



HeadWaters Land Conservancy

Protecting the "Up North" You Enjoy

Summer 2006

www.headwatersconservancy.org

AuSable River Watershed Project Launched
Protecting River Frontage By The Mile
Fishing +
HeadWaters Land Conservancy = Board Members
Rusty Gates Talks Conservation



Fred Gottschalk

This issue features HeadWaters Land Conservancy's AuSable River Watershed Project. With 13 conservation easements already secured in the watershed, we have laid a foundation to secure the protection of one of Michigan's premiere natural resources. This spring, HWLC completed a conservation easement on property owned by Arnold Ochs, which protects approximately two miles of

frontage on the North Branch of the AuSable. This frontage will remain forever wild, providing habitat to eagles, mink, deer, songbirds and numerous other wildlife species. Trout fishermen will forever be able to seek brook and brown trout in these waters without literally fishing in someone's front yard.

I am making presentations to groups interested in the AuSable River, explaining HWLC's goals for the river. Since most people are attracted to the AuSable because of the legendary trout fishing, I have come up with a simple way to explain the driving force behind HWLC's development of this project: Trout fishing is not a spectator sport. Current zoning allows one residence to be built on every two hundred feet of riverfront property. Such development is for subdivisions, not a world-class trout river. When playing and landing a trout, a fisherman or woman does not want to look up to see someone sitting on their deck enjoying a cocktail or morning coffee. Trout fishing is not complete without solitude.

In 1993, HWLC's founders selected our name because nine of Michigan's rivers have their headwaters within our 11-county service area. Because of the great progress our supporters have helped us achieve, HWLC is now positioned to start our most ambitious project to date. I am confident that we will not only succeed in this goal, but that it will serve as a blueprint for future projects on the other great rivers in our service area.

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Board

- Don Inman, Chairman
- David Nadolsky, Vice Chairman
- Tom Young, Secretary
- Jim Supina, Treasurer
- Maggie Clay
- John Dallas
- Roger Rasmussen
- Robert "Bud" Slingerland
- Susan Topp
- Rusty Gates
- William Kusey
- Stephen M. Qua
- Dave Smethurst
- John Walters

Staff

- Fred Gottschalk, Executive Director
- Gina Scheffler, Development Director
- Kathy Kost, Office Manager
- Chris Gottschalk, Communications



What is a Conservation Easement?

A Conservation Easement (CE) is a voluntary act by a land owner to impose permanent restrictions on land for its preservation. Restrictions are personalized to the land and the owner. The right to enforce the restrictions is held by a Land Conservancy. Each CE is different, just as parcels of land and their special values are different.

A CE usually qualifies the land owner for an income tax deduction equal to the difference in value of the land before and after the CE. To qualify for an income tax deduction requires compliance with IRS rules which are strict but easily complied with. A deduction in excess of \$5,000 must be substantiated by a "qualified appraisal." Even if the donor does not qualify for an income tax deduction (because of small size, few restrictions, etc.), the donor can still give a CE which will be forever enforceable to preserve the land and its conservation values—the things about the land that made it special in the first place.

—George Shaw, Attorney

Vice Chairman Wears Many Hats for Conservation

ROGERS CITY – Even though Dave Nadolsky will be stepping down as vice-chairman of HeadWaters Land Conservancy's board of directors, he's far from retiring.

"I'll continue to do baselines and checkups on conservation easements," Nadolsky said, "and I'll still be on the board of directors."

Nadolsky will also continue to be involved in the Ocqueoc River Commission, as well as the Kiwanis Club and the Masons.

Being involved in multiple organizations is nothing new to Nadolsky. When he relocated to northern Michigan 35 years ago to start the Presque Isle Pharmacy, he became involved in other businesses as well. "In small towns, you've got to wear a lot of hats," he said. "I was involved in banking, real estate development, restaurants and other businesses."

After Nadolsky retired from these businesses, he became involved in elective politics. He was on hospital boards, planning commissions and bonding authorities. He finished his stint in politics by serving as the mayor of Rogers City.

"Working with HeadWaters Land Conservancy is like planting trees. I'm not planting them for myself, I'm planting them for my kids and my kids' kids."

