



08-09

DESCHUTES LAND TRUST ANNUAL REPORT

Working cooperatively with landowners to conserve land for wildlife, scenic views, and local communities.

FROM THE DIRECTOR

Looking back over the past fiscal year, I'm struck by the milestones we've achieved during such difficult economic times. Recognizing that Central Oregon's real estate-driven economy was in for a difficult ride, the Board of the Land Trust began the year with a conservative budget. While we didn't anticipate the depth of the recession, our Board's cautious approach meant the difference between a difficult situation and a catastrophic one. With the Bend area among the nation's hardest hit and an economic turnaround not yet in sight, the Land Trust has reduced staff hours and is stretching resources as far as possible.

Yet we've seen some truly notable achievements this past year, and I'm grateful for a dedicated staff and Board. After nearly 13 years of effort, we've broken ground on the most significant restoration of Whychus Creek to date. Re-meandering the creek is a dream that began during the long negotiations to acquire Camp Polk Meadow Preserve back in 1997. As you'll read elsewhere in this report, there remains much work ahead, but we're well underway in turning the dream into reality and a much healthier ecosystem.

Another milestone was the passage of the Skyline Forest Bill during the 2009 Oregon Legislative session. After seeing negotiations stall out during the fall, the Land Trust took a different approach and brought the owner of Skyline Forest together for discussions with local land use advocates. As you'll read in the following pages, our persistence, pragmatic partners, and a bit of good luck resulted in a successful bill which has helped pave the way for our eventual acquisition of Skyline Forest and another large block of forest along the Little Deschutes River. All told, the Skyline Forest project will eventually result in the permanent protection of 66,500 acres or over 100 square miles of Central Oregon forest.

The year also saw the Deschutes Land Trust recognized as one of 53 nationally accredited land trusts—an effort to ensure transparency, accountability, and ultimately, the permanence of our land conservation work. Accreditation speaks to the professionalism of our staff and is a reflection of how seriously we take our commitment to our supporters and to the community.

The coming fiscal year will bring new challenges and, with your help, the Land Trust will rise to meet them. We'll find new ways to stretch resources while we keep our eyes on the goal: a restored creek for steelhead, an intact community forest, and a sustainable future for our children. I look forward to working with you to make these things happen.

Until next year,



BRAD CHALFANT
EXECUTIVE DIRECTOR



CREG BURKE

CONSERVATION UPDATE

Work continues on several Land Trust conservation initiatives. Read an update on the Land Trust's work on the Deschutes County Greenprint—a grassroots effort to map important lands for conservation. Then, catch the latest news on several new Back to Home Waters projects.

Since 2008, the Land Trust has been working with a variety of partners on the Greenprint of Deschutes County—a county-wide grassroots effort to map important lands for conservation, recreation, and scenic views. Thus far, we've gathered local community members together to identify and prioritize land conservation and recreation needs. A diverse steering committee of individuals from local conservation groups, recreation groups, businesses, government agencies, and local residents provided some of this input. And the broader community was invited to give their feedback via an online survey. Now the Greenprint team is working to compile the data and create the maps that will be presented to the community next spring along with a strategy for implementation.

Why is the Land Trust so dedicated to this collaborative effort? Because it is a good time to pause and make sure our community continues to be such a great place to live. Our prosperity is tied to our quality of life, and that includes recreation opportunities, beautiful scenery, and abundant wildlife. Now is the most cost-effective time to invest in land conservation, and the Greenprint will help our community create a regional vision to secure existing and new public and private sources of funding. Learn more

about the Greenprint by inviting the Land Trust to speak to your civic club, community group, or book club or visit www.deschuteslandtrust.org.

While the Greenprint looks forward to the next generation of land protection projects, we're continuing to put the current generation of conservation projects on the ground. One focus is the Back to Home Waters project area where we help restore salmon and steelhead to our region by protecting the streams that will provide a home for these fish. Current projects include protecting Spring Creek bull trout and spring chinook in the Metolius basin. Outside of Prineville, we hope that by conserving Coffey Ranch we'll help bring steelhead back to Mill Creek. New projects could help protect a 1.5 mile stretch of McKay Creek east of Prineville, and provide public access to portions of lower Whychus Creek.

