacement irrigation parts and/or DriWater

4. ***List of Tasks:***

Task 1: Project Management and Reporting (TNC)

TNC CA will staff the project with 1.2 of an FTE, spread across five-positions to bring the knowledge, skills and abilities to make the project a success. An experienced Project Director and Applied Scientist will each contribute approximately a quarter of their time directing the project during the active period. A Project Associate will half of his/her time as the project manager and will TNC CA's on-the-ground monitor and liaison with landowners and agency field personnel. A Senior Project Director and GIS Analyst will both provide targeted support for either strategic direction or monitoring and reporting respectively. Progress reports will be provided to CDFW quarterly and a final report delivered at the conclusion of the project.

Task 2: Regulatory Compliance (TNC and PCI)

TNC and PCI will work together to address regulatory requirements, which include CEQA compliance and federal, State, and local permits (e.g., CWA §404 NWP, incidental take from NOAA, CZMA compliance, §401

Certification, §1602 LSAA, and Mendocino County grading). The §1602 fee is included in the FRGP budget; TNC will provide fees for the County. PCI will take the lead as subcontractor to conduct biological evaluations, manage species consultations with agency staff, as required, and prepare the species protection and relocation plan. TNC and PCI will provide information to assist NOAA with CZMA compliance and, if required, to assist the Corps with consultation with USFWS for CRLF, NSO, and tidewater goby. TNC and PCI will secure the Mendocino County grading permit. If it is determined that the project does not qualify for use of the FRGP MND and/or RGP 12, TNC will identify a CEQA Lead to conduct a separate CEQA process with funding from sources other than FRGP and will obtain permits through traditional avenues. PCI will provide aquatic species relocation during dewatering, pre-construction training for construction crews about sensitive species protection, and construction monitoring as required by the permit conditions.

Task 3: SWPPP Preparation, Monitoring, and Reporting (PCI)
Before construction, a certified QSD will prepare a Stormwater Pollution Prevention Plan (SWPPP) for the entire project. The SWPPP will include BMP recommendations and an implementation and monitoring schedule. During construction, a certified QSP will perform weekly BMP inspections and quarterly non-stormwater inspections, issue Rain Event Action Plans (REAPs), and perform REAP inspections, including sampling of stormwater discharges as needed. During periods of no construction, the QSP will issue inactive site REAPs if necessary. The QSP will comply with all required reporting requirements including filing the Notice of Termination (NOT) upon completion of the project.

Task 4: Construction Administration (PCI)
Construction administration represents all of the off-site activities it takes to coordinate and run a large construction project, including such tasks as:

- Public notification
- Construction workplan and schedule
- Requests for information regarding design
- Safety trainings
- Conducting tours and meetings with landowner, stakeholders, and agency staff
- Procurement and management of subcontractors
- Procurement of materials and equipment
- Overall project coordination and management

Task 5: Construct SF13 and SF14 (PCI)
Construction will conform to the attached engineered 65% site plans and details.
Construction activities related to the installation of the engineered log jams at sites SF13 and SF14 on the South Fork Ten Mile will begin with site preparation, materials staging, and access development. Dewatering of approximately 300 feet of channel and fish relocation is required. Average summer streamflows range between 2 to 4 cfs. Once the channel is dewatered, ELJ installation will begin by trenching the channel and bank down to the bottom elevation of the structure. For the bank jam at SF14 this is set below the estimated 5-foot scour depth. Vertical log piles will be driven an additional 10-15 feet into the bed using two excavators. Pile driving will be done by pounding, vibration, or a combination of the two depending upon best approach for the site and materials. Horizontal log and rootwad members will be wedged in between the piles as shown on the plans and to field fit conditions. Gravel and sand from the channel and bank excavations will be used to

backfill the structures as they are built up vertically. Oblique logs and willow cuttings will be added as the structure is backfilled. These are stabilizing elements that will help prevent scour within the structure. The upper most logs will be pinned with threaded rebar to the piles to provide additional structure stability and resistance to uplift forces.

After the structures' installation is complete, the dewatering system will be removed and access roads rehabilitated. Permanent erosion control will consist solely of hydromulching the site with native grass seed. The construction of SF13 and SF14 is estimated to require six weeks.