– Dave Nadolsky

"After that, I began to have more time to dedicate to my first love – environmentalism and conservationism," Nadolsky said. That love led him to attend an HWLC meeting at the Ralph A. Macmullan Center. "I spoke with Dave Smethurst and Fred Gottschalk, and I became not only a member but also part of the board of directors," Nadolsky said. "They were looking for geographic representation and I fit the niche of Presque Isle."



Dave Nadolsky, vice chairman of HWLC. Nadolsky is a past mayor of Rogers City and works with the Ocqueoc River Commission and Huron Pines.

Since then, Nadolsky has been an active member of the conservancy. He has put together contractual agreements and prepared reports. He has also worked with property owners on planning their estates with conservation easements.

"I've especially enjoyed working with the landowners," he said. "Each of them have had very strong feelings about the land and wanting to preserve it in perpetuity."

Since becoming vice-chair, Nadolsky has seen HWLC grow from a small volunteer group to a successful organization. His goals, however, are longer term. "Working with HWLC is like planting trees. I'm not planting them for myself, I'm planting them for my kids and my kids' kids," he said. "It's a way to reach into the future."

Growing Pains Result in New Office Space!

GAYLORD – It was inevitable. After adding two new employees over the past year in order to keep up with the rise in land protection activity, HeadWaters Land Conservancy needed more space.

“I had a typewriter in front of my computer, with my keyboard on top because there wasn’t anyplace else for it,” Kathy Kost, HWLC’s office manager, said. “I couldn’t pull out my desk drawers because the printer was right in front of my desk.”

“I realized that we needed to move last year, when there was a third person in the office,” Fred Gottschalk, HWLC’s executive director, said. “At that time, though, we really didn’t have the funds to do it.”

Funding became much less of an issue when HWLC met the Carls Foundation’s challenge grant. The money allowed the conservancy to search for suitable office space.

They found it on 110 S. Elm Street in Gaylord.

“When I came to look at it, I thought it was large enough for us to expand our current setting, but not too big,” Kost said. “We don’t have any unneeded space.”

The building had several factors in its favor. “First of all, it was in Gaylord,” Gottschalk said. “With this particular building, we were near all the support businesses that we rely on.” The building also belonged to Jan Cotant, the former owner of Lake Forest Real Estate.

“I was thrilled when I found out HeadWaters wanted to buy (the building),” she said. “They do a lot of good things in our town, so I was really happy to work with them.”

Both sides were very positive about the transaction. HWLC was “really nice to work with,” according to Cotant. Gottschalk described Cotant as “very supportive of us and our work.”



Our new digs! HeadWaters Land Conservancy has purchased its own office space in downtown Gaylord, two blocks away from our old office.

Reaction to the new office has been overwhelmingly positive. “We each have our own workstations now,” Gina Scheffler, development director for HWLC said. “We have the tools we need for each of us to work with, such as phone lines and Internet connections. The office space lets us have those things.”

“We have windows!” Kost laughs. “That’s one of the biggest changes from our other office.”

HWLC’s new office is located at
110 S. Elm Street in Gaylord.
For more information, please
call HWLC at (989) 731-0573.

www.headwatersconservancy.org

Premiere AuSable Guide Joins HWLC

GRAYLING – One of the perks of the AuSable River Watershed Project is the interest it attracts. Interest, for example, from one of the premiere fishing guides on the AuSable River, Rusty Gates.

“It’s going to be a fun project, and I want to be involved,” Gates said.

This project is also meaningful to Gates, who has spent most of his life on the river. His parents vacationed one month every year at Canoe Harbor in the 1960s. Then, in the 1970s, Gates’ father bought what would become Gates AuSable Lodge & Professional Shop.

“There was a little bit of fisherman traffic that came in during May and June,” Gates recalled, “but the place survived on tourists renting rooms. My dad was a great fisherman, though. It didn’t take long for him to make the lodge a great spot and get other fishermen to come.”