These efforts are integrated with the work of our restoration partners, the Crooked River Watershed Council, the Deschutes River Conservancy, and the Upper Deschutes Watershed Council. While each of these groups has a different approach to conservation, we share an interest in using resources effectively and combining our respective strengths, along with those of many additional partners, to achieve unprecedented conservation and restoration successes. ➤

TOP PHOTO: A PANORAMIC VIEW OF COFFEY RANCH ALONG MILL CREEK EAST OF PRINEVILLE. BOTTOM LEFT: SPRING CREEK LITERALLY GUSHES OUT OF THE GROUND, INCREASING THE FLOW OF THE METOLIUS BY ONE THIRD WHERE THE STREAMS MEET. BOTTOM RIGHT: SPRING CREEK WHERE IT MEETS THE METOLIUS RIVER.



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BYRON DUDLEY

JAY MATHER

RESTORING CAMP POLK MEADOW



BYRON DUDLEY

BYRON DUDLEY



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Last May crews broke ground on the biggest restoration project the Land Trust has ever undertaken: restoring Whychus Creek at Camp Polk Meadow Preserve. For seven weeks the meadow was crawling with excavators, dump trucks, hydrologists, biologists, and construction crews. When the dust finally settled, it was clear that some amazing work was accomplished:

The major thrust of the construction phase was to dig a new channel that follows much of the creek's historic meandering path through the meadow. Deep pools with log-jam complexes, shallow riffles and glides, and other features will provide the habitat necessary to sustain a healthy native fish population. **Photos 1, 2, and 3, show a section of meadow before, during, and after construction.**



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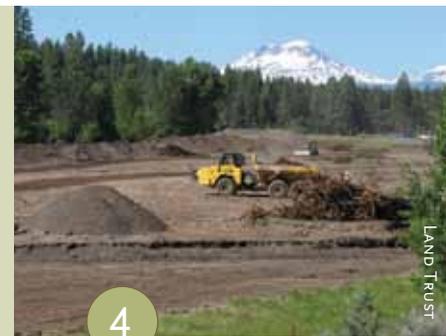
2

Other major work included grading the floodplain. This grading ensures that the restored Whychus Creek will be able to access its floodplain (i.e. top the banks) during periods of high water. A functioning floodplain helps slow flood waters and minimize erosion, while replenishing the surrounding area with water. In some parts of the meadow, crews had to remove more than a foot of soil to bring the floodplain down to an appropriate level. In other parts of the meadow, the floodplain had to be built up and given more roughness (logs, etc). These logs will eventually be covered by streamside plantings, and both the logs and the plants will help keep soil in place during flood events. **Photo 4, shows the large piles of excavated soil that will be used to plug the existing Whychus Creek channel when the creek is redirected into the restored channel.**



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3



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4

Once the channel was constructed, water was delivered via irrigation pipe to begin hydrating the creek and surrounding meadow. This watering process, along with the installation of 2 miles of fencing, is critical to the survival of the native vegetation that we planted in September and October. Volunteers, students, and hired crews helped plant more than 125,000 native plants along the banks of the restored channel. Now those plants will do their job: take root, grow big and help stabilize the banks of the creek for the eventual return of water. **Photo 5 shows students planting willow and dogwood cuttings along the restored creek channel.**



COURTESY OF KAREN ALLEN

5

Another round of plantings will take place next spring. Then in 2011 the final phase of construction will begin: crews will plug the existing Whychus Creek channel and redirect the stream into the restored channel.

For more details on the restoration including time-lapse video and photo slideshows visit: www.deschuteslandtrust.org.

The Whychus Creek restoration at Camp Polk Meadow Preserve is a joint effort of the Deschutes Land Trust, the Upper Deschutes Watershed Council and the Deschutes National Forest. Major funders of the project include: Oregon Watershed Enhancement Board, Pelton Round Butte Fund (Portland General Electric & the Confederated Tribes of the Warm Springs Reservation), Oregon Department of Environmental Quality, U.S. Fish and Wildlife Service, National Forest Foundation and Deschutes River Conservancy.



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CONSERVING CENTRAL OREGON'S FORESTS— SKYLINE AND BEYOND



BRON DUNLX



MIKE PUTNAM / PACIFIC CREST STOCK

Across the country, it's estimated that 75% of private commercial timberland has changed hands in the past 15 years—much of it broken up and converted to residential housing. This can mean homes in the middle of highly flammable forests, fragmentation of wildlife habitat, and the loss of scenic views, public access, and important timber resources. In Central Oregon, the Land Trust has long been concerned about the fate of the nearly 300,000 acres once owned by the Crown Pacific timber company. Most particularly, we were concerned about growing development pressure on the 33,000 acre tree farm west of Bend, an area we've dubbed Skyline Forest.

