Dear Friends,

In a world that seems in constant flux, it becomes especially important to pay attention to values—our own and the values of others. For Willamette Partnership, integrity is our inner compass, directing us to do what is right even when it’s not easy. Being honest, fair, and trustworthy is what keeps us on course as we work to shift the way people view and value nature, to ultimately help make investing in the environment a practical decision. Integrity is an ongoing commitment to good outcomes for people, the economy, and the environment. In this year’s annual report, we present the past year’s accomplishments as well as updated visions for moving each of our program areas forward. These visions are ambitious, but they are doable because of partners like you! Thank you all.

With Gratitude,

Bobby Cochran
Executive Director of Willamette Partnership
CLEAN WATER PROGRAM
Meeting water quality needs for people and the environment

Nature-based solutions to providing clean water, like planting trees, provide multiple social, economic, and environmental benefits. The Clean Water Program is working to demonstrate how a nature-based approach to infrastructure can be more resilient, affordable, and sustainable. We start by building networks of partners and thought leaders. Then we create enabling policy and help overcome the regulatory, financial, technical, and cultural barriers to investing in nature by improving the use of data. Here are our three initiatives:

1. Get into the details of natural infrastructure on science, policy, and financing mechanisms that support using nature-based approaches to meet clean water requirements and, ultimately, clean water goals.

2. Develop accounting tools and tracking systems to ensure that the benefits from conservation investments are as targeted and effective as possible.

3. Build a business case for investing in integrated, nature-based solutions by demonstrating how natural infrastructure can be used to address not only clean water but multiple community objectives: air quality, workforce development, health, and community resiliency.

Making the innovative easier
Our Clean Water lead, Carrie Sanneman, with the National Association of Clean Water Administrators, released a toolkit of water quality trading policy templates that help state agencies and others build robust trading programs faster, easier, and better. States in the Great Lakes Region and the Pacific Northwest are already looking to these tools to guide their efforts in building trading programs.

Being clear about making a difference
Our Clean Water project manager, Neil Crescenti, led the coordination of the National Network on Water Quality Trading (Network) as it continued its dialogue series to support credit trading programs that can deliver meaningful conservation outcomes and regulatory compliance. In May, the Network convened industry professionals in St. Louis to ask how we know a successful water quality trading program when we see one.

Getting the most from conservation dollars
The Klamath Tracking and Accounting Program tracks and measures the effects of conservation and restoration actions in the Klamath Basin towards basin-wide water quality goals. Carrie Sanneman continued to support this effort, gathering information from 8 funders and 16 restoration practitioners to publish an online watershed report covering 63 practices that deliver water quality improvements in the basin.
People, animals, and plants all depend on healthy habitats to survive. Our Resilient Habitat Program makes the business case for communities and private landowners to invest in biodiversity conservation. First, we bring people together to build effective coalitions and set simple and achievable goals. We find better ways to use information to attract conservation investments and target them to where they can do the most good. Then we demonstrate success by measuring the outcomes of those investments and showing how they help recover species and habitats and build stronger communities. Here are our three initiatives:

1. Make infrastructure investment a net gain for habitat by incentivizing smart siting decisions and mitigation that invests in large-scale restoration projects.

2. Develop tools to measure habitat functions. From wetlands to sagebrush steppe to fish passage, we are a national leader in quantifying the outcomes of conservation in terms people can invest in.

3. Demonstrate new ways for farms and ranches to benefit from and contribute to conservation. Our work helping landowners conserve oak, prairie, and sagebrush habitats is starting to pay off with emerging examples of how farms, forests, and ranches can provide food and fiber in ways that make sense for nature and the financial bottom line.

Restoring Oregon’s heritage of oak habitat
Our Resilient Habitat lead, Nicole Maness, worked with nearly 25 vineyard and small forest owners in the Willamette Valley to negotiate a voluntary agreement to protect and restore Oregon’s imperiled White Oak ecosystems. Every signatory is committing to a net gain of oak habitat and the Partnership is helping landowners to communicate and potentially market their commitment to conservation. Follow the “Oregon Oak Project” on Instagram and #showusyouroaks.

Opening the Trask River for salmon to swim
This summer, the Oregon Department of Transportation removed a dam on the Trask River, opening 23 miles of high-quality habitat for native migratory fish like salmon. Nicole Maness worked with the Oregon Department of Fish and Wildlife and The Nature Conservancy to develop a fish passage mitigation bank, the first of its kind in the West. Mitigation banking will help direct investments to large-scale fish habitat restoration efforts in Oregon and could help speed up long-postponed coastal road maintenance.