Also helping Gates Lodge was the increase in the popularity of fly fishing. An explosion of literature about the sport contributed to this popularity. Books like *Selective Trout* and *Fly Fishing Strategies*, both by Doug Swisher and Carl Richards, focused on the AuSable River. “*Fly Fishing Strategies* had pictures taken in front of the lodge,” Gates said.

During this time, Gates began to work as a fly fishing guide. “I can remember floating before I was 16, before I had my driver’s license,” Gates said. “We’d leave the truck at Wakely Bridge, and I’d have to take the back roads home.”

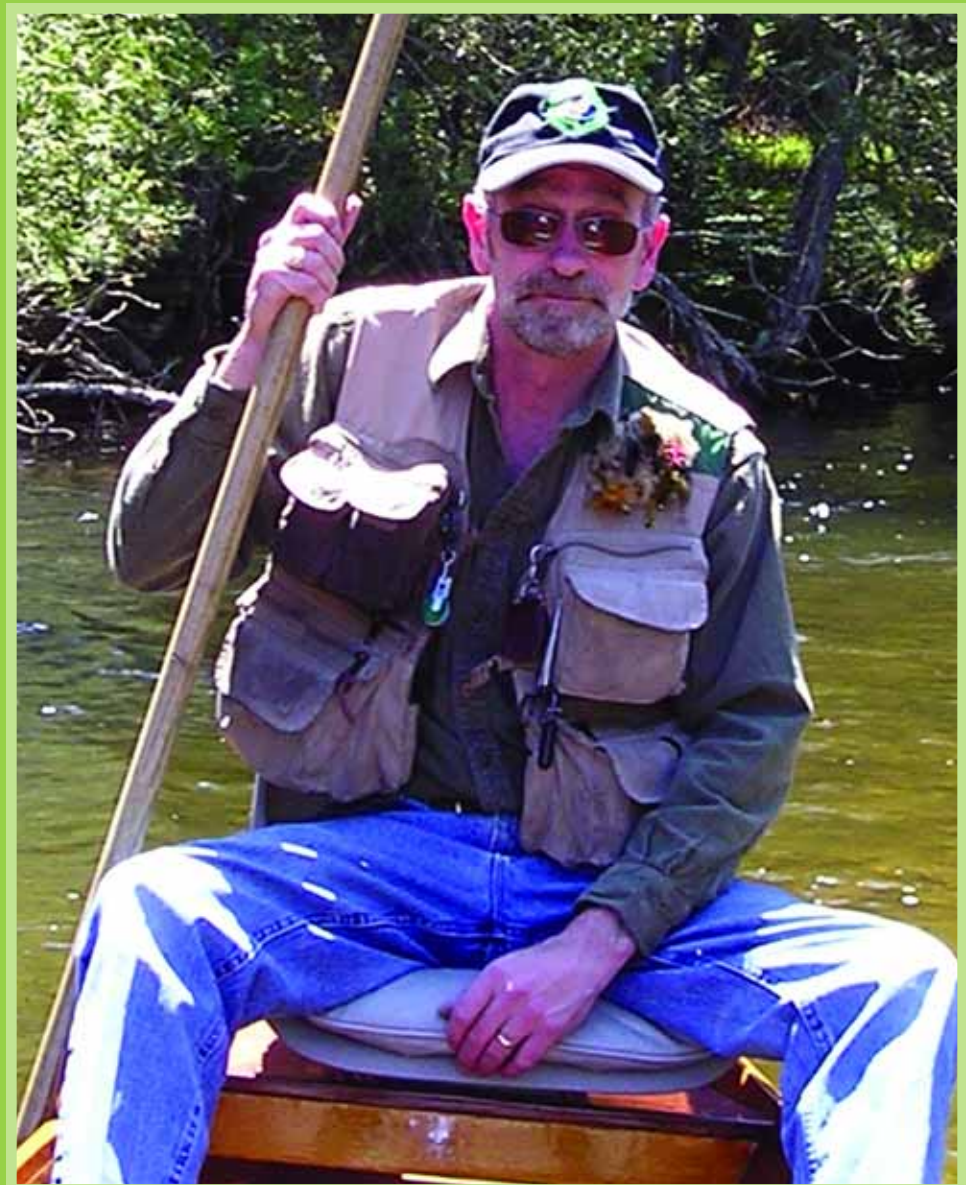
Since then, Gates has spent the past 30-plus years as a guide and the proprietor of the Gates Lodge. He has been active in the conservation of the AuSable, working with groups like the Sierra Club. He is also the founding president of the Anglers of the AuSable.