This past June, after nearly five years of effort, we finally established a clear path to protecting many of these former Crown Pacific timberlands. The Skyline Forest

Bill provides a remarkable opportunity to create Skyline Forest—Oregon's first, and one of the nation's largest, community forests—along with nearly 35,000 acres of the old Gilchrist Tree Farm along the Little Deschutes River. Additionally, a companion bill gives our partner, the Oregon Department of Forestry, the ability to begin purchasing other portions of the Gilchrist Tree Farm to create a new state forest.

The Skyline Forest Bill essentially allows the owner of these forests (Fidelity National Timber) to consolidate development rights in a small corner (1,200 acres) of Skyline Forest. In exchange, Fidelity must sell the balance of Skyline Forest (and the property along the Little Deschutes River) to the Deschutes Land Trust at timber value. The legislation allows the landowner up to five years to initiate its development. While we don't know

exactly when Fidelity will move forward, we do expect them to move forward. Given the magnitude of the transaction, we're preparing now so that we'll be in a position to purchase and manage this community forest when the opportunity presents itself.

So how do we go about financing the acquisition of roughly 50 square miles of forest on the outskirts of Bend? A substantial portion will likely come from the federal Forest Legacy program, a funding source we helped re-establish in Oregon. A second source would be community forestry bonds issued by the Deschutes Community Forest Authority—bonds that would be repaid by sustainable timber harvest from the property. Finally, the Land Trust will launch a regional capital campaign.

The purchase price of Skyline Forest will be determined by an independent appraisal of the timber value at the

time that Fidelity initiates the process. While timber prices vary over time, elimination of the development value means we finally have an economically viable conservation transaction.

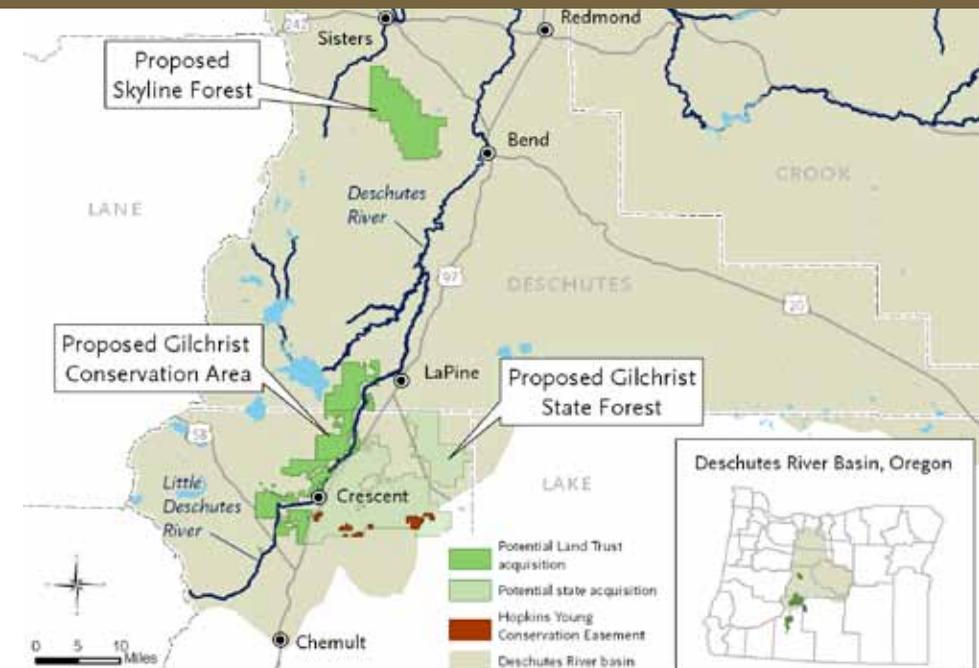
When Fidelity is ready to act, the Deschutes Land Trust must be ready to step up and purchase the forest. You can help us prepare for this monumental acquisition by renewing and, if possible, expanding your financial commitment, by visiting the forest, and by helping spread word of this opportunity within the community. Help make Skyline Forest a reality today! —

For updates on Skyline Forest and other Land Trust projects, visit www.deschuteslandtrust.org.



