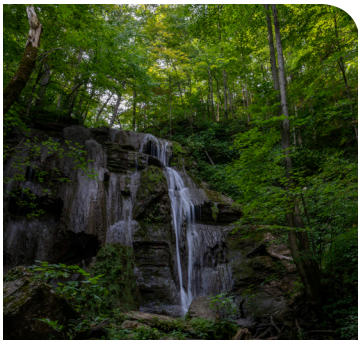


KENTUCKY FIELD NOTES

FALL/WINTER 2019



Balancing Old and New



As you may have noticed, The Nature Conservancy is changing. We are changing how we conceive, design, and implement our work, and we are expanding the scale and scope at which we work. While we've been evolving as an organization ever since our founding in 1951, the pace and magnitude of this change has accelerated in recent years.

We are changing because the science tells us—quite clearly—that we must. The challenges facing both nature and people are larger, more complex, more urgent, and yes, more daunting than ever, and the window to put humanity on a more sustainable course is rapidly closing.

I am a full proponent of the Conservancy's accelerated evolution and our push into new and challenging bodies of work. At the same time, I am also an advocate for the Conservancy remaining grounded in our mission and our values and continuing to invest in what we do best—land and water conservation. As we are still fond of saying—results you can walk around on.

The need for balancing the new and old within the Conservancy in 2019 is part of what makes the Cumberland Forest Project (see pages 4-5) such a magnificent story. It is the sort of project at which the Conservancy has long excelled—delivering a complex land deal—updated for a Conservancy now thinking beyond individual project success to a more holistic program to tackle global challenges. It is a project that combines certified, sustainable forest management, forest carbon markets, outdoor recreation, and community economic investments to attract millions of dollars of private capital to advance conservation in an exceptionally important landscape for climate resiliency and source water protection.

It is also a story of the full Conservancy working together to deliver much more than the sum of its parts. There is no way Kentucky could have pulled off the deal on our own, and the same can be said of Tennessee, Virginia, NatureVest, and our global leadership team and Board of Directors. Only by working together to advance a shared conservation vision did we deliver this historic win for the Appalachians and, ultimately, a significant contribution towards a better future for nature and people.

And, of course, it is only with your support that this sort of work—the best of the traditional blended seamlessly with the best of the new—is possible. Thank you.

See you outside.

David Phemister, State Director

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COVER The Ataya property is the Kentucky chapter's largest-ever conservation and ecological restoration project.

© Byron Jorjorian; THIS PAGE LEFT TO RIGHT Tank Hollow Falls in Cleveland, Virginia on the Highlands property © Steven David Johnson; Kentucky State Director David Phemister © Mike Wilkinson

Disaster Relief FUNDING

TO RESTORE WETLANDS

Kentucky has received \$2.5 million in federal disaster relief funding after historic flooding in western Kentucky caused many farmers to not be able to plant a crop in 2019. The Natural Resources Conservation Service (NRCS) will enroll landowners into the Emergency Watershed Protection program, likely within The Nature Conservancy's high priority Wetland Reserve Easement Program area.

"This program is for landowners who have been hit by repeated flooding and crop loss," says Shelly Morris, western Kentucky project director for the Conservancy. "The program is meant to take these frequently flooded croplands out of production and restore them to bottomland hardwood forest. The land goes into a permanent conservation easement, while the landowner still owns the property and can control access to it and enjoy it for recreation."

One result of taking these croplands out of production is a reduction in nutrients,

mostly nitrogen and phosphorous, going into the Mississippi River. This pollution can affect water quality from Kentucky all the way to the Gulf of Mexico.

Flooding has been especially problematic for agricultural producers in 2019. The period between January and May was the wettest on record for the U.S., causing widespread flooding throughout that time period.

"We're coming on the heels of a historic flood down here," Morris says. "Some areas were under water from October until early July. People used to be able to better predict how the river would act throughout the year—when it would flood and for how long. What people were able to tolerate or work around a decade or more ago has become much more difficult."

The Conservancy will likely help NRCS by contracting surveys, appraisals, and other due diligence work for enrollments under this program. The funding



continues a tremendously successful partnership between the Conservancy and NRCS. Since 2011, the partners have protected and restored more than 7,300 acres of floodplain forest. More than 1.3 million trees have been planted or are scheduled to be planted through these NRCS wetland programs. These achievements advance a key strategy—restoring floodplains and wetlands—of the Conservancy's Mississippi River Basin project and help make progress to the project's ultimate goal of reducing nutrient pollution going into the Mississippi River 20 percent by 2025.

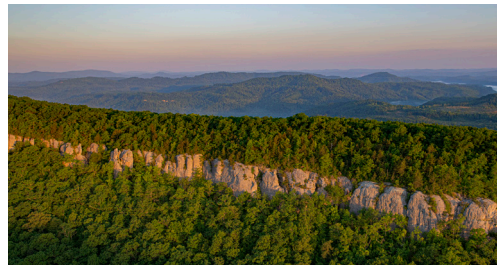


Middleton Wins Leopold Award

Hart County physician Dr. James Middleton recently won the Kentucky Leopold Conservation Award, an honor that recognizes farmers and foresters who exhibit exceptional management of natural resources. Dr. Middleton has worked with The Nature Conservancy for years to promote conservation practices on his land.

