

SUSTAINABILITY TOGETHER



THE FRASER BASIN COUNCIL
ANNUAL REPORT

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Fraser Basin Council

Annual Report &
Financial Statement
1999 - 2000

■ Table of Contents

Message from the Chair, Iona Campagnolo	Page 4
An Overview of the Council	Page 5
The Fraser Basin	Page 5
The Fraser Basin Council	Page 5
Corporate Structure	Page 7
The Board of Directors	Page 7
Council Meetings.....	Page 9
Committees	Page 9
Staff	Page 11
Regional Reports	Page 12
Upper Fraser	Page 12
Cariboo – Chilcotin	Page 15
Thompson	Page 17
Fraser Valley	Page 19
Greater Vancouver, Squamish, Pemberton	Page 22
Basin Wide Initiatives	Page 25
Looking Ahead	Page 29
Fraser Basin Council Society	
Financial Statements of	Page 31
Auditors' Report to the Members	Page 32
Statement of Financial Position	Page 33
Statement of Operations	Page 34
Statement of Changes in Net Assets	Page 35
Statement of Cash Flows	Page 36
Notes to Financial Statements	Page 37

Message From the Chair...

This new millennium has already been marked by metaphor, but perhaps the most engaging of its early designations is as the “Age of Alliances”. In a world where equity, environment, economy and community are constantly being challenged by radical change, people pursuing a sustainable society seek new ways to determine the common ground where inclusive and co operative solutions can be developed.

The Fraser Basin Council is a unique and practical organization created to address the search for sustainable solutions. Although created in the late years of the last century, the Council is in every respect a 21st Century Organization. It is defined by a strategic partnership of equals at its centre that includes representation from all orders of Canadian Government, (Federal, Provincial, Local/Regional and First Nations) with the Private Sector and Civil Society. The Council is a “safe place” for respectful listening and genuine dialogue about building sustainable institutions through working together to balance the environmental, social and economic components of sustainability.

Building a balanced and sustainable society where **“Social Well-Being is supported by a Vibrant Economy and Sustained by a Healthy Environment”** requires new standards of responsibility from all members of the human family. Where no entity, individual, organization, agency or government can act alone, or where no clear jurisdictional authority exists, the Fraser Basin Council facilitates formation of broadly inclusive partnerships to co operatively address the issues at hand and move toward action. When consensus is reached, implementation follows by legally responsible parties, who have been part of the process from the beginning. The Council also often acts as an interim River management facilitator, seeking sustainable solutions to matters like floods, debris, nutrient loading and gravel. While not a think tank, nor a research institute, the Council is a facilitator, a catalyst, a jurisdictional and conflict resolution agent and a sustainability educator. It is an independent, transpartisan, non-political, non-governmental registered Society with national Charitable Tax status, and is supported by a partnership reflecting its work.

This Annual Report demonstrates that the Council is maturing in its third year of operations, although always evolving, it must remain ever-flexible to meet its constantly shifting target. Added to its many private/public functions, the Council is currently at work in a large network of interests, developing Measurements and Indicators of Sustainability. At this November’s second State of the Fraser Basin Conference, a draft set of Sustainability indicators will be presented for consideration by conference participants. The “Age of Alliances” takes on new meaning when you consider that an ability to measure progress toward sustainability can link today’s 2.65 million Fraser Basin inhabitants to all those people who will ever live here. An alliance between today and tomorrow can insure that the precious Fraser Basin is sustained as far into the future as it has been into its immemorial past.



Iona Campagnolo,
Chair, Fraser Basin Council

Fraser Basin Council Annual Report, 1999 – 2000

The Fraser Basin Council's third annual report provides a brief description of the mandate and structure of the Council, a summary of the Council's activities, and audited financial statements for the 1999/2000 fiscal year.



AN OVERVIEW OF THE COUNCIL

■ The Fraser Basin

The Fraser Basin, the area drained by the Fraser River and its tributaries, is of great environmental, economic and social value in the province and worldwide. It covers more than 25% of BC's land area and is home to 2.6 million people. Activities in the Basin contribute 80% of the province's gross domestic product and 10% of Canada's gross national product. The Basin's forests cover nearly three times the area of New Brunswick, and its farms, ranches and orchards comprise half of all BC's agricultural lands. There are eight major producing mines, as well as some of the province's - and the world's - most spectacular natural beauty and recreational opportunities.