JIM YUSKAVITCH

PHOTOS OF SKYLINE FOREST FROM WITHIN AND FROM AFAR. TOP LEFT: PORTIONS OF THE FOREST CONTAIN A MIX OF CONIFERS AND OLDER PINES. TOP RIGHT: SKYLINE FOREST CUTS A GREEN SWATH BETWEEN TUMALO RESERVOIR AND THE THREE SISTERS. BOTTOM LEFT: THREE CREEKS BUTTE FROM WITHIN SKYLINE FOREST. BOTTOM RIGHT: A MAP OF THE REGION SHOWS POTENTIAL ACQUISITIONS SHOULD THE SKYLINE FOREST PROJECT SUCCEED.



MEMBER PROFILE BEHIND THE SCENES: PEOPLE PROTECTING LAND



JW VISUALS

Elke and Erhard Dortmund are the eyes and ears of the Land Trust's Metolius Preserve. Avid hikers and nature lovers, the Dortmunds moved to Camp Sherman eleven years ago and have since spent countless hours walking the trails of the Metolius basin, and the Metolius Preserve.

The Dortmunds first became involved with the Land Trust when we were working to conserve the Metolius Preserve. They worried about the impact of development on fragile areas like Lake Creek. When the Preserve was finally purchased in 2003, Elke and Erhard quickly became defacto stewards of the property.

"We really enjoy going to the Preserve in the fall to see the larches and vine maples turn color and perhaps catch a glimpse of a herd of elk." In the spring and early summer, Elke and Erhard volunteer to monitor the 80 bird boxes scattered throughout the 1,240 acre Metolius Preserve. "We check out the condition of the bird boxes and see if any have been raided by flying

ELKE AND ERHARD DORTMUND HIKE THE INTERPRETIVE TRAIL AT THE METOLIUS PRESERVE.



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squirrels. However, it seems the chickadees still have the upper hand!"

"Their monitoring work gives the Land Trust valuable data to help us understand what species are using the Preserve. It's also just great to have neighbors out there regularly and to get their stories from each visit. One time they saw a bobcat cruising the Preserve" noted Amanda Egertson, the Land Trust's stewardship director.

The Dortmunds have also volunteered for events, work parties, and other Land Trust projects. Elke and Erhard have been members since 2002 and were early enrollees in the Land Trust's monthly giving program. "Since we are retired and on a fixed income, we find it easier to budget our charitable contributions on an EFT basis" said Elke.

"We feel it is so important to preserve natural places where people can go and enjoy nature and the quiet. The Land Trust has accomplished so much in such a short time. We are happy to help support this tremendously worthwhile work."

And we are so happy to have the support of the Dortmunds and the 1,100 families that annually support the work of the Land Trust. **To learn more about innovative, easy ways to support the Land Trust, contact Nancy Hoover (541) 330-0017 or nancy@deschuteslandtrust.org.**

News Flash: VOLUNTEER NORMA FUNAI HAS WON AN OREGON GOVERNOR'S VOLUNTEER LIFETIME ACHIEVEMENT AWARD FOR HER WORK WITH THE LAND TRUST! JOIN US IN CONGRATULATING HER FOR HER YEARS OF DEDICATION IN HELPING PEOPLE EXPLORE LAND TRUST PRESERVES. WAY TO GO NORMA!

JW VISUALS

VOLUNTEERS OF THE YEAR

During the wee hours of the morning and often late into the evening, Bill Mitchell and Carol Wall wander the depths of Camp Polk Meadow Preserve. They quietly stroll the ponderosa pine groves or look deeply into the aspen stands or simply sit back and enjoy the burbling sound of Whychus Creek.

While there are many Land Trust volunteers who wander Camp Polk Meadow or help with one Land Trust project or another, Bill and Carol top the list for 2009. As volunteer bird surveyors, they've helped monitor bird populations so the Land Trust can manage for healthy habitat and see how the birds react to change.

But bird surveys are just part of Bill and Carol's volunteer stories. Bill, who has field research experience with the National Park Service and the state of California, is often found outside at one of the Land Trust Preserves. "I really enjoy having the opportunity to see a bird that I've never seen before, or to catch the coyotes in the meadow, or to watch the trees and plants change with the seasons," said Bill.

"The feedback we get from Bill, often on a weekly basis, helps us feel the pulse of our Preserves. It's these small changes that provide valuable insight into the overall health our Preserves," said Amanda Egertson, the Land Trust's stewardship director.