Task 6: Construct SF16 and SF17 (PCI)
Construction will conform to the attached engineered 65% site plans and details.
Significant site preparation is required for the construction of the off-channel pond (SF16) and associated ELJS to split and maintain flow at the pond inlet mouth (SF17). The pond excavation and ELJ installation is expected to take four to five months, thus a start date in June is preferred. Management of bird nesting habitat – beginning in mid-winter – will be necessary if construction is to start before August 15th. Vegetation management for bird nesting discouragement will include mowing, grubbing out shrubs, and limbing or felling trees. Preparing staging areas and installing new ranch road around the southwestern perimeter of the pond will be some of the first construction activities. The current ranch road bisects the pond site, and instead of installing a culvert across the pond inlet, it was chosen to reroute the road. Grading of the road alignment and building a solid road base with rock, gravel, and geotechnical fabric will be required, as the existing surfaces are soft.

Dewatering of both the groundwater in the SF16 pond area and approximately 300 feet of channel is required. Multiple wells will be drilled to manage groundwater seepage into the pond excavation. Fish will be relocated during the channel dewatering process.

The pond area and spoils site (located on a ridge top above the valley) will be prepped by removing the topsoil layers and setting aside for later reuse. The pond will be excavated and graded using several excavators, loaders, dozers, and articulated dump trucks. Approximately 10,000 cubic yards of soil will be moved. A portion of the spoils will remain on site to create a low berm between the channel and pond. The berm is designed to limit overbank flows into the pond and associated fine sediment aggradation. Several wood habitat structures will be installed within the pond wetted area. Permanent erosion control will be installed at the spoils pile and upper slopes of the pond, including hydromulch and coir wattles. The pond will be extensively planted with emergent wetland plug plantings around the summer waters' edge and on the wetland benches. Planting zones are tailored to the frequency of inundation. Riparian trees and shrubs will be planted along the upper slopes and adjoining terrace. Due to moist, coastal site conditions only one year of plant maintenance and watering is expected to be needed.

After channel dewatering, the engineered log jams will be installed in similar manner as described for SF13 and SF14. There are three large ELJs associated with SF17: a bar apex jam, two bank deflection jams, and a meander jam. Multiple wood habitat structures will be installed along the left bank and are attached to live alder trees. Behind the bar apex jam that drives the flow split, the mid-channel island will be built using downed salvage trees, live willow stakes, and gravels excavated from the left side channel. No permanent

erosion control is planned for SF17, as the site is expected to be dynamic until it adjusts to typical winter flows and vegetation gets established.

Task 7: Effectiveness Monitoring (TNC, Campbell, and PCI)
One year of pre-construction biological monitoring and two years post-construction biological and physical monitoring is planned for the site. The pre-construction physical conditions will be based on information collected during the project design phase. A detailed monitoring plan is included in the supplemental information.

Rotary screw traps, PIT tag arrays, and snorkel surveys will be used to track fish movement and utilization of the habitat enhancement sites. Visual documentation of site function and changes will be conducted using repeat photography at established monitoring points and multiple time-lapse camera set-ups. Annual long profile and feature surveys will document changes in channel topography and slope. Hydrologic and hydraulic functioning of the off-channel pond (SF16) and side channel (SF17) will be through the time lapse photos and pressure transducers installed to track water level changes. Temperature and dissolved oxygen will be monitored at two locations in the pond to assess seasonal changes in habitat conditions.

5. *Time Frame:*
Task 1: Project Management and Reporting: July 1, 2016 to March 31, 2020

Task 2: Permitting: August 1, 2016 to June 1, 2017

Task 3: SWPPP Preparation, Monitoring, and Reporting: April 1, 2017 to June 30, 2018

Task 4: Construction Administration: August 1, 2016 to November 30, 2019

Task 5: Construct SF13 and SF14: August 15, 2017 to October 15, 2017

Task 6: Construct SF16 and SF17: June 1, 2017 to November 30, 2019

Task 7: Effectiveness Monitoring: November 1, 2017 to March 31, 2020

6. *Deliverables:*
Task 1: Project Management and Reporting: Quarterly Progress Reports. Annual & Project Completion Reports

Task 2: Permitting: Biological resources evaluation, species protection and relocation plan, §1602 permit application.

Task 3: SWPPP Preparation, Monitoring, and Reporting: All applicable SWPPP reports and documents, NOI, NOT, and 5-year monitoring plan.

Task 4: Construction Administration: Construction schedule, site tours, public notifications, progress reports,

invoice documentation, requests for information, as-built drawings.