The Basin also boasts the world's most productive salmon river system, supporting five salmon species and 57 other species of fish, including steelhead and giant sturgeon. It is BC's most productive waterfowl breeding area, and more than 300 species of birds and many species of mammals make use of the area.

For thousands of years, the Basin has been home to many Aboriginal Peoples including the Halquameelem, Hun Qui Min Um, Nlaka'pamux, Secwepmec, Stl'atl'imx, Tsilhqot'in, Carrier and Okanagan Speaking Nations. The history, strength and diversity of Aboriginal and other communities within the Fraser Basin is fundamental to the sustainability of the Basin and reinforces the critical importance of fostering the long-term health of the Basin.

In 20 years, the population in the Fraser Basin is expected to reach 3.8 million. The question of how to balance this growth in ways that enhance the Basin's social, economic and environmental health – and wealth – is an enormous challenge, an important responsibility, and an urgent priority.

■ The Fraser Basin Council

In the Spring of 1997, the Fraser Basin Council was established as a not-for-profit organization with a mandate to ensure that the decisions about how we live, work and play in the Fraser Basin will protect the social, economic, and environmental sustainability of the region.



The Council carries out its mandate by working with the vision, principles and goals articulated in the Charter for Sustainability. The Charter is a good faith agreement to work toward the social, economic and environmental sustainability of the Fraser Basin. It is not a legally binding document, but rather a guide for all who make their life in the Fraser Basin.

The Council and its partners facilitate problem solving by bringing together the people necessary to make decisions and create solutions that integrate social, economic and environmental considerations. The Council divides the Basin into five geographic regions (the Upper Fraser, the Cariboo-Chilcotin, the Thompson, the Fraser Valley, and the Greater Vancouver/Pemberton/Squamish), but the projects in which the Council engages are based on the needs of the Basin as a whole, rather than those of any single area, organization or person.

CORPORATE STRUCTURE

■ The Board of Directors

The Fraser Basin Council's Board of Directors is comprised of 36 individuals who reflect the broad diversity of people who inhabit the Fraser Basin. Twenty-two Directors are appointed by government: three are appointed by the Federal government, three by the Provincial government, one by each of the eight regional districts in the Basin, and one by each of the Basin's eight First Nations language groups. The other 14 Directors are non-governmental representatives appointed by the Council. These 14 include two representatives from each of the Basin's five geographic regions, one Basinwide representative for each of the three dimensions of sustainability, and an impartial Chair.

Director appointments have been staggered in order to avoid wholesale changes each year. Government appointments reflect the length of their terms of office. Non-government Directors are appointed for a three-year term of office, with possible re-appointment for one additional term.

The Fraser Basin Council's Board of Directors undertakes all of its business and makes all of its decisions by consensus. When consensus cannot be reached, provisions in the Council's bylaws outline a process for facilitating decision-making.

The following is a list of the Directors who served on the Council during the 1999/2000 fiscal year (please note that the list includes more than 36 Directors because it includes all those Directors whose terms ended or began part way through the year):

Iona Campagnolo	Chair, Fraser Basin Council, Vancouver
Roy Mussell	Vice Chair, Fraser Basin Council; Chief of the Skwah First Nation, Chilliwack
Deborah Abbott	Executive Director, Nlaka'pamux Nation Tribal Council, Lytton
Kurt Alberts	Director, Greater Vancouver Regional District, Langley
Susan Anderson Behn	Community Consultant, Moccasin Telegraph, Yale
Dorothy Argent	Former Chair, Salmon River Watershed Round Table, Salmon Arm
Parm Bains	President, Westberry Farms Ltd., Abbotsford
Lillian Bayne	Regional Director General West, Health Canada, Vancouver
Dennis Brown	Special Advisor, Office of the Premier & Cabinet Office, Vancouver
Dick Carson	Regional Director Oceans, Pacific Region, Department of Fisheries and Oceans, Vancouver