In addition to his bird survey hours, Bill has volunteered for many work parties, been an active member of the Weed Warriors, helped monitor properties, and even



PAT KEARNEY

ABOVE: CAROL WALL AT INDIAN FORD MEADOW PRESERVE. BELOW: BILL MITCHELL PADDLES AROUND THE THOMAS PRESERVE.

weed whacks trails at Camp Polk Meadow! Not to be put off by cold winter months, Bill also logged many hours in the office helping with mailings and cataloging photos. Thanks Bill for your dedication and effort!

A retired UC Davis professor, dean and vice chancellor, Carol Wall first began volunteering to help with bird surveys in the spring of 2008. From there "it was obvious that Carol—a lifelong educator with a passion for birds—would be a great addition to our tour program" said Sarah Mowry, the Land Trust's outreach manager.

Carol began shadowing other Land Trust tour leaders and has since gone on to lead her own tours at various Land Trust Preserves. "I enjoy sharing the goals of the Land Trust and these great spaces with such wonderful people who share an interest in conservation" Carol noted. Thanks Carol for helping keep our bird surveys going while contributing to our ever-expanding tour program!

Congratulations Bill and Carol! We're proud to honor you as our 2009 Volunteers of the Year! And thanks to the 147 individuals and groups who donated more than 3,800 hours to the Land Trust last year—we couldn't do our work without you!



LISA BACKWELL

CHANGES TO THE BOARD

At the end of 2009 the Land Trust will say goodbye to three longtime board members. Cal Allen, Jerry Norquist, and Bob Woodward will all finish their eight-year terms of service on the Board. Cal's selfless involvement dates to the founding of the Land Trust and our early acquisitions at Indian Ford and Camp Polk. He's taken on nearly every facet of the Land Trust including an active role in our recent national accreditation. As the Executive Director of Cycle Oregon, Jerry strengthened our connection to Sisters, while helping reach out to Portland, and open doors within the outdoor industry. Jerry also took a special interest in the conservation of Rimrock Ranch. Finally, Bob's passion for fish, photography, and the telling of a good story helped greatly in our acquisition of the Metolius Preserve. He has also been a visionary in the quest to acquire Skyline Forest. These three board members will

be sorely missed, but we look forward to working with them in their new roles as Stewards of the Land Trust.

Finally, Susan Castillo will be joining the Land Trust's Board of Directors in January 2009. Susan and her husband Keith own Informatics, a software consulting business in Bend. Susan brings extensive business and marketing experience from years in the high tech industry. In her spare time, she enjoys biking, hiking, skiing, traveling, and cooking with her family. Welcome Susan!



TOP: CAL ALLEN. MIDDLE: JERRY NORQUIST. BOTTOM: BOB WOODWARD.

A thousand thanks to the individuals and businesses who make an investment in the Land Trust by becoming Five Rivers Society members. We deeply appreciate your gifts of \$1,000 or more between July 1, 2008 and June 30, 2009.

FIVE RIVERS SOCIETY

Tony Adams, Cal & Marsha Allen, John & Susan Appel,* Bonnie Asay, Chris & Jackie Babcock, Bridget Baker, John & Patty Bentley, Patrick Buresh & Jeannie Bloome, Michael & Donna Butler, Pauline Caine Shelk, Mary & David Campbell, John & Joan Casey,* Central Oregon Combined Federal Campaign, Brad Chalfant & Brenda Johnson, Tom Chalfant, Bob & Yvette Chandler,* Dennis & Lavon Chorba, Yvon Chouinard, Ed & Janet Clark, Dale Clark, Patrick Conner, Marjorie Crosby, Mike & Carmen Cutting, Bill & Gretchen Dakin, Frank & Kathy Deggendorfer/Roundhouse Foundation, Jim & Dory Delp, Bob & Carolyn Dietz, Ruby & Vern Dotson, Eva Eagle & Bruce Bowen, Helen & Katie Eastwood, JG Edwards Fund, Gail & Mike Emmons, Sharon & Robert Evans, Christopher & Janet Farrens, Dodd & Nancy Fischer, Bob & Judy Fisher, Dwain & Judy Fullerton, John Gilbert & Brenda Hedges, Ken & Ginger Harrison, Collins & Wendy Hemingway,* Fran Hogan, Mike & Sue Hollern, Andrew & Beverly Honzel, Hooter Fund II of The Oregon Community Foundation, Don & Paula Johnson, Keith & Juliane Kaneko, Julia Kennedy, James W. & Judith M. Knapp/Knapp Family Philanthropic Fund of World Vision, Doug & Mollie LeFevre, Gary & Patricia Leiser, Bob McClanathan, Bruce & Nancy McGrath, Marlin & Maureen McKeever, Miller Charitable Fund, Craig W. & Linda J. Moore,* Warner Munro, Heidi & Bill Nichols, David & Anne Noall, Wayne & Christine Perry, Mr. & Mrs. James Peters, Rimrock Ranch, Rick & Diane Rupp, Jim Sandoz, Larry & Pat Serrurier, Loren Smith, Dorro Sokol & Don Watson, Frances Stevenson, Jon & Kay Tompkins, Carol Wall & Pat Kearney, Larry Weinberg, Paul & Linda Whitsell, Carolyn & Martin Winch Donor Advised Fund of MacKenzie River Gathering Foundation, Erik Wohlgemuth & Arah Erickson, Amy Wyland, and Douglas & Vivian Zirker.