Task 5: Construct SF13 and SF14: Photo documentation of construction

Task 6: Construct SF16 and SF17: Photo documentation of construction

Task 7: Effectiveness Monitoring: Annual monitoring reports

7. *CDFW Protocols to Be Used in Project Development and Implementation (check applicable box):*

☒ CDFW *California Salmonid Stream Habitat Restoration Manual*

Manual part number:

☐ CDFW Fish Bulleting 180: California Coastal Salmonid Population Monitoring: Strategy, Design, and Methods

8. *Other Protocols:*

USACE. (in press). Large Wood National Manual. Guidelines for planning, design, placement and maintenance of large wood in fluvial ecosystems: restoring process, function and structure. -- Chapter 7:Engineering Design.

Used as reference for force and moment analysis on ELJ structures for pile friction and ballast calculations.

9. *Expected Quantitative Results (Project Summary):*

Instream features installed/modified (number)	4
Length of off-channel stream created (miles)	0.02
Length of stream treated for channel reconfiguration/connectivity (miles)	0.09
Length of stream treated for channel structure placement (miles)	0.09
Pools created through channel structure placement (number)	5
Total length of instream habitat treated (miles)	0.3
Overall stream length treated, count one side of stream only (miles)	0.3
Pools created through channel reconfiguration/connectivity (number)	3
Channel Structure Materials	☒ Channel Struct. Materials: Individual Logs (Unanchored) ☒ Channel Struct. Materials: Individual Logs (Anchored) ☒ Channel Struct. Materials: Logs Fastened Together (Log Debris Accumulation (LDA)) ☐ Channel Struct. Materials: Rocks/Boulders (Unanchored)

EXHIBIT D

SFGate
San Francisco Chronicle

Ten Mile River getting reef-to-ridge makeover to save salmon

by Peter Fimrite
Published 7:46 pm, Saturday, August 9, 2014

MacKerricher State Park, Mendocino County --

Ten Mile River estuary in rugged Mendocino County as it reaches the Pacific Ocean, with Highway 1 in the foreground.
Photo: Michael Macor, The Chronicle

The deep-blue Ten Mile River snakes down from the mountains through redwood forests and coastal wetlands near Fort Bragg before it flows past rolling sand dunes into the sea.

The little-known waterway along the rugged Mendocino County coast looks, from the air, like an untamed remnant of the nearby Lost Coast, but it is far from pristine.

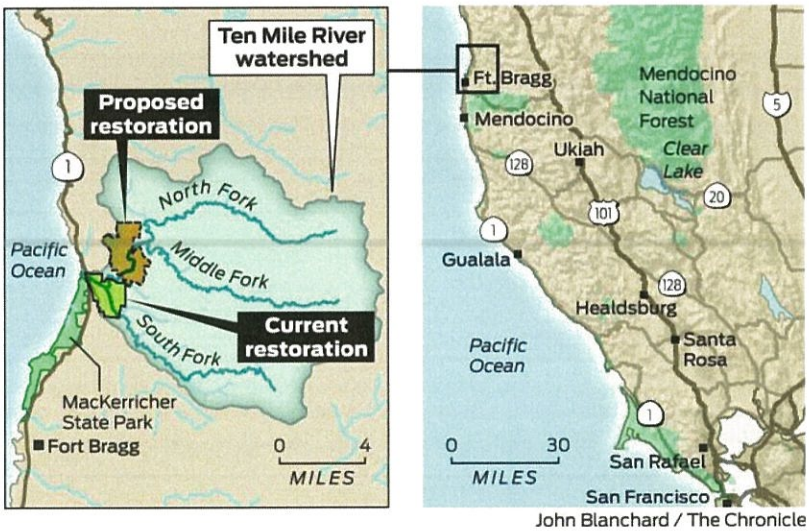
The river and fishery are reeling from decades of logging, farming, myriad diversions, pollution and other indignities inflicted by humankind. It is why conservationists led by the Nature Conservancy are working with a half dozen local ranchers on a model program to restore the river's wetland habitat and bring endangered coho salmon back from the precipice.

It is the first time anyone in California has ever tried to rebuild historic floodplains and habitat from the mouth of a river all the way to the headwaters.

"What we are doing is undoing a 100-year legacy of forestry damage," said Jason Pelletier, director of the Nature Conservancy's North and Central Coast regions, as he stood next to the river where it winds over flatlands before emptying out at the fog-shrouded beach at MacKerricher State Park. "This is a reef-to-ridgetop conservation opportunity. We have this entire watershed to restore. That just doesn't happen anywhere."

The group, through a series of conservation easements, plans to restore 8 miles of river and streamside habitat. The work, which is expected to begin this fall, will involve the reconstruction of the historic river plain where fish once thrived.

A significant watershed



John Blanchard / The Chronicle

The project is important because a third of all the coho along the Mendocino coast breed in the Ten Mile River, which got its name because it was 10 miles north of the mill on the Noyo River in Fort Bragg, where the ancient redwood forests of the Coast Range were turned into lumber.

