

2015 THE YEAR IN REVIEW

ANNUAL REPORT



Heal the Bay





Heal the Bay

With the support of 15,000 members and 25,000 active volunteers, Heal the Bay is one of California's most effective, fiscally sound environmental nonprofits. Using the best available science, we advocate for practical solutions to often complex problems in our local ocean and watersheds.

Heal the Bay educates the public, mobilizes communities and protects the health of millions of California beachgoers annually through such programs as the Santa Monica Pier Aquarium, the Beach Report Card®, Nothin' but Sand beach cleanups, Speakers Bureau, Healthy Neighborhoods/Healthy Environment Initiative, Stream Team, and additional water quality advocacy and ocean protection programs.

Learn all the ways you can support our work: Volunteer for Heal the Bay at healthebay.org/volunteer. You can also donate and become a member at healthebay.org/donate

1444 9th Street, Santa Monica, CA 90401 • (800) HEAL BAY

OUR LEADERSHIP

If you're reading this you probably know that Heal the Bay is one of California's most trusted environmental nonprofits, with a proven, 30-year track record of protecting our local beaches and ocean. But today I want to tell you about the next 30 years. As board chair, I feel strongly that our organization is more important and impactful than ever.



Don Kinsey



Alix Hobbs

Heal the Bay is in tremendous shape under the leadership of Alix Hobbs, a 17-year veteran of the organization. Our board promoted Alix to the top position a year ago and has led us in three key areas these past 12 months – pragmatic advocacy, increased financial stability and developing a new three-year strategic plan to heighten Heal the Bay's relevancy.

Under our new plan, we are formally adding Smart Water Management to a portfolio that also includes Thriving Oceans and Healthy Watersheds. The water issues facing our region are monumental. People are counting on Heal the Bay to be a strong advocate for a more sustainable water future for the greater L.A. region.

An average 1-inch storm in Los Angeles sends over 10 billion gallons of runoff into the Pacific Ocean, along with all of the pollutants picked up and carried with it. Even on a dry day, tens of millions of gallons of water flows through L.A. County stormdrains to the ocean. Our solution is multi-pronged, but focuses on treating stormwater as a resource instead of a pollutant.

"This is a bold undertaking but thinking big is what Heal the Bay has always done."

That means we need to be doing a better job of using the water we already have. We need to get serious about water recycling and reuse.

Such efforts will not only improve the health of our oceans and watersheds, they will also help us wean ourselves off costly and increasingly scarce imported water.

We support work that will clean up the polluted aquifers in L.A. County, as restoring our precious groundwater basins is a crucial part of the equation. And we're continuing our decade-long push for water recycling in an attempt to utilize the millions of gallons of treated water that are pumped uselessly from L.A.'s treatment plants into the Santa Monica Bay each day.

Up to 630,000 acre-feet per year could be generated by better stormwater capture and reuse in greater L.A. and the San Francisco Bay Area. This volume is roughly equal to the amount of water used by the entire City of Los Angeles each year! If we do it right, we can accomplish two important goals – reducing pollution on our shorelines and reducing our region's dependence on imported water.

This is a bold undertaking but thinking big is what Heal the Bay has always done. Heal the Bay is as relevant now as it ever has been. Our small but mighty team of experts base decisions on science, bring countering voices to the table, and consistently get results.

I would like to personally thank you for supporting this work. You can read more about it in the following pages. Should you ever be interested in meeting with me and Alix to discuss how you can contribute to our shared cause, please don't hesitate to call the main office.

With Gratitude,

Don Kinsey, Chairman of the Board

A handwritten signature in blue ink, appearing to read "Don Kinsey".

OUR WORK

KEEPING BIG OIL OUT OF THE BAY

WHAT WE DID Our staff and volunteers helped mobilize a grassroots campaign to defeat Measure O, which would have allowed an oil company to drill underneath the ocean in Hermosa Beach. Thanks to our community outreach and concerted advocacy, voters rejected the harmful project by a nearly 7-to-1 margin last March.



WHY IT MATTERS

Opening up the Bay for oil exploration would have not only posed great environmental risks, it would have set a dangerous precedent for further industrial exploitation of our local shorelines.

GUARDING OUR FEW REMAINING WETLANDS



WHAT WE DID

Working with a coalition of partners, our staff scientists published a comprehensive set of guidelines for the restoration of Southern California's quickly dwindling wetlands. The 9-tenet protocol establishes clear and non-negotiable principles for rehabilitating special places like the Ballona Wetlands, which are scheduled to undergo what will likely be a contentious restoration in the coming years.