Nolan Charles	Member, Musqueam Indian Band, Musqueam
Ervin Charleyboy	Chair, Tsilhqot'in National Government, Williams Lake
Ken Day	Director, Alex Fraser Research Forest, Williams Lake
Roy Decker	Director, Columbia-Shuswap Regional District, Sorrento
Bob Ellis	Director, Thompson-Nicola Regional District, Savona
George Ferguson	Director, Fraser Valley Regional District, Abbotsford
Diane Gorman	Regional Director General West, Health Canada, Vancouver
Bob Headrick	Chair, Regional District of Fraser-Fort George, Prince George
Kazuko Komatsu	President & CEO, Pacific Western Brewing Company, Vancouver
Bill Kershaw	Director, Thompson-Nicola Regional District, Barriere
Brent Leigh	Director, Squamish-Lillooet Regional District, Whistler
Ruth Madsen	Director, Thompson Institute, Kamloops
Art Manuel	Tribal Chairman, Shuswap Nation Tribal Council, Kamloops
Ben Marr	Former Regional Manager, Greater Vancouver Regional District, Vancouver
Darlene Marzari	Former Minister of Municipal Affairs, Vancouver
Colin Mayes	Director, Columbia-Shuswap Regional District, Salmon Arm
Marie Mervyn	Rancher, Alkali Lake Ranch, Alkali Lake
Michael O'Brien	Vice President, Legal and Corporate Affairs, Vancouver Intl Airport Authority, Richmond
Jon O'Riordan	Assistant Deputy Minister, Environmental Regional Operations, Ministry of the Environment, Lands and Parks, Victoria
Corisande Percival-Smith	Director, Greater Vancouver Regional District, Richmond
Jerry Petersen	Director, Bulkley-Nechako Regional District, Vanderhoof
Frank Read	Director, Bulkley-Nechako Regional District, Vanderhoof
George Saddleman	Chair, Nicola Tribal Association, Merritt
Robert Smillie, M.D.	Health Consultant, Kamloops
Tom Steadman	Financial Advisor, Scotia McLeod, Prince George

Pam Tattersfield	Director, Squamish-Lillooet Regional District, Britannia Beach
Leonard Thomas	Vice Tribal Chief, Carrier Sekani Tribal Council, Prince George
Wendy Turner	Fraser River Coalition, Vancouver
Suzanne Veit	Deputy Minister, Ministry of Municipal Affairs, Victoria
Steve Wallace	Director, Cariboo Regional District, Quesnel
Morgan Wells	Band Councilor, Mount Currie Band, Mount Currie
Jim Wild	Director, Area Director, Fraser River/Interior, Fisheries & Oceans Canada, Vancouver
Brian Wilson	Director, Environmental Protection Branch, Environment Canada, North Vancouver
John Wolbers	Director, Cariboo Regional District, Williams Lake

■ Council Meetings

Meetings of the Council are open to the public and occur three times a year; in February, June and October.

■ Committees

The Fraser Basin Council conducts its business primarily through the work of five Standing Committees (listed below). Specific projects are overseen by the five Regional Committees and by Directors responsible for basinwide initiatives. In addition, several Task Committees were appointed during the 1999/2000 fiscal year to address issues of a temporal nature or projects with which the Council is only temporarily engaged.

The responsibilities and functions of the various Standing and Task Committees are briefly outlined below. The activities of the Regional Committees and the basinwide initiatives undertaken during the 1999/2000 fiscal year are summarized in the following section on Regional Reports.

■ Standing Committees

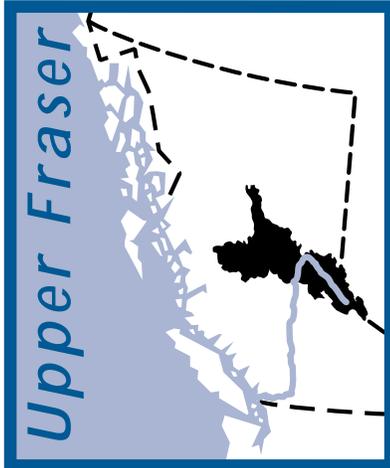
- 1) **Operations Committee** – The Operations Committee functions as an Executive for the Board of Directors to oversee the work of the Council between Board meetings. This Committee oversees the organization, operation and development of the Council on behalf of the Board of Directors.
- 2) **Staffing/Financial Operations/Audit** – This Committee oversees the Council's spending program, including the management of funds in accordance with the directives of the Board. This Committee also provides staffing direction to the Executive Director and is responsible for ensuring that the annual financial audit is carried out on behalf of the Board of Directors.
- 3) **Constitution and Council Director Recruitment** – This Committee coordinates recommendations from the Council for any changes to the Constitution. It is also responsible for conducting a recruitment process to replace departing Council directors.
- 4) **Sustainability Fund Committee** – This Committee oversees the Council's fundraising responsibilities and ensures that proper procedures are established as the Council works toward financial sustainability.
- 5) **Communications Committee** – This Committee oversees the development and implementation of the Council's communications needs and strategies.