Scientists calculate that the Ten Mile, under ideal conditions, could carry 1,100 more fish than the Lagunitas Creek watershed in Marin County, which in recent decades has been home to the state's largest population of wild Central California coho.

Coho, also known as silver salmon, once swam in huge numbers up North Coast rivers, providing ample food for American Indians and grizzly bears. Dams, logging and development wiped out 98 percent of California's coho. Central California coho in 2005 were on the list under the U.S. Endangered Species Act, but remnant populations still exist in a few streams, including the Ten Mile.

The fish breed in cold freshwater and their babies live for 1 1/2 years in the stream before swimming to the ocean. They typically return at age 3 to the exact spot where they were hatched to lay and fertilize their own eggs. Studies have shown that floodplains, where the fish can rest, hide from predators and fatten up before swimming upriver, are crucial to their survival.

Dirt and sediment

The biggest issue along the Ten Mile is that huge amounts of dirt and sediment have piled up along the banks as a result of logging and development. As the floodplains vanished, so did the salmon. With the fish went many of the jobs that were crucial to the region ever since the Georgia Pacific lumber mill in Fort Bragg closed in 2002.

Destruction of wetlands and fish habitat has been a problem in waterways up and down the coast. Pelletier said the Ten Mile project is a scientific test case to see if the trend can be reversed.

"We are really trying to mimic what nature would do if left to its own devices," Pelletier said. "In 50 to 70 years nature might do it on its own, but, with the trajectory of coho, we don't have 50 to 70 years. If we don't do something now, a lot of these rivers might not have any fish."

Detecting ancient wetlands

Dan Porter, the North Coast ecologist for the conservancy, said sophisticated airborne laser and light sensing technology called Lidar was used to detect ancient imprints along the river and develop a high-resolution topographic map of the former wetlands.

Perry meets with Nature Conservancy staff members Jason Pelletier (left) and Dan Porter as they explore her 872 acres that are key to the project and discuss restoration for the property.
Photo: Michael Macor, The Chronicle

The plan is to select places along the south fork where workers can excavate to create side ponds and channels. Engineered logjams would be used to slow down flows and the historic riparian ecology would be replanted. The newly engineered floodplains would serve as pull-out rest stops for salmon during high flows in the winter. Cattle would rotate into areas where the fish aren't, he said, marking the first harmonious cow-fish living arrangement.

"This estuary here is literally the gauntlet the salmon have to run twice in their lives," said Porter, who flew to the area a few days ago in a small plane and used a topo map to tromp through the wild tangle of rush, cattails, willows, wild strawberry and cottonwood that makes up the last swampy remnants of the Ten Mile floodplain. "What we're trying to do is improve how it floods - to make it so that the water doesn't rush out and flush the fish out to sea."

The problem is that both sides of the river are private property. That required Porter and Pelletier to forge an unprecedented collaboration among numerous agencies and individual property owners before work could begin.

Conservation easement

In June, the Nature Conservancy, with help from the Conservation Fund, the State Coastal Conservancy and Wildlife Conservation Board, paid $3.8 million for a conservation easement on the 872-acre Smith Ranch. The easement will allow the owners to continue ranching and logging in an environmentally friendly manner, but will forever prohibit subdivisions and development on the property. The conservancy, in turn, will be able to do wetlands and fish habitat restoration work on 2 miles of the river's south fork.

The ranch owners, Margaret Perry and Susan Smith, are using the proceeds to buy back a portion of the original ranch that was split off in a 2009 partition of the property. That transaction is expected to be completed within a month. The Nature Conservancy would then be granted a conservation easement over an additional 419 acres. A public trail would be built along the river, and parking and picnic areas would be set up along the coast.

Landowner Margaret Perry walks along the south fork of Ten Mile, which runs through her and her sister's property, and will be part of the restoration project. Photo: Michael Macor, The Chronicle

"We get to keep our ranch, buy back property we gave up and work with some incredibly intelligent people who know how to restore things," said Perry, whose grandparents bought the Smith Ranch in 1936, and who, along with her sibling, has been searching for a way to preserve both the picturesque landscape and the family's ranching heritage. "It is something that we never would have been able to do on our own. It's definitely a win-win all the way around."

Additions in the future

As many as 2,500 additional acres and 6 miles of riverfront property upstream could be added in the future, conservancy directors said. The Hawthorne Timber Co. has been working with Trout Unlimited over the past decade on fisheries restoration at the headwaters, Pelletier said, meaning the entire river from the ocean to the forested mountaintop soon could be returned to a more natural condition that supports a vibrant salmon population.