WHY IT MATTERS

Highly urbanized Southern California has already lost 95% of its wetlands, which provide critical habitat for plants and animals. They also supply much needed ecosystem benefits like flood control, water purification, fish nurseries, bird watching and other educational opportunities.

2015: REAL IMPACT

EDUCATING & INSPIRING SOUTHERN CALIFORNIANS

WHAT WE DID

Heal the Bay hit two important milestones in our 30-year mission to empower environmental stewards throughout California. In 2015, we welcomed our 1 millionth visitor to our Santa Monica Pier Aquarium, and participants at our all-volunteer beach cleanups picked up our 2 millionth pound of trash.

WHY IT MATTERS

Scientific studies and regulatory frameworks can only get us so far. Meaningful change in our region requires participation and passion from an engaged citizenry.

PROTECTING THE HEALTH OF BEACHGOERS

WHAT WE DID

Working with Stanford University, we launched a new beach water-quality forecasting model, allowing us to predict when local beaches should be closed because of bacterial pollution. Buoyed by our successful pilot at three beaches, we secured funding to expand predictive modeling statewide.

WHY IT MATTERS

More advance public notification about troubled beaches will better safeguard the millions of people who visit California beaches each year.

HOLDING POLLUTERS ACCOUNTABLE

WHAT WE DID

Demanded answers following a horrifying overflow from the Hyperion treatment plant that left South Bay beaches closed for four days and littered with used condoms and hypodermic needles. We provided constant online updates to the general public, alerted media, and spurred members of the L.A. City Council and the Regional Water Quality Control Board to demand formal contingency plans to prevent future discharges.

WHY IT MATTERS

Our advocacy team remains the first and foremost watchdog of the Bay, holding officials' feet to the fire when warranted to guarantee that our coastline remains safe, healthy and clean.

81 cents of every dollar raised go directly to our programs.

2016: BOLD VISION

As part of our just completed Strategic Plan, we've adopted three directional goals in the coming decade:



Thriving Oceans

To better protect public health, we will work to ensure that people can swim and fish at every beach in L.A. County without risk of getting sick.

>> 2016 ACTION ITEM

Secure funding for innovative stormwater-capture projects that both reduce pollution and enhance local water supplies.



Healthy Watersheds

To restore the vibrancy of our local ocean and watersheds, we will work to ensure that all greater L.A. coastal and river habitats are healthy.

>> 2016 ACTION ITEM

Train hundreds of citizen scientists to gather data in the ongoing fight to understand and protect urban ecosystems.

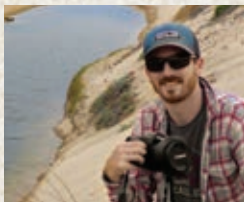


Smart Water Management

To create a more sustainable water future, we will work to ensure that L.A. County sources 60% of its water locally through conservation and reuse by 2025.

>> 2016 ACTION ITEM

Mobilize to keep proposed ocean desalination plants out of the Bay in favor of increased water recycling.



OUR SUPPORTERS

When I walked through the doors of the Santa Monica Pier Aquarium - barely out of my skateboarding, car racing, thrill-seeking teen years - I was full of passion for the ocean, though not sure where that could lead. The Aquarium inspired my desire to be involved in conservation and marine science and it was here that I finally became aware of the scientist and educator within. The Aquarium was the catalyst that motivated me to pursue degrees in marine science.

Brenton Spies, former volunteer and Aquarium employee, is working on his doctorate at UCLA, and is also a nature photographer.



Heal the Bay inspired me to pursue my interest in environmental activism and then gave me the tools to mobilize my peers. Through Heal the Bay programs and training I developed important public speaking and leadership skills and was empowered to become an environmental youth advocate.

Zola Berger-Schmit has been a Heal the Bay volunteer since she was twelve years old



Heal the Bay gives me hope for a cleaner ocean, a cleaner planet, a better community, a better me. It has made me realize whatever I do - at the beach, at home, at work, on the street miles from the beach, or anywhere - affects the health of the ocean. Also, I like that even though we have huge events with hundreds of people, I've had the chance to meet wonderful people and make great friends.

