



WESTERN RIVERS CONSERVANCY

June 5, 2009

Ronald H. Chilcote, President
Nicholas Adcock, Foundation Coordinator
Foundation for Sustainability and Innovation
P.O. Box 149
Laguna Beach, CA 92652

Dear Ronald and Nicholas,

Western Rivers Conservancy greatly appreciates the Foundation for Sustainability and Innovation's continued investment in the Yurok Tribal Park – Blue Creek Salmon Sanctuary Project on the lower Klamath River.

I am pleased to provide this report for the \$5,000 seed grant awarded on June 11, 2008.

Project Overview

The goals of the Yurok Tribal Park – Blue Creek Salmon Sanctuary Project are twofold: to establish the Yurok Tribal Park as a salmon sanctuary; and to recreate the Yurok reservation as an economic base for the Tribe. On behalf of the Yurok Tribe, Western Rivers Conservancy is purchasing 47,000 acres of land. Western Rivers Conservancy is seizing this opportunity to protect the entire watershed of Blue Creek, a great salmon stream that feeds into the lower Klamath River in the coastal temperate forest of northwestern California. By recreating a homeland for the Yurok Tribe, we will strengthen their position as a prime mover in the effort to remove dams and restore the entire Klamath River ecosystem.

Establishing a Sustainable Forest and Ensuring the Future of a Rural Economy

In the first phase of the project, Western Rivers Conservancy is buying 22,000 acres of land, which the Yurok Tribe will manage for sustainable forestry in accordance with a management plan developed by Ecotrust. The Yurok Tribe will manage the lower Klamath River lands for restoration of meadows and oak woodlands and redwood preservation. The forest in the project area is comprised of several generations of redwood, spruce, douglas fir and various hardwoods. The Tribe will practice an ecosystem-based approach of sustainably harvesting timberlands as a long-term revenue source to support services to tribal members. The Yurok Tribe will have the opportunity to sequester carbon and will explore the sale of carbon credits in the emerging carbon market.

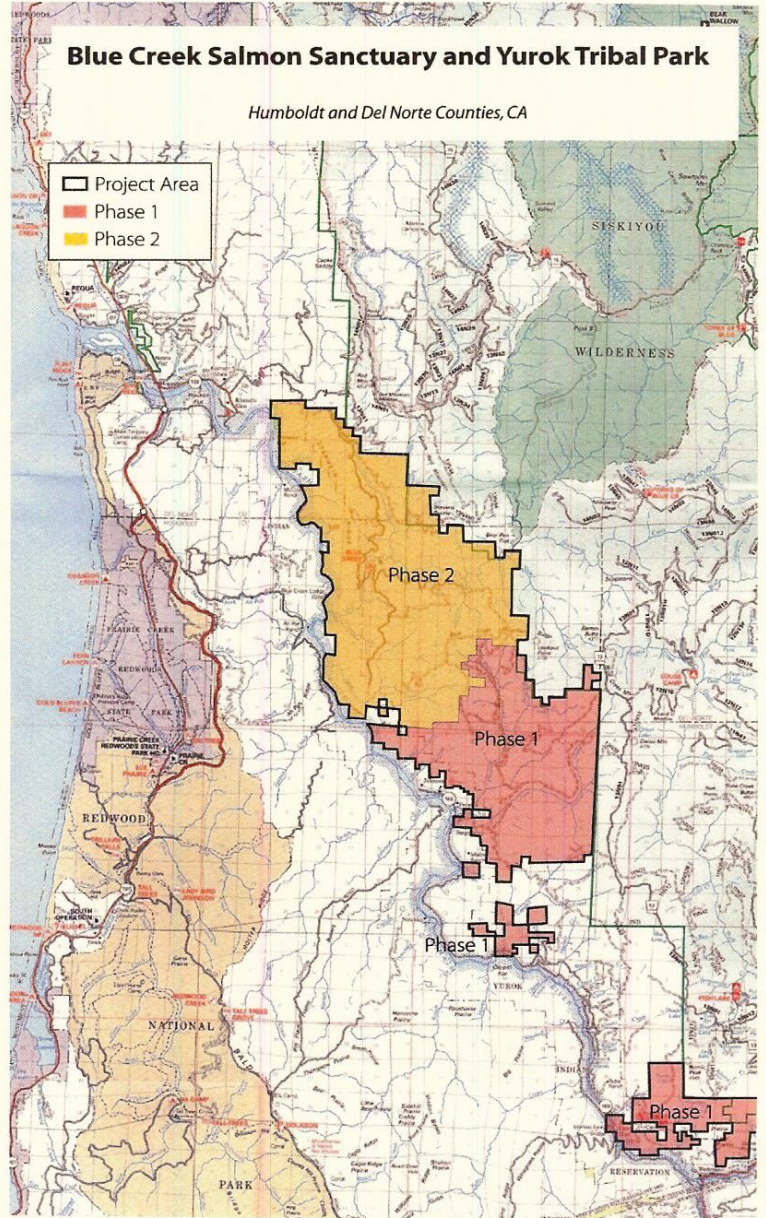
Creating the Blue Creek Salmon Sanctuary and Yurok Tribal Park