"I'm honored to be awarded," Middleton says. "The previous winners are a pretty select group of folks that I'm included with—good people doing good things and having respect for their environment. I'm proud to be included in that."

Middleton says he appreciates receiving recognition for his work. "It inspires you to keep on keeping on," he says. "Hopefully I'll pass it on to future generations of my family."



Cumberland Forest PROJECT

EXPANDS

In our last issue of Field Notes, we brought you the story of Ataya, a 100,000-acre acquisition in southeastern Kentucky and north-eastern Tennessee. We now have even bigger news in this issue. The project has expanded by an additional 153,000 acres with the acquisition of the Highlands-Lonesome Pine property in south-western Virginia. Collectively, the 253,000-acre land deal is known as the Cumberland Forest Project, and it's one of the largest land conservation efforts ever pursued by The Nature Conservancy in the eastern U.S.



This unique project aims to accomplish more than just land conservation, however. Economic opportunity and positive community impact are two of the project's goals.

Impacting the community

The Conservancy's approach to working in the project area is one of humility and a desire to work hand in hand with the local community.

"We are keenly aware that for the sort of conservation work we want to do—big, impactful, landscape-scale efforts—ultimately we're simply not going to be successful unless our work is aligned with the needs and desires of local communities," says David Phemister, state director for the Kentucky chapter. "Still a lot of work to do, but in early conversations we've heard a real hunger for this type of investment in their communities, and an understanding that forests and recreation can be a part of their efforts to diversify their economies."

As is common in coal country, the estate for the properties is divided in two—a

surface estate, which the Cumberland Forest Project has acquired, and a mineral estate, which will continue to be owned by third parties. There will likely continue to be some mineral extraction occurring on the property, and the surface owner is entitled to royalties from this extraction. The Conservancy intends to return these royalties to the community.

"In each state, we are partnering with existing organizations to identify needs in the area and to see what we can do to add value," says Will Bowling, the Kentucky chapter's Central Appalachians project director. "We'll be working toward implementing nature-based economic development, which could include anything from new trails to canoe liveries to new businesses using forestry products from the area. We're seeing a tremendous amount of excitement around these potential projects."

Managing the forests

One of the project's priorities is to engage in sustainable forest management. The project has been enrolled in Forest Stewardship Council (FSC) certification to ensure long-term conservation of the forests and protection of water quality. FSC certification is a third-party program by which landowners agree to follow sound forest management principals. By bringing the Ataya property under FSC certification, the Conservancy has increased FSC acreage in Kentucky by 23 percent and in Tennessee by 46 percent.

"One of the things I'm most excited about with FSC certification is the program's in-depth management planning process," says Bowling. "It really helps you identify the ecological values of the property, then helps you develop a management framework. Everything from cultural resources to rare and

endangered species, the property's outstanding water or land resources—all of that goes into the FSC planning process."

The Conservancy is not only enrolling its own project into FSC certification, but also helping to develop the market for other landowners to do the same. The certification may have positive financial implications for landowners in addition to providing sustainable forest management.

A new conservation funding model

The project represents a new approach to conservation funding, with impact investors providing much of the capital to acquire the properties. The Conservancy has previously depended on philanthropy and public funding to make such acquisitions.

"The scale of the challenges we're facing on habitat loss and climate change and other environmental challenges is enormous," says Phemister. "Public funding and philanthropy have long been the base by which to tackle those issues and will continue to be essential to carry out and expand our work. But we recognized that to get to the goals we're moving toward, we needed more and different types of funding."

Impact investors look for meaningful outcomes in addition to financial gains. Conserving a quarter million acres in the Central Appalachians and positively impacting the community go hand in hand with generating revenue from the project.

"The deeds are in the courthouse, but the real work lies ahead, and it is critical that we deliver both conservation and economic returns," Phemister says. "If we can demonstrate success on both fronts, we know the opportunities to replicate and expand this work in the future will be substantial."

Youth conduct TREE RESEARCH

FOR GREEN HEART PROJECT

Six Louisville youth recently conducted an inventory of approximately 700 trees for the Green Heart project, a first-of-its-kind study into the potential human health benefits of urban greening. The inventory took place in the project's six neighborhoods, where the young people surveyed the health of trees in the public right-of-way. The data they gathered will help The Nature Conservancy maintain the health of these existing trees throughout the five-year project. The group identified the trees' species, measured their size, and evaluated them using several key indicators of health.

"The Conservancy is using this data to observe the health of the trees and identify if they are threatened," says Chris Chandler, urban conservation program director for the Kentucky chapter. "We'll go out with an arborist and take a more careful look at the sick trees and prescribe treatment to help them get healthy. These treatments can be as simple as watering the tree, adding a mulch ring around the tree, or pruning."