The entire project is being monitored by the California Department of Fish and Wildlife and the National Oceanic and Atmospheric Administration, which are trying to develop technical standards and protocol for salmon recovery efforts across 300 miles of coastal watershed lands from San Francisco Bay to the Oregon border.

"We're putting as much thought into this project as we can so that others can learn from it," Porter said. "The intent is to create a model project across the state."

Peter Fimrite is a San Francisco Chronicle staff writer. E-mail:pfimrite@sfchronicle.com Twitter: @pfimrite

IRS Department of the Treasury
Internal Revenue Service

OGDEN UT 84201-0038

In reply refer to: 0441847642
Feb. 03, 2010 LTR 4168C E0
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00037965
BODC: TE

NATURE CONSERVANCY
% DIR OF TAX SERVICES
4245 N FAIRFAX DR
ARLINGTON VA 22203

024010

Employer Identification Number: 53-0242652
Person to Contact: Sharon Busey
Toll Free Telephone Number: 1-877-829-5500

Dear Taxpayer:

This is in response to your Jan. 25, 2010, request for information regarding your tax-exempt status.

Our records indicate that your organization was recognized as exempt under section 501(c)(03) of the Internal Revenue Code in a determination letter issued in March 1954.

Our records also indicate that you are not a private foundation within the meaning of section 509(a) of the Code because you are described in section(s) 509(a)(1) and 170(b)(1)(A)(vi).

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for Federal estate and gift tax purposes if they meet the applicable provisions of sections 2055, 2106, and 2522 of the Code.

If you have any questions, please call us at the telephone number shown in the heading of this letter.

Sincerely yours,

Rita A. Leete

Rita A. Leete
Accounts Management II

The Nature Conservancy
Protecting nature. Preserving life.

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Stanford University
Stanford

Scott B. Wilson
Chairman & Chief Scientist
Persyst Development Company
Del Mar

THE NATURE CONSERVANCY
FISCAL YEAR 2015 APPROVED BUDGET
OFFICE **CARO**
PREPARED Felicity Fyfe
DATE 3/4/2014

REVENUE		***TOTAL***
	CONTRIBUTIONS	12,728,462
	WO MEMBERSHIP INCOME	7,491,660
	GOVERNMENT AWARDS	1,659,037
	PRIVATE CONTRACTS	1,076,409
	LPF INTEREST INCOME TFR	652,498
	ENDOWMENT INCOME TFR	4,557,293
	OTHER INCOME	4,053,365
	TOTAL REVENUE	32,218,724
EXPENSES		
	PERSONNEL & FRINGE	*21,619,938*
	CONTRACTUAL	10,881,896
	COMMUNICATIONS	448,613
	TRAVEL	896,910
	SUPPLIES AND EQUIPMENT	1,112,281
	OCCUPANCY	2,915,979
	OTHER EXPENSES	1,133,871
	TOTAL EXPENSES	39,009,488
TRANSFERS IN / OUT		
	ESSENTIAL BUSINESS ACTIVITY SUPPORT REC'D	-
	CAMPAIGN TRANSFERS IN	-
	DISCRETIONARY SUPPORT REC'D	-
	GLOBAL PRIORITIES FUND SUPPORT REC'D	-
	REGIONAL SUPPORT REC'D	-
	ALL OTHER UNRESTRICTED TRFRS IN	13,968,978
	RESTRICTED TRANSFERS IN	6,021,111
	TOTAL TRANSFERS IN	19,990,089
	ESSENTIAL BUSINESS ACTIVITY ASSESSMENT	4,853,005
	CAMPAIGN TRANSFERS OUT	-
	REGIONAL ASSESSMENT	1,440,735
	ALL OTHER UNRESTRICTED TRFRS OUT	5,204,778
	RESTRICTED TRANSFERS OUT	4,662,535
	TOTAL TRANSFERS OUT	16,161,053
	NET TRANSFERS IN (OUT)	3,829,036
NET SURPLUS (DEFICIT)		(2,961,728)
PRIOR YEAR CASH POSITION		2,961,728
NET SURPLUS DEFICIT PLUS CASH POSITION		-
PRIOR YEAR CASH POSITION		
NET SURPLUS DEFICIT PLUS CASH POSITION		