The entire lower Blue Creek watershed will become part of a 25,000-acre Yurok Tribal Park, forever protecting Blue Creek as a vital coldwater refuge for threatened coho, Chinook and steelhead. The Tribal Park will be managed as a salmon sanctuary, protected habitat for elk, deer and other wildlife, and a cultural center for the Tribe.

The phase two Blue Creek lands will be managed as a permanent preserve, protected by the Tribe consistent with a California Department of Fish and Game conservation easement. Blue Creek is the second largest tributary to the lower Klamath River, containing some of the most important anadromous fish habitat in the Klamath Basin.

Salmon are the basis for the traditional culture of the Yurok Tribe, and Blue Creek is the Tribe's spiritual center. The Tribe will reestablish former meadows in the lower Blue Creek watershed to restore a naturally abundant elk population, which will allow for resumption of a subsistence hunt for Yurok people. The Yurok Tribe is now conducting long-term planning for the Tribal Park. The Tribe plans to establish tribally owned or licensed businesses, an eco-lodge, campground and related businesses. Centered near the Tribe's most sacred religious sites, the Tribal Park will also generate economic opportunities, create jobs for the Yurok people and help the Tribe establish viable businesses.

The entire Blue Creek watershed is an essential component of the Yurok Tribal Park. The Tribe aims to establish a co-management agreement with the U.S. Forest Service so that the private and public lands will be managed as a single ecological unit. The Tribe will also undertake important restoration projects in the lower Blue Creek watershed.



Project Results to Date

Western Rivers Conservancy has made substantial progress with this multi-year project. Our recent achievements include the following.