* Family fund of the Oregon Community Foundation.

FIVE RIVERS SOCIETY BUSINESS

Approved Credit, Inc., Argent Investments, Black Butte Ranch Corporation, Brooks Resources through the Bend Foundation, Community First Bank, Dani, Inc., D-Star Design, FootZone, Informatics, Inc., J.T. Atkins & Company, P. A. N. Investment Inc., Pepsi-Cola, Pine Mountain Sports, Thin Book Publishing, and TransCanada PipeLines Ltd.

Thank you to all the individuals, businesses, foundations, and volunteers whose support has made it possible to conserve and protect land in Central Oregon for today and tomorrow. For a complete listing of supporters contact us at (541) 330-0017 or info@deschuteslandtrust.org.

FINANCIAL SUMMARY

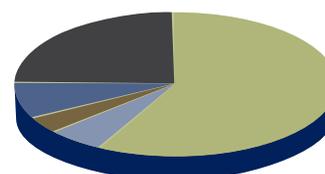
Fiscal year ending 6/30/09

\$789,137 endowment **1,083** membership **7,257** acres conserved

Revenue	2008	2009
Contributions (individual, business, and other organizations)	\$443,821.00 (58%)	\$341,570.00 (54%)
Project Funding	\$49,349.00 (6%)	\$54,078.00 (8%)
Grants	\$34,844.00 (4%)	\$44,797.00 (7%)
Interest Income	\$55,551.00 (7%)	\$55,176.00 (9%)
Carry Over Grant Funds	\$193,919.00 (25%)	\$60,568.00 (9%)
Board Approved Reserve Funds	—	\$82,395.00 (13%)
Revenue Total	\$777,484.00	\$638,584.00
Expenses	2008	2009
Program services	\$558,005.00 (75%)	\$473,599.00 (74%)
Fundraising	\$146,180.00 (20%)	\$127,155.00 (20%)
Administrative	\$39,880.00 (5%)	\$37,830.00 (6%)
Expense Total	\$744,065.00	\$638,584.00

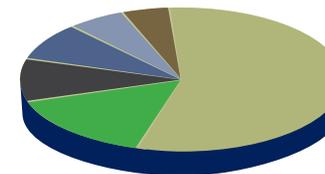
Net assets \$5,154,360.00 \$4,759,278.00

Revenue 2008



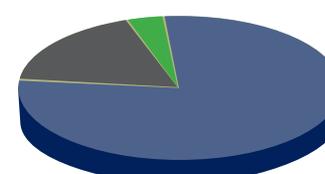
Contributions (individual, business, and other organizations)	(58%)
Project Funding	(6%)
Grants	(4%)
Interest Income	(7%)
Carry Over Grant Funds	(25%)

Revenue 2009



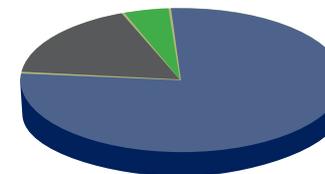
Contributions (individual, business, and other organizations)	(54%)
Project Funding	(8%)
Grants	(7%)
Interest Income	(9%)
Carry Over Grant Funds	(9%)
Board Approved Reserve Funds	(13%)

Expenses 2008



Program Services	(75%)
Fundraising	(20%)
Administrative	(5%)

Expenses 2009



Program Services	(74%)
Fundraising	(20%)
Administrative	(6%)

This financial summary comes from the Land Trust's Audited 2008 and 2009 financial statements. A copy of the Deschutes Land Trust's Form 990 can be found at www.guidestar.org.

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