With that pedigree in protecting the AuSable River, joining HWLC’s board of directors was almost a given.

“The property owners along the AuSable, I see on a regular basis,” Gates said. “I call a lot of them friends, and we’re going to be dropping some business cards in their pockets.”

While Gates is happy to be with HWLC, his mind is still on protecting the river. “I’ll feel a lot better two years from now when two-thirds of the AuSable has a conservation easement on it,” he said.

Rusty Gates floats the AuSable River. Gates has been a fly fishing guide since the 1970s and was a founding president of Anglers of the AuSable.



Preserving The AuSable, Two Miles At A Time

LOVELLS – Arnold Ochs’ conservation easement on the north branch of the AuSable River is accomplishing more than preserving two miles of riverfront. It is also bucking the subdivision trend begun in the 1960s.

“The property came in two pieces,” Ochs said. “I bought the first piece in 1990, and the second piece in ‘92 or ‘93.”

The combined 270-acre property borders a prime site of the AuSable River. It is located near the historic Dam Four site, an area renowned among trout fishermen.

“The largest brown trout I ever caught on the north branch was in a pool near Dam Four itself,” Jim Enger, former fishing guide and author of *The Incomplete Angler*, said. “It’s one of my favorite stretches of river.”

Ochs also enjoys fishing the river. However, the pastimes the property provides are not limited to the riverbanks. He enjoys hunting grouse and woodcock in the fall and snowmobiling through his property in the winter.

During his time on the property, he has come to know its intricacies. “The forest is a mix between aspen and jack pine,” Ochs said. “There are wild blueberries, wild raspberries and wild iris along the river.” A cabin and a guesthouse provide shelter in this oasis of privacy.

Civilization, though, is always encroaching. “There have been several discussions (about this property) involving developers



Miniature islands dot the AuSable River. These two miles of river frontage are the beginning of the HeadWaters Land Conservancy’s AuSable River Watershed Project.

that were going to chop it into 20-acre parcels,” Ochs said. “We don’t have 20-acre lots in the lower section of the AuSable because people don’t want it developed.”

These discussions made Ochs aware of how special his property is. “The main motivation why I wanted to put a conservation easement on this property is because this is about two miles of river frontage in northern Michigan, and there are very few pieces of private property that size left in the watershed,” he said. “That quality of cold water stream needs to be preserved in sites like this if we’re going to maintain our northern Michigan character.”

To secure the conservation easement, Ochs worked with HeadWaters Land Conservancy. “Arnold’s attorney, Terry Rogers of Traverse City, contacted us two years ago,” Fred Gottschalk, executive director of HWLC, said. “Rogers was familiar with conservation easements and was enthused about helping protect this property.”

The stretch of the AuSable through the Ochs property has a special meaning for Gottschalk as well. “The first two trout I ever caught were at Dam Four,” he said.

Even though Ochs bought the land for solitude and privacy, his conservation easement has drawn the attention of several prominent AuSable citizens.



The AuSable River flows through the Ochs property. Ochs recently placed a conservation easement on the two miles of river frontage his property encompasses.



“It’s just a phenomenal stretch of water,” Rusty Gates, a professional fishing guide and the owner of Gates AuSable Lodge & Professional Shop said. “There isn’t a house on every bend, and it’s awesome to think the property’s gonna stay that way.”

“It’s a wonderful thing,” Enger said. “That whole bank could be prime development property. That won’t happen now, and it’s a great thing.”

“It’s a major act of generosity,” George Shaw, attorney and secretary of the AuSable North Branch Area Association, said. “What Arnold and his wife have done is going to inspire a lot of his neighbors who own tracts along the north branch.”