Financial Summary

Financial Summary

For the fiscal year ending June 30, 2014	2014	2013
Operating Sources		
Contributions	18,650,352	20,997,294
Government	1,378,132	1,915,808
Endowment and Investment	5,159,681	5,048,928
Lease, Bequest & Reserve	16,855,035	10,824,198
Total Operating Sources	42,043,201	38,786,228
Operating Uses		
Personnel	26,975,707	24,859,940
Contracts	8,673,923	7,792,370
Other Expenses	6,393,571	6,133,917
Total Operating Uses	42,043,201	38,786,228
Other Income		
Land Sales and Gifts	4,812,046	2,101,459
Government Grants for Land	5,226,303	5,062,700
Other Income (Loss)	18,805,822	14,303,122
Total Other Income	28,844,171	21,467,281
Other Expenses		
Land Transaction Expenses	9,683,710	7,406,729

Asset, Liability & Net Asset Summary

For the fiscal year ending June 30, 2014	2014	2013
Assets		
Conservation Land & Easement	484,060,500	481,450,034
Endowment & Reserve Investments	217,184,573	202,969,227
Property & Equipment (Net of Depreciation)	7,990,136	5,220,974
Other Assets	1,008,887	1,974,105
Total Assets	710,244,096	691,614,339
Liabilities and Net Assets		
Deferred Revenue	1,284,466	2,214,967
Other Liabilities	5,446,000	5,046,203
Total Net Assets	703,513,630	684,353,169
Total Liabilities & Net Assets	710,244,096	691,614,339

The Nature Conservancy in California is one operating unit within The Nature Conservancy's global organization.
To view audited financial information, please go to nature.org/about-us/our-accountability/annual-report/index.htm

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response or note to any line in this Part IX . . . . . ☐

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21	13,611,573	13,611,573		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . .	0	0		
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . .	35,805,049	35,805,049		
4 Benefits paid to or for members	0	0		
5 Compensation of current officers, directors, trustees, and key employees	10,396,346	6,947,477	2,146,594	1,302,275
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . .	0	0	0	0
7 Other salaries and wages	236,352,094	139,592,629	53,413,195	43,346,270
8 Pension plan accruals and contributions (include section 401(k) and 403(b) employer contributions)	18,526,466	10,370,459	5,082,065	3,073,942
9 Other employee benefits	26,556,203	14,866,746	6,274,412	5,415,045
10 Payroll taxes	18,027,149	10,372,307	4,436,360	3,218,482
11 Fees for services (non-employees):				
a Management	0	0	0	0
b Legal	1,876,219	1,250,422	559,889	65,908
c Accounting	1,474,396	277,415	1,169,608	27,373
d Lobbying	916,342	916,342	0	0
e Professional fundraising services. See Part IV, line 17	9,386,956			9,386,956
f Investment management fees	12,378,507	0	12,378,507	0
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . .	74,128,803	63,527,724	10,601,079	0
12 Advertising and promotion	0	0	0	0
13 Office expenses	40,157,522	15,524,065	6,077,789	18,555,668
14 Information technology	5,885,695	4,299,713	1,390,390	195,592
15 Royalties	0	0	0	0
16 Occupancy	11,154,122	1,620,849	9,364,129	169,144
17 Travel	22,118,329	15,641,190	3,389,619	3,087,520
18 Payments of travel or entertainment expenses for any federal, state, or local public officials	721	721	0	0
19 Conferences, conventions, and meetings .	11,482,753	7,277,251	2,086,582	2,118,920
20 Interest	18,617,552	18,611,763	5,716	73
21 Payments to affiliates	0	0	0	0
22 Depreciation, depletion, and amortization .	9,467,680	7,121,246	1,857,547	488,887
23 Insurance	4,141,397	2,534,787	1,556,467	50,143
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a Book Value of Conservation Land Sold	139,752,840	139,752,840	0	0
b Repairs, Maintnance and Construction	9,260,830	7,109,584	1,986,434	164,812
c Real Estate Taxes	6,500,617	5,578,337	913,554	8,726
d Equipment	3,059,357	2,911,063	124,649	23,645
e All other expenses	7,660,047	3,988,182	2,622,277	1,049,588
25 **Total functional expenses.** Add lines 1 through 24e	748,695,565	529,509,734	127,436,862	91,748,969
26 **Joint costs.** Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here ▶ ☐ if following SOP 98-2 (ASC 958-720)				

The Community Foundation

Strengthening Inland Southern California through Philanthropy

S. L. Gimbel Foundation Fund

July 21, 2015

Mr. Mike Sweeney
Executive Director
The Nature Conservancy
201 Mission St., 4th Floor
San Francisco, CA 94105

Dear Mr. Sweeney:

Congratulations! A grant has been approved for **The Nature Conservancy** in the amount of **$1,000,000** from the S.L. Gimbel Foundation. The **performance period for this grant is August 1, 2015 to July 31, 2017.** Additional funding beyond the performance period is not guaranteed. It is highly recommended that alternative funding sources be sought accordingly. The grant is to support the following as specified in your proposal:

North Coast-Ten Mile: Apply science-based methodologies to the Ten Mile River Estuary Restoration Project site to restore wild salmon populations and equip others with the knowledge, tools, and resources to work toward the same goals in other locations. (Two year grant project)

This grant is subject to the terms outlined in the enclosed Grant Agreement. After you have reviewed the terms and conditions of the Grant Agreement, please sign and date the enclosed copy and return the original copy to The Community Foundation within the next two weeks. Please retain a copy of the signed agreement for your records. Funds will be released upon receipt of the signed Grant Agreement.

A condition of this grant is that you agree to submit the Grant Evaluation Form which includes a narrative report and fiscal report. The final **Grant Evaluation is due by August 15, 2017** and a copy will be available online.

We wish you great success and look forward to working with you during the grant performance period.

If you have any questions, please call me at 951-684-4192 ext. 114 or email me at ccudiamat@thecommunityfoundation.net.

Sincerely,

Celia Cudiamat
Executive Vice President of Programs

18133 The Nature Conservancy 20150530 GIMB3

The Community Foundation
Strengthening Inland Southern California through Philanthropy

3700 Sixth Street, Suite 200
Riverside, CA 92501
v) 951-684-4194 f) 951-684-1911
www.thecommunityfoundation.net

2015 S.L. Gimbel Foundation Fund

Grant Agreement

Organization: **The Nature Conservancy**

Grant Amount: **$ 1,000,000** **Grant Number:** **20150530**

Grant Period: **August 1, 2015 to July 31, 2017 (Final evaluation due by August 15, 2017)**

Purpose: **North Coast-Ten Mile: Apply science-based methodologies to the Ten Mile River Estuary Restoration Project site to restore wild salmon populations and equip others with the knowledge, tools, and resources to work toward the same goals in other locations. (Two year grant project)**

1. Use of Grant Funds
Grant funds must be expended within the grant period, for the purpose and objectives described in your grant proposal. Grant funds may not be expended for any other purpose without prior written approval by The Community Foundation. If there are significant difficulties in making use of the funds as specified in your proposal, or if the grant funds cannot be spent within the grant period, notify us in writing promptly.

Formal requests for extensions or variances must be submitted to the Foundation's Board of Directors for approval a minimum of 60 days before the end of the grant period.

Requests for variances or extensions are reviewed on a case-by-case basis and approved by the Board of Directors. If a request is denied, unused funds must be immediately refunded to the Foundation.

2. Payment of Grant Funds
The grant funds will be paid in full by the Foundation upon receipt of the signed Grant Agreement. Challenge grant funds will be paid in full upon receipt of the signed Grant Agreement and upon receipt of documentation providing evidence that condition(s) of the challenge grant has/have been met.

3. Certification and Maintenance of Exempt Organization Status
This grant is specifically conditioned upon Grantee's status as an eligible grantee of The Community Foundation. The Foundation has obtained a copy of the Grantee's IRS determination letter. Grantee confirms that it has not had any change in its tax-exempt status, and shall notify the Foundation immediately of any such change.

4. Final Report and Records
The Grantee will submit the Grant Evaluation report per the deadline set forth in the award letter. This report includes a narrative on outcomes based on goals and objectives set forth in the grant proposal and an expenditure report documenting use of grant funds. If equipment was purchased, copies of receipts need to be included.

5. Grantee's Financial Responsibilities
Grantee will keep records of receipts and expenditures of grant funds and other supporting documentation related to the grant at least four (4) years after completion of the grant and will make such records of receipts, expenditures and supporting documentation available to the Foundation upon request.

6. Publicity
The Community Foundation recommends publicity for the grant and acknowledging The Community Foundation in internal correspondence, brochures as appropriate; newsletters, annual reports and email blasts or e-newsletters.

The credit line of "Made possible in part by a grant from the **"S.L. Gimbel Foundation Advised Fund at The Community Foundation – Inland Southern California"** is suggested. When your donors are listed in printed materials, include the S.L. Gimbel Foundation Advised Fund at The Community Foundation in the appropriate contribution size category. When publishing our name, please note the "The" at the beginning of our name is a legal part of our name. It should always be used and capitalized. Attaching our logo is also appreciated. Our logo can be downloaded from our website at www.thecommunityfoundation.net.