Terumi Toyoshima, Volunteer Beach Captain

OUR DONORS

We are grateful for your contributions (January – December 2015)

\$50,000+

Anonymous
The Annenberg Foundation
Florence & Serge Azria
California State Coastal Conservancy
Johnny Carson Foundation
Nancy & John Edwards
The Goldhirsh Foundation, Inc.
KROQ-FM
Malibu Rum
The Robert and Lisa Margolis Family Fund
The Harold McAlister Charitable Foundation
Resources Legacy Fund
Segal Family - United World Foundation
simplehuman®
Swain Barber Foundation
S. Mark Taper Foundation
U.S. Environmental Protection Agency
The Wall Group
Luann & Bob Williams
Xceed Financial Credit Union

\$25,000 - \$49,999

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Joseph Drown Foundation
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Kissick Family Foundation
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Brian O'Malley
Ralph M. Parsons Foundation
Amy & Robert Romeo
Union Bank Foundation
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\$10,000 - \$24,999

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Ascenta Health
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Brown and Caldwell
The California Endowment
The Children's Trust
The Denver Foundation
Dwight Stuart Youth Fund
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Bob & Diana Friedman
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Conrad N. Hilton Foundation
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Los Angeles Social Venture Partners
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The Kenneth T. and Eileen L. Norris Foundation
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Craig Perkins & Roxanne Mora
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SIMA Environmental Fund
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Toyota Dealer Match Program
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Rebecca & Michael Vest
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Yvonne & David Zaro
Scott Zolke

\$5,000 - \$9,999

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Arcadis
Archer Western Contractors LLC
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Barry Family Foundation
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Jon Byk
California State Parks Foundation
The Capital Group Companies Charitable Foundation
Carollo Engineers
CDM
Cove Street Capital
Credit Suisse
DaVita Inc.
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City of Hermosa Beach
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Joyce Green Family Foundation
JP's Peace, Love & Happiness Foundation
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Erin & Matthew King
Darcy & Richard Kopcho
The Laemmle Theatres Charitable Foundation
Larry Walker Associates
Andy & Chelsea Lientz
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Macy's
Mary Wolf Davison Living Trust
The McGrath Abrams Family Foundation
Valerie & Paul Mellinger
Metropolitan Water District of Southern California
Mission Beverage Co.
Murad Family Foundation
MWH
NBCUniversal
William Nye
Oaktree Capital Management, L.P.
Pacific Life Foundation
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Russ & Carrie Pillar
The Port of Long Beach
REI

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Rubicon Project
SA Recycling
Scott Hubbell Productions
Simms Restaurants
Specialty Family Foundation
Stoller Family Trust
Symantec
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Robert Tanahashi
Team One
United Airlines Foundation
University of California, Los Angeles
Waitt Family Foundation
Danae & Greg Webster
West Basin Municipal Water District
WestEdge

\$2,500 - \$4,999

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Nina Abrams Fund
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The Cynthia and George Mitchell Foundation
Dancing Tides Foundation
The Fenton Family Charitable Fund
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Santa Monica Bay Restoration Fdtn.
Santa Monica Pier Corporation
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Erin Selleck & Kurt Holland
Sidney Stern Memorial Trust
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StubHub Center
Erika & Mike Swimmer
The Walt Disney Company
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Wonderful Pistachios & Almonds
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Paul Zimmerman

\$1,000 - \$2,499

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Agron, Inc.
AltaSea
Apple Lane Foundation
Dean Avedon
Jonathan Bates
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Bel Air Bay Club
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The Benevity Community Impact Fund
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Breslauer, Rutman & Anderson LLC
Bruce Brown Jr.

Nicole & David Brozost
Kent & Lauren Burton
Jaime & Keith Bussell
Casey Caffee
Jessie & Charles Cale
Todd and Laurie Campbell
Chris Carter
Stephen Carter
Daniel Castellaneta & Deb Lacusta
Sue Christman
Deborah & Daniel Clark
Susan Clark
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Karenn & Andy Colby
Jennifer & Glenn Cole
Combined Federal Campaign of Greater SoCal
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Duquesne DiMauro & Joe Lewis
The Dolotta Family Charitable Foundation
Barbara & Ed Dreyfus
Ernie Dunn
eBay
Farbstein Family Charitable Foundation
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Lisa Ferguson
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Todd Flora & Erin Tanenbaum
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Maureen & Jack Gillespie
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The Gold Family
Carl Goldsmith
Good Works Foundation
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Gary Hackney
Patricia Hall
Burt Harris
Hazen and Sawyer
Lisa Hill
Sue Himmelmrich
Alix Hobbs
Jill & Gerben Hoeksma
Andrea & Scott Holtzman
Marilyn Holtz
Horizon Media
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Robin Jameson
JJ Jamieson
Mariel & John Joliet
JoAnn & Charles Kaplan
Dina Keirouz
Gina & Mark Keller
Rebecca Kelley
Michael Kempner
Joel Kessler
Frances & Michael Kieschnick

OUR FINANCIALS

Audited Fiscal Year 2014-15 (Oct. 1, 2014 – Sept. 30, 2015)