The conservation of the Ochs property kicks off HWLC’s new AuSable River Watershed Project. “We want to protect at least 25 miles of riverfront along the AuSable,” Gottschalk said. “This is by far the largest piece of river frontage that we’ve protected to date, and we’re hoping it will lay the ground for a lot more land protection along the AuSable.”

Above: Arnold Ochs recently signed a conservation easement on this property that encompasses two miles of the AuSable River and is regarded as prime fishing water. **Above right:** The banks of the AuSable River. This stretch of the AuSable is the kick-off conservation easement in HWLC’s AuSable River Watershed Project

New Board Members Bring Love Of AuSable, Fishing

GAYLORD – HeadWaters Land Conservancy’s AuSable River Watershed project has attracted the attention of several prominent anglers. In fact, two of them – John Dallas and John Walters of Trout Unlimited – joined the board of directors in April. Both are thrilled to be working with HWLC.

“It’s an incredible organization,” Walters said. “Protecting the land from development via a conservation easement is a great opportunity.”

The two men came to HWLC in different ways. “My wife and I were at the fly fishing expo in Novi,” Walters said. “We ran into someone who explained to us what HWLC was. We said, ‘That makes sense,’ and we became members.”

“The first time I had real involvement with HWLC was when my wife and I got invited to a fundraising party that Dick and Mary Ann Daane hosted,” Dallas said.

How did they come to join the board?

“I got asked,” laughs Dallas. “I was asked to join, so I talked with several people who knew about HWLC, like Jim (Enger) and Rusty (Gates). I concluded that I could help them out, so here I am.”

Rusty Gates played a part in Walters’ joining, too. “I met with Gina (Scheffler) and Rusty at the Gates lodge,” Walters said. “Gina was talking with us about HWLC’s projects, and I asked if there were any openings on the BOD because I’d like to be one.”

Walters already has big plans for his tenure on the board. “I want to establish 10 different committees, ranging from financial to educational to environmental to scholarships and awards,” he said. “I also want to have fun with this.”

Dallas, though, is still assessing the situation, as he determines where his talents will do the most good.

While they may be approaching the situation differently, Dallas and Walters share the same enthusiasm for their task. “With my kinds of interests, to preserve land like that is an important thing,” Dallas said.

“If we don’t protect the land, then guys like me don’t get to share in that enjoyment,” Walters said. “It’s not just the rivers we’re trying to protect, but I spend a lot of time in the Pigeon River country, and a lot of time around that great state land. Development could destroy what we hold so dear.”



John Dallas, one of the newest directors on the board. Dallas is also a director of Anglers of the AuSable and a past director of the Paul Young chapter of Trout Unlimited.



John Walters holding a steelhead trout. Walters is one of the new member of HWLC’s board of directors. He is also the communications chairman for the Michigan chapter of Trout Unlimited, and president of their Headwater chapter.



Two Board Members Rewarded for Conservation Efforts

GRAYLING – In March, two members of the HWLC board of directors were honored for their efforts in environmental protection. Huron Pines chose Bud Slingerland and Tom Young as winners of the 2005 O.B. Eustis Environmental Awards, from a selection of nominees that spanned 11 counties.

Bud Slingerland won the Individual award for his lifelong devotion to conservation. His credentials include service in the Michigan House of Representatives and serving as president of the Montmorency County Conservation Club. Tom Young won the Business award. His paper, the *Montmorency County Tribune*, was recognized for its attention to conservation issues affecting the region. Both men received \$475 to be donated to the cause of their choice. Tom Young chose HWLC as his organization. “I feel that we do these things because we like to, not to get awards. But it’s nice when someone says you’re doing a good job,” Slingerland said.

Bud Slingerland (L), and Tom Young (R) display their O.B. Eustis awards. The awards are funded through a grant from the Community Foundation of Northeast Michigan. Lori Pahlkötter and Bill Schwartz also won awards.