- o Signed a May 2008 agreement with Green Diamond Resource Company to purchase 47,000 acres of land along Blue Creek and the lower Klamath River. While we had previously established working agreements, Western Rivers Conservancy now has a contract to purchase the entire 47,000 acres.
- o Successfully negotiated a purchase agreement which obligates Western Rivers Conservancy to buy the phase one sustainable forestry lands by the end of 2009, and the phase two Blue Creek lands by the end of 2011. Once Western Rivers Conservancy buys the land, we will transfer it to the Yurok Tribe, which will place it in trust with the United States.
- o Secured a full appraisal of the land by Jim Fleming, MAI, of Sacramento, California in March 2009 which found market value of \$64 million for the entire 47,000 acres of land.
- o Began implementation of a detailed strategy to secure the capital funding necessary for the Yurok Tribe to purchase the land from Western Rivers Conservancy. We are currently focused on funding the first phase of the transaction. Western Rivers Conservancy is now seeking a State Revolving Fund loan on the Yurok Tribe's behalf. Capital funding sources may include grants, loans and appropriations from the State of California (California Coastal Conservancy and Department of Fish and Game), U.S. Department of Interior (Endangered Species Act) and the Environmental Protection Agency (State Water Resources Control Board and Clean Water Act). Western Rivers Conservancy has an experienced team in place to secure the capital for the land. President Phil Wallin, Vice President Sue Doroff, Head of Federal Affairs Willis Yarberry, and Senior Project Manager Cam Tredennick are working with the Yurok Tribe and advisors in Washington, D.C. and Sacramento, California to ensure our success.
- o Secured grants and contributions toward initial operating expenses, such as land appraisals and personnel. In addition to the two grants from the Foundation for Sustainability and Innovation, project supporters to date include the Mead Foundation (\$50,000), Compton Foundation (\$55,000 – two grants), Weeden Foundation (\$20,000), Lawrence Foundation (\$5,000), Aveda, Inc. (\$10,000), Andrew and Becky Logan (\$1,000) and an anonymous major donor (\$80,000).



The Tribal Park lands include important cultural sites for ceremonies and canoe-making
 Yurok Tribe Photo

Financial Report

The Foundation for Sustainability and Innovation's \$5,000 grant provided essential funds for fiscal year 2008 operating expenses toward purchase and protection of Blue Creek and lower Klamath River lands:

Land Appraisal	\$3,428.
Publications and Photographs	\$265.
Land Purchase Related Expenses	<u>\$1,307.</u>
<i>Total</i>	<i>\$5,000.</i>

Expected Outcomes and Future Plans

The Yurok Tribal Park – Blue Creek Salmon Sanctuary Project offers a once-in-a-lifetime opportunity to simultaneously: enhance the economic viability of the Yurok Tribe; right an historic wrong; and restore habitat in one of the biologically richest areas on earth.

The project will provide critical habitat protection for all species in the lower Klamath Basin, while at the same time giving the Tribe management control over a portion of one of the most pristine and sacred areas of the Klamath watershed. This project will return sacred ancestral lands to California's largest Native American tribe and is likely the most dramatic land repatriation in California history.

The project will protect water quality and threatened habitat and help the Tribe re-establish a thriving culture and economy. The Yurok Tribe is the strongest and most natural advocate for the restoration of the entire Klamath River system, utilizing treaty rights and historic use as a lever for the removal of Klamath River dams and the restoration of river flows. This project will help the Yurok people regain a viable land base and rebuild their culture, while advancing the restoration of the Klamath River as one of the world's great rivers.



Blue Creek, vital tributary to the lower Klamath River Rick Hiser Photo

Following the conveyance of all 47,000 acres, the Yurok Tribe will manage the lower Klamath and Blue Creek lands to advance multiple tribal values. With a land ownership stake, tribal members will likely feel empowered to effectively restore their homeland and revitalize their culture and economy. Western Rivers Conservancy and the Yurok Tribe will disseminate results in formal reports to funders, through media stories and by sharing the Yurok Tribal Park and sustainable forestry model with other tribes across the country.

Synopsis

Western Rivers Conservancy is helping to restore the Klamath as one of the world's great salmon rivers and protect wildlife and plant habitat in one of the biologically richest areas on earth.

The Foundation for Sustainability and Innovation's seed funding has advanced our partnership with the Yurok Tribe to establish a 47,000-acre natural and cultural resource land base. The Yurok Tribal Park – Blue Creek Salmon Sanctuary Project breaks new social and cultural ground, while advancing the Foundation's vision of fostering programs which combine economic viability, environmental sensitivity and social responsiveness.

Please contact me at 503-241-0151 (or pwallin@westernrivers.org) with any questions. Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Phillip Wallin'.

Phillip Wallin
President

Thanks for enclosing your proposal evaluation. Very helpful to us in designing the project + anticipating issues.