Jena & Michael King Foundation
Katharine King Fund of the Liberty Hill Foundation
Michael Koss
Jennifer & William Kozicki
John Lamonica
Las Virgenes Municipal Water District
Charlotte & Russ Lesser
Cash & April Levy Fund
Margaret Levy
Linda Lichter & Nick Marck
Erick Long
Christy & Mike Lowe
Suja Lowenthal
Linda Luthro
Cindy Maier
Main Street Business Association
Malibu Country Mart
Cydney & Gary Mandel
Anthony Maniscalchi
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Peter McMillan III
Jacquie & Scott Menville
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Walter Miller
Moet & Chandon
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Palace Head Foundation
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Julie Piepenkoter
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Psomas
Darin Puhl
Susan Purcell & Yair Landau
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Karen Raz & John Carlson
Patricia Richardson
Kim & Michael Ridder
RMC Water and Environment
Dean Rod
Laurie Rosenfeld
Linda & Kevin Rosen
Nancy Stephens & Rick Rosenthal of The Rosenthal Family Foundation
Rubin Postaer and Associates
Danna & Edward Ruscha
S. Groner Associates, Inc.
Spencer Sands
Werner & Simone Scharff Family Foundation
Pamela & E. Randol Schoenberg

Total Revenue
\$4,677,595

54%
Public Support
\$2,510,947

36%
Grants/Contracts
\$1,696,902

10%
In-Kind Services
\$469,746

Functional Expenses
\$4,350,968

81%
Programs
\$3,512,445

10%
Administration/Management
\$434,828

9%
Fundraising
\$403,695

13%
GROWTH
in donations

+

15%
REDUCTION
in fundraising expenses

=

5% INCREASED PROGRAM INVESTMENT as a result!

Beth & Peter Scholze
Phoebe Scott
Stephanie Searls and Scott Cusack
Sharkeez
Shuhmacher Beer Company
Wendy & Michael Sidley
Shannon & Bryce Skaff
Amy Smart & Carter Oosterhouse
Andree & Donald Smith
Janine M. Smith
Luan & Richard Smith
Liz & Hal Snyder
Sony Pictures Entertainment
Rick Sowers
Roger Spencer
Sarah & David Stoker
Straub Distributing Company
The Streisand Foundation

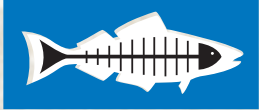
The Strickland Family Foundation
Reny Sultan
Mitzy & Angus Taggart
Jean Tanner and Beth Miller
Team Barclays Los Angeles
The Chill Group, Inc.
The Shifting Foundation
Carolyn & John Tipton
Triangle Distributing Co.
Jon Varnell
Kimberly Ventre
Ivana & Goran Visnjic
James Wang
Alex Watson
Cathy & Andrew Watts
Ronald Weckbacher
David & Sylvia Weisz Family Philanthropic Fund

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Kathryn & Gary Wilstein
Margo & Irwin Winkler
Roger Wojahn
Al Wolf
Chuck Wolf
Anthony Wootton
Sumei & Gene Yee
Peg Yorkin
Stephanie Younger
Joyce Zaitlin

In Kind

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Bugaboo
Casamigos Tequila
eco-made, LLC
Ergobaby

Gabriella Fash
Homerun Entertainment
Karen & Robert Hopper
Hotel Le Bristol Paris
The Jonathan Club
KTLA5/Tribune
VeeV Spirits LLC
Limited Brands
Live Nation
Los Angeles Kings Hockey Club, L.P.
MaCher
MGM Resorts International
Oceanic Society
Paramount Pictures
The Peninsula Beverly Hills
Phoenix Hotel, San Francisco
Norton Wisdom



Heal the Bay

LEND A HAND

FEED AN OCTOPUS. Volunteers at our Santa Monica Pier Aquarium get up close and personal with the animals that call Santa Monica Bay their home.

INSPIRE A CLASSROOM. Members of our Speakers Bureau give talks to thousands of students each year.

GET TRASHED. Participants at our monthly “Nothin’ But Sand” beach cleanups help protect marine life by removing ocean-bound trash.

TESTIFY AT CITY COUNCIL. The most powerful testimony at public hearings often comes not from staff, but from our passionate supporters.

COLLECT A SAMPLE. Members of our Stream Team literally roll up their sleeves to conduct water-quality testing in impaired rivers and watersheds

MONITOR A SPECIAL PLACE. MPA Watch volunteers conduct periodic walking surveys of newly minted Marine Protected Areas off Point Dume and Palos Verdes.

For a full-list of volunteer opportunities and requirements, please visit healthebay.org/volunteer.

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Santa Monica, CA 90401
(800) HEAL BAY
healthebay.org**