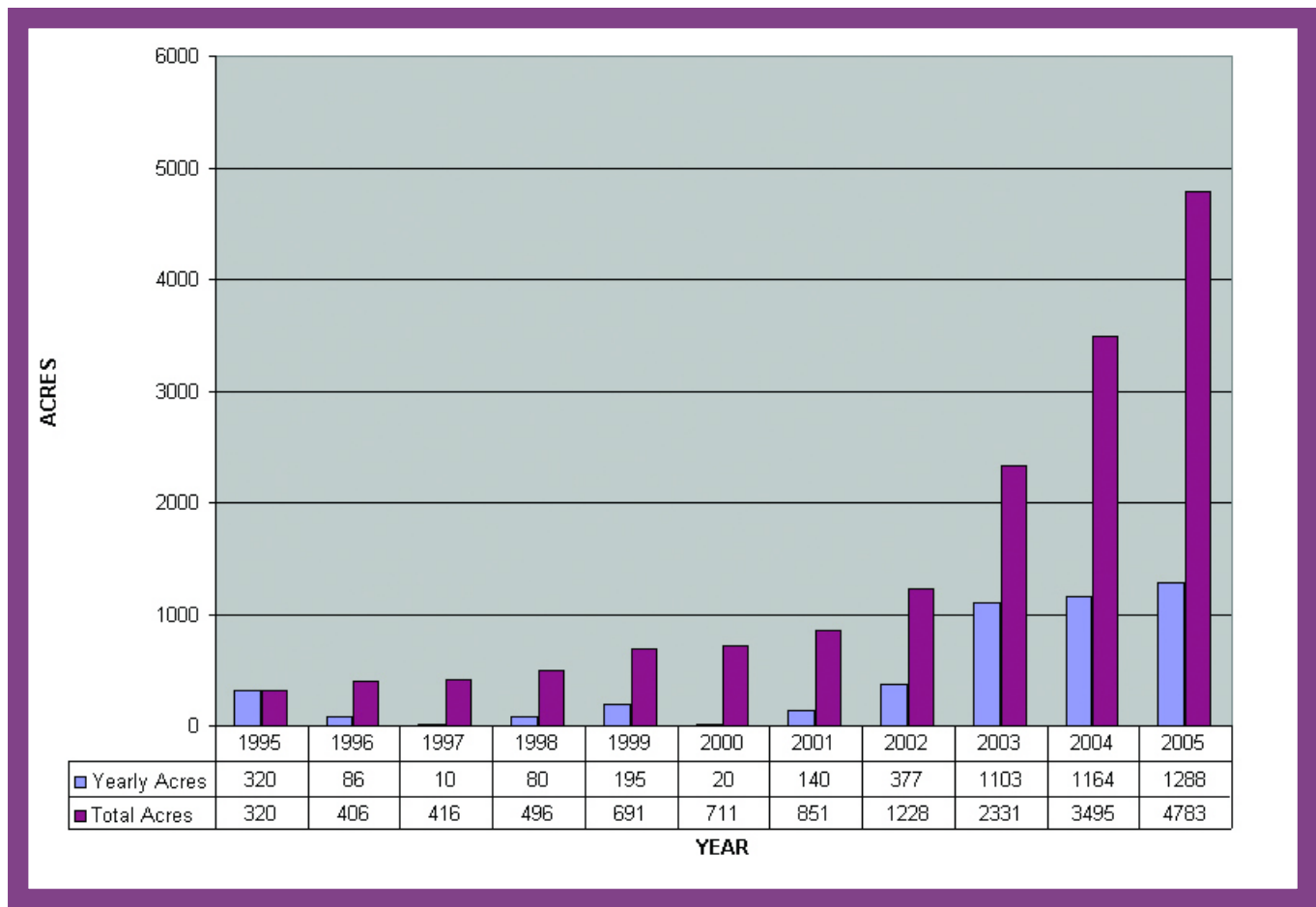
Thank You to the following:

- **Duke Domke** for helping us move into our new offices.
- **Jim Young** for getting our office reconnected to the Internet.
- **Mike Platty** for donating rental space in Gaylord during our move.
- **Jan Cotant** for donating several pieces of office furniture.
- **The Americana Foundation** for their \$30,000 grant.
- **The Woollam Foundation** for their \$10,000 challenge grant.
- **The State of Michigan** for grant monies received as part of the Clean Michigan Initiative toward work on the AuSable, Manistee, Ocqueoc and Thunder Bay rivers.
- **Michigan Department of Environmental Quality** for grant monies.
- **Northeast Michigan Council of Governments (NEMCOG)** and **Huron Pines** for grant monies.