Sage-Grouse Conservation Partnership (SageCon) moves into implementation
Following the 2015 decision not to list the Greater Sage-Grouse on the federal Endangered Species List, Oregon began implementing the state Action Plan that we took part in developing. Our SageCon lead, Sara O’Brien, is supporting the SageCon in setting up its new mitigation program.
STRATEGIC INTEGRATION PROGRAM
Connecting science, policy, and process across the sectors of natural resources, economic development, health care, and equity

Solutions to our toughest conservation problems require collaboration across multiple sectors. Our Strategic Integration Program is working with a diversity of partners to align different sectors in a common vision: measurable improvements in human and environmental health. We do this through community-level success stories of integration, by packaging planning, process, finance, and science tools to better support communities, and by pursuing state-level policies that enable integration. Here are our three initiatives:

1. Demonstrate that when we invest in natural infrastructure, like trees and parks, we are also investing in our health, air, water, habitat, and social equity.

2. Explore how economic development strategies in rural places can also help drive measurable improvements in water quality, habitat, human health, and vice versa.

3. Using concepts like health or particular places, like floodplains, as organizing frames to drive ever greater integration in projects.

Helping people across the West thrive outdoors
This summer, Sierra Club Outdoors, Latino Outdoors, and The Next Door launched LatinXplorers, a program aimed to break down the barriers keeping people in Hood River from hiking and recreating in nature. The new program is part of the Oregon Health and Outdoors Initiative that our executive director, Bobby Cochran, coordinates with the Oregon Public Health Institute. As part of the program, Providence Health will track the health outcomes; a new bus route will connect Parkdale and O’Dell communities to Hood River and Mt. Hood; and almost 10% of the Latino population in the Gorge will be involved when it’s in full swing.

Bobby was also recognized as a Robert Wood Johnson Foundation Culture of Health Leader—one of only 40 selected nationally based on his work on cross-sector collaboration and systems change.

Functioning floodplains for healthier and safer people
Willamette Partnership has been working with the City of Portland and The Freshwater Trust to demonstrate how protecting and restoring habitat in floodplains can help improve water quality, fish populations, public safety, and economic security. We developed tools that let communities measure and communicate the benefits of restoring floodplains. Next, we’ll turn to helping align policy and economic incentives to make smart floodplain management an easier choice.

Honoring Our Rivers launches new website and Toolkit for Educators
Our Communications lead, Tess Malijenovsky, continued Honoring Our Rivers’ (HOR) tradition of engaging students of all ages in connecting to rivers through art, photography, poetry, and writing. This year HOR launched a new website where students can now submit online as well as a Toolkit for Educators to help teachers align learning standards with their lessons using HOR.
### Financials

#### Statement of Activities FYE 6/30/16

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<th>Revenue</th>
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<td>Federal Grants</td>
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<td>Other Grants</td>
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<td>Contributions/Donations</td>
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<td><strong>Total Contributions and Revenue</strong></td>
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#### Statement of Financial Position FYE 6/30/16

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<td><strong>Total Liabilities and Net Assets</strong></td>
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| Change in Net Assets                  | $34,583   |

#### Revenue by Source

- Federal Grants: 58%
- Other Grants: 15%
- Contributions/Donations: 7%
- Contract and Other Revenues: 20%

#### Expenses by Program

- Clean Water: 53%
- Resilient Habitats: 18%
- Strategic Integration: 21%
- Management and General: 8%
THANK YOU TO OUR SUPPORTERS

TRIBES, LOCAL, STATE, FEDERAL

City of Portland, Bureau of Environmental Services
Clean Water Services
Confederated Tribes of the Grand Ronde
Oregon Department of Fish and Wildlife
Oregon Department of State Lands
Oregon Department of Transportation
Oregon State University, College of Forestry
Port of Portland
Sonoma Resources Conservation District
Thurston County, Washington
USDA Forest Service
USDA Natural Resources Conservation Service
U.S. Environmental Protection Agency

BUSINESSES AND NONPROFITS

Bank of the Cascades
Conifer Group
ECONorthwest
Environmental Incentives LLC
Gran Moraine Winery, Eugenia Keegan
Institute for Natural Resources
Institute for Applied Ecology
Northwest Natural
Pacific Birds
Pacific Continental Bank
Pacificorp
PacificSource
Perkins Coie
Pioneer Trust Bank
The Freshwater Trust
Wildwood | Mahonia
Willamette Valley Vineyards
Wolf Water Resources, Marjorie Wolfe

FOUNDATIONS

Bullitt Foundation
Campbell Foundation
Gray Family Foundation
Kelley Family Foundation
Meyer Memorial Trust
Wilburforce Foundation

INDIVIDUALS

Bill Gaffi & Linda MacPherson
Bobby & Vanessa Cochran
Bradford S. Gentry
James R. Irvine
Jessica & Brett Hamilton
John & Sue Miller
Nicole & Thomas Maness
Tom Lindley

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