7. Indemnification

In the event that a claim of any kind is asserted against the Grantee or the Foundation related to or arising from the project funded by the Grant and a proceeding is brought against the Foundation by reason of such claim, the Grantee, upon written notice from the Foundation, shall, at the Grantee's expense, resist or defend such action or proceeding, at no cost to the Foundation, by counsel approved by the Foundation in writing.

Grantee hereby agrees, to the fullest extent permitted by law, to defend, indemnify, and hold harmless the Foundation , its offices, directors, employees, and agents, from and against any and all claims, liabilities, losses, and expenses (including reasonable attorneys' fees) directly, indirectly, wholly, or partially arising from or in connection with any act or omission by Grantee, its employees, or agents in applying for or accepting the Grant, in expending or applying the Grant funds or in carrying out any project or program supported by the Grant, except to the extent that such claims, liabilities, losses, and expenses arise from or in connection with any bad faith act or omission by the Foundation, its officers, directors, employees, or agent.

8. Termination

The Community Foundation may terminate this agreement, withhold payments, or both at any time, if, in the Community Foundation's judgment: a) The Community Foundation is not satisfied with the quality of the Grantee's progress toward achieving the project goals and objectives; b) the Grantee dissolves or fails to operate; c) the Grantee fails to comply with the terms and conditions of this agreement.

9. Limitation of Support

This Agreement contains the entire agreement between the parties with respect to the Grant and supersedes any previous oral or written understandings or agreements.

****

I have read and agree to the terms and conditions of the Grant Agreement.

_____	7/24/2015
Signature	**Date**
Mike Sweeney	Executive Director
Printed Name	**Title**

Organization: 18133 The Nature Conservancy
Grant Number: 20150530

AC 8/11/15

The Community Foundation

Strengthening Inland Southern California through Philanthropy

S. L. Gimbel Foundation Fund

August 13, 2015

Mr. Mike Sweeney
Executive Director
The Nature Conservancy
201 Mission St., 4th Floor
San Francisco, CA 94105

Dear Mr. Sweeney:

The Community Foundation is pleased to enclose a grant check for **$1,000,000** from the S. L. Gimbel Foundation, a component fund at The Community Foundation. By cashing the grant check, you are agreeing to the conditions stated under the *Terms of Grant* which you have signed and returned. The completed Grant Evaluation form is due by August 15, 2016 and will be available online on The Community Foundations website under Grants/Forms. Please note that any grant variances or extensions must be requested in writing and in advance. Any remaining grant funds must be returned to The Community Foundation at the end of the grant period.

We greatly appreciate any help you can give us in publicizing the grant. **Please use the following credit in any grant announcements or materials funded by the grant: "The (name of project/program) is supported by a grant from The S. L. Gimbel Foundation."** You may send copies of articles printed in local papers, stories in your agency newsletter, annual report, press releases, and other publications for our files.

If you have any questions, please contact me at 951-684-4194.

Sincerely,

Celia Cudiamat
Executive Vice President of Programs

20150530 *39528* *GIMB3*

3700 Sixth Street, Suite 200 ~ Riverside, California 92501
P: 951.241.7777 ~ F: 951.684.1911 ~ www.thecommunityfoundation.net

The Community Foundation
Strengthening Inland Southern California through Philanthropy
3700 SIXTH STREET, SUITE 200
RIVERSIDE, CA 92501
951-241-7777 / FAX 951-684-1911

CITIZENS BUSINESS BANK
A Financial Services Company
3695 Main Street, Riverside, CA 92501
90-3414-1222

PAY * One Million and no/100 *

TO THE ORDER OF

DATE 07/23/2015

AMOUNT $*1,000,000.00

The Nature Conservancy
201 Mission St., 4th Floor
San Francisco, CA 94105

AUTHORIZED SIGNATURE

⑈039528⑈ ⑆122234649⑆ 24424437⑈

The Community Foundation 39528

18133 The Nature Conservancy 07/23/2015 039528

20150530	07/21/2015	North Coast-Ten Mile		1,000,000.00
GIMB		S.L. Gimbel Foundation Advised Fund	1,000,000.00	

CHECK TOTAL: $*1,000,000.00

The Community Foundation 39528

18133 The Nature Conservancy 07/23/2015 039528

20150530	07/21/2015	North Coast-Ten Mile		1,000,000.00
GIMB		S.L. Gimbel Foundation Advised Fund	1,000,000.00	

CHECK TOTAL: $*1,000,000.00