WISH LIST

- Seeking software! HWLC is looking for some desktop publishing software to help us in the production of both the newsletter and the website. We need Adobe’s Photoshop and InDesign, specifically.
- Get your business noticed by sponsoring our monthly ad in Traverse Magazine. \$595/month for 1/3 page b & w ad; \$1,500/month for a full-page color ad.

TOTAL LAND PROTECTED BY YEAR



HeadWaters Contributor Recognition (March 31 to June 1, 2006)

Steward

(up to \$999)

Austin Hunting Club
 Mr. and Mrs. Carl Becker
 Dick and Barbara Bott
 Gary and Sharon Boushelle
 Robert and Fay Bovee
 Mr. and Mrs. William Brooks
 Mr. Donald Cole
 Mr. and Mrs. Richard Crawford
 Arthur Curtis
 Robert and Lucille Davis
 Roger and Mary Fechner
 James and Jan Fitzpatrick
 Ms. Dorothy Gerrie
 Jay and Natalie Gottschalk
 Huron Beach Civic Association
 Charles and Rita Anne Jackson
 Edwin Jatkowski
 Bill and Marva Jonas

James and Barbara Kurbel
 Mr. and Mrs. Donald Lang
 Mr. and Mrs. Gerald Myers
 Douglas Neal
 Mr. and Mrs. Gordon Nethercut
 Donald Pierce
 Mr. and Mrs. Loren Powell
 Mr. and Mrs. Stephen Qua
 John Reigle
 Patricia Robinson and Family
 Roland Schaedig
 Jake Shinnors
 Jerry and Linda Smith
 Lucille Stickel
 Mr. and Mrs. Robert Williams
 Karl and Linda Zurburg

Visionary

(up to \$10,000)

Woodworkers Shoppe

Sustainers Circle

(\$500 or more annually)

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 Robert and Roseanne Comstock
 Stan Galehouse
 Beach and Marianne Hall
 Don Hinkel
 Joseph L. Hudson, Jr.
 Don Inman and Virginia Pierce
 Jerry Jung Michigan CAT
 Nancy Parmenter
 Stephen and Charlotte Qua
 Roland Schaedig
 Jim and Chris Supina
 Weyerhaeuser Corporation

Opportunities to Support Local Land Protection Work

General Supporter

As a Supporter of HWLC, you join us in preserving the “Up North” we all enjoy by protecting natural areas, waterfront, wildlife and farmland in northeast Michigan. Your support is vital for HWLC’s land protection and education projects. All supporters receive our informative quarterly newsletter and invitations to annual meetings and special events.