YouthBuild, a community nonprofit that matches area youth with education and job training opportunities, partnered with the SummerWorks program to recruit young people who lived in the Green Heart neighborhoods to apply for the tree inventory positions. Michael Springer, a YouthBuild case worker who also lives in the Green Heart project area, says the tree inventory is especially important to him.

"It's impactful, the trees being in my neighborhood," Springer says. "I came into this knowing nothing about trees. There's so much knowledge that I've learned so far."

Charlotte Brown, 18, says the opportunity was a good fit for her. A freshman at the University of Louisville, her dorm is part of a community of like-minded students studying sustainability. "I'm majoring in biology, so this was perfect," she says. "As far as the environment, how could you not care about it?"

The data is also being used by the U.S. Forest Service to understand urban tree health trends regionally and nationally.

Teams in 12 cities are conducting the same type of research as the YouthBuild interns. Thanks to these efforts, the Forest Service now has a database of 80 to 90 thousand urban trees.

"This collaboration and the app we've developed with the Conservancy are allowing us to get more eyes on trees in urban areas," says Rich Hallett, a research ecologist for the Forest Service. "If we know how healthy our existing trees are, we can get help to trees that are showing early signs of stress. Engaging people in caring for trees in their neighborhoods is a critical step as we strive to create greener neighborhoods."



THIS PAGE Charlotte Brown, left, and Alicia Rhodes measure a tree as part of a recent inventory of the Green Heart project area. © The Nature Conservancy

New hire brings GOVERNMENT

RELATIONS CAPACITY

The Nature Conservancy in Kentucky has added a new position to the chapter. The director of external affairs is responsible for developing and implementing the chapter's advocacy and engagement strategies to influence government policy and legislation as well as corporate and community practices. The Conservancy has hired Heather Majors to fill the position.

Majors grew up in Indiana and attended Indiana University-Bloomington with majors in history and political science. She received a master's degree from The George Washington University in public administration. Her Capitol Hill experience includes just under five years on the Senate Environment and Public Works Committee under Chairman Barbara Boxer of California, nearly three years working for Senator Claire McCaskill of Missouri on energy and environment issues, and the most recent two years leading the energy and environment portfolio of Senator Jack Reed of Rhode Island. She also consulted with renewable energy and clean technology companies for two years.

"The Nature Conservancy is an organization whose approach I've always respected," she says. "As a staffer, I knew I could go to them and they were always a great resource for me. When it came time for me to think about leaving Capitol Hill, I couldn't have asked for a better organization to go to than the Conservancy."

For state director David Phemister, the top priority for this new position is building relationships with key partners and key

elected officials. Beyond that, he sees several long-term priorities.

"One is expanding our work in climate policy," Phemister says. "That is really going to be about relationship building and outreach to the corporate sector, better understanding their needs in this space and how we might partner together."

Kentucky has struggled to get meaningful state-level investment in conservation, which makes this another priority. Lastly, there is relationship building and policy work to do in the agricultural arena. Phemister acknowledges that working in the policy realm will not be easy, but he says the Conservancy's approach is needed now more than ever.

"We have always occupied what people have called the radical center, and that center is disappearing," he says. "That is a reason to recommit to our nonpartisan approach. Ours is a voice that is listened to and has influence."

For Majors, the most challenging aspect of the new job will be getting up to speed on Kentucky's state-level issues and creating relationships with all of the relevant stakeholders, she says. But building this new position from the ground up appeals to her.

"I like the idea of having a position that is new and being able to take that where I think it could go," Majors says. "I'm just excited to be among colleagues that feel similarly to how I do—passionate about protecting our planet for future generations."



Kentucky Field Notes

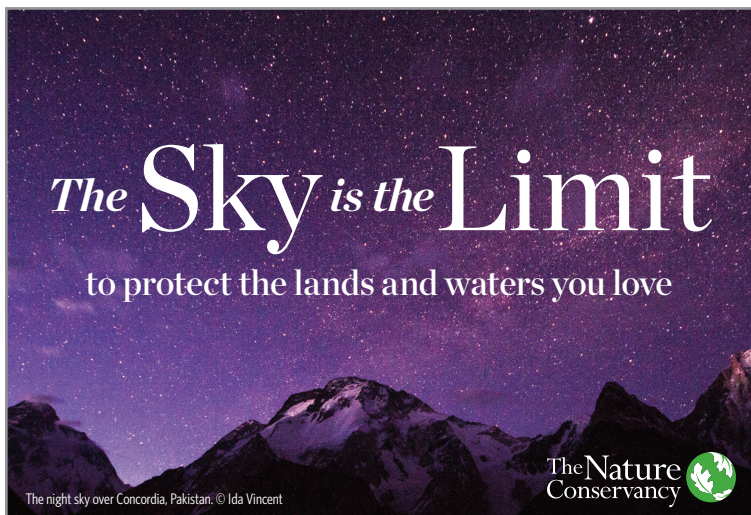
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