Land Patron

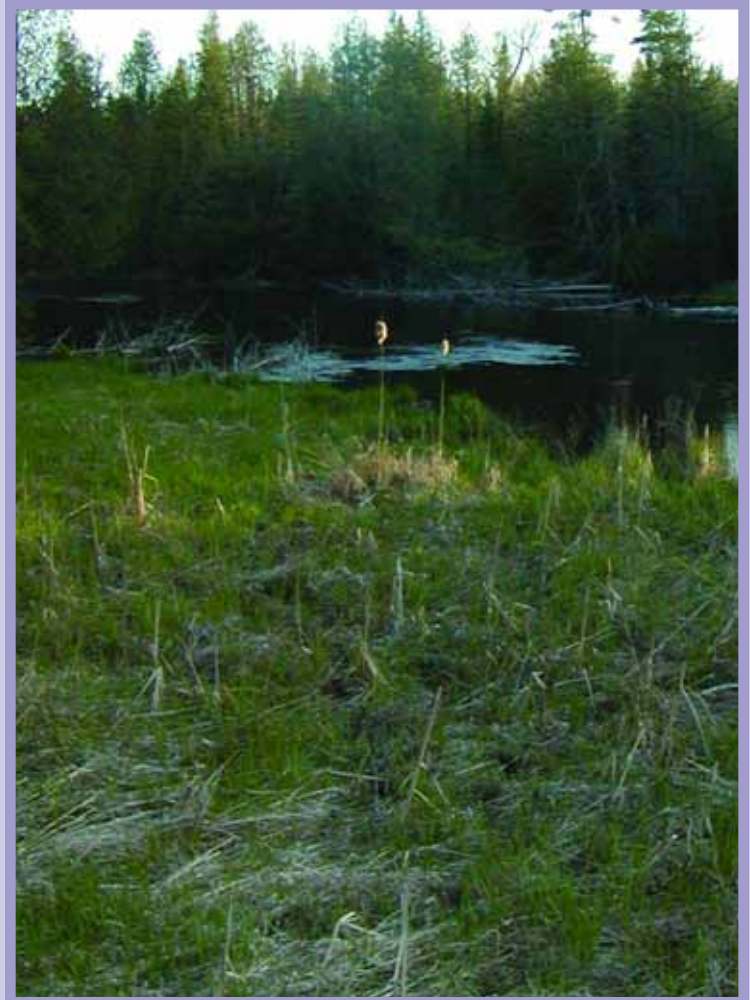
A Land Patron is a supporter who makes a monthly gift to HWLC, usually through the automatic withdrawal option. The Land Patron community was created as a vehicle to increase the organizational capacity of the Conservancy, while allowing a feasible alternative to one significant contribution. This reliable and continuing source of financial support allows HeadWaters to continue our vital conservation efforts.

Sustainers Circle

The Sustainers Circle of HWLC is a very special group of people who are committed to the long-term goals of the Conservancy. Members of this group have pledged to contribute a minimum of \$500 annually to support the operations of HWLC. The Sustainers Circle provides financial support that ensures current success in land protection and future stability. While the general operation of the Conservancy’s programs is made possible by annual membership contributions and extra donations, it is the regular annual contributions of this special group that will sustain our efforts on behalf of northern Michigan’s land and wildlife. Sustainers also have the option of donating their annual pledged amount in smaller quarterly contributions.

HWLC’s Legacy Fellowship Program

HWLC has established a Legacy Fellowship to honor individuals who have planned a gift to HWLC in their wills or living trusts, retirement plans, life insurance policies or other life income arrangement such as charitable gift annuities, charitable remainder trusts or charitable lead trusts. When you make a legacy gift to HWLC, you join a growing number of special supporters who are committed to preserving the beauty and natural resources unique to northeast Michigan. These attributes simply will not be here for future generations to enjoy if we do not act NOW. If you have included HWLC in your estate plans, please let us know so that we can welcome you to our Legacy Fellowship. Thank you for your interest and support. For additional information please contact our office at (989) 731-0573.



Thanks to our members...

HeadWaters Land Conservancy has now protected over 5,100 acres and more than 15 miles of shoreline throughout our service area!



Celebrate Summer

Why not give Mother Nature a belated Mother's Day present? A gift to the HeadWaters Land Conservancy is a gift to the land that will continue to give for years to come and for generations to follow.

Also, as the temperature rises, people are ditching their long sleeves and stocking caps in favor of t-shirts and baseball caps. Fortunately, HWLC offers both. We also offer gifts that highlight the exceptional

talents of some of Michigan's finest artists including photographer Carl Sams II and writer Bob Butz. These items emphasize the beauty of the great outdoors. Keep them with you as a reminder of what life is like outside the office!

For a complete list and description of all HeadWaters Land Conservancy gifts, visit our

website at www.headwatersconservancy.org. Remember, all proceeds go toward the Conservancy's land protection programs.



More than 5,100 acres now protected!



HeadWaters Land Conservancy protects land in an 11-county area of northeastern Lower Michigan. Our service area is blessed with the Au Sable, Black, Manistee, Muskegon, Ocqueoc, Pigeon, Rifle, Sturgeon and Thunder Bay Rivers, along with others. Each river springs from the tiny beginnings of a headwater at the point where a watershed is born. The protection of the lands surrounding these rivers ensures the long-term health and quality of their waters. Our founders chose to embrace this theme through the name HeadWaters Land Conservancy.



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