■ Task Committees

- 1) **Basin Fisheries** – The Basin Fisheries Committee reviews specific fisheries initiatives of interest to the Council and reports on their progress.
- 2) **Transition to Partnership** – This Committee facilitates and monitors the transition to enhanced Aboriginal/Non-Aboriginal partnerships in the Fraser Basin.
- 3) **Flood Hazard Action** – The Flood Hazard Action Committee is working toward the development of an integrated and comprehensive long-term flood hazard management strategy.
- 4) **Policy Development Institute** – The work of this Committee is aimed at building capacity among First Nations to develop policy and to participate in decision-making processes.
- 5) **Strategic and Organizational Planning** – This Committee monitors the Council's progress toward its goals and facilitates the implementation of priority actions identified in the Council's Strategic and Organizational Plan.
- 6) **Economic Diversification** – The Economic Diversification Committee is working toward identifying and implementing an effective role for the Council in enhancing the economic component of sustainability in the Fraser Basin.

■ Staff

David Marshall	Executive Director
Nattanya Caverhill	Administrative Assistant
Joan Chess	Regional Coordinator, Upper Fraser
Phil Hallinan	Regional Coordinator, Thompson
Cheri Hamilton	Administration
Judy Kirk	Communications Consultant
Steve Litke	Flood Hazard Management Coordinator
Bob Purdy	Regional Coordinator, Vancouver/ Squamish/Pemberton
Marion Robinson	Regional Coordinator, Fraser Valley
Malcolm Smith	Basinwide Program Coordinator
Deena Tokaryk	Administrative Assistant
Jim Vanderwal	Gravel Stewardship Coordinator
Gail Wallin	Regional Coordinator, Cariboo-Chilcotin
Rima Wilson	Coordinator of Board Operations
Doreen Wright	Executive Assistant



REGIONAL REPORTS

UPPER FRASER

■ Directors

Bob Headrick

Frank Read; succeeded by Jerry Petersen

Leonard Thomas

Kazuko Komatsu; succeeded by Tom Steadman

■ Staff

Joan Chess

David Marshall

PROJECTS

■ Nechako Environmental Enhancement Fund

The Nechako Environmental Enhancement Fund (NEEF) was established as part of the 1997 Agreement between Alcan and the BC Government to address outstanding legal issues regarding the rejection of the Kemano Completion Project. The purpose of the Fund, administered by a three-person Management Committee, is to address the downstream enhancement of the Nechako River.

With the help of the Fraser Basin Council, the Management Committee began a process in May of 1999 to obtain input from the broad range of interests in the area, including First Nations, the Nechako Watershed Council, community groups and others. In October 1999, the Management Committee hosted a two-day public workshop in Vanderhoof, BC to present a background report on the Nechako situation, and to obtain input regarding the goals for the downstream enhancement of the Nechako River. As a result of the workshop, the Management Committee began to study various water release facility options.

The Management Committee is planning a public meeting in April 2000 in Vanderhoof to present the research that has been conducted since the workshop, and to consider the next steps in the process.

■ **Nechako Watershed Council**

For the past 50 years, issues associated with the development and operation of the Kenney Dam on the Nechako River and the Alcan smelter in Kitimat have generated tremendous conflict over watershed management in the region. In June 1998, the Fraser Basin Council helped to establish the Nechako Watershed Council (NWC), a multi-interest group working toward socially, economically, and environmentally viable solutions to the longstanding issues. With secretariat support from FBC Regional Coordinator Joan Chess, the NWC (which includes First Nations, business, community and government representation) has accomplished a great deal toward its goal of developing a watershed management plan that meets the needs of various interests and balances environmental, social, and economic values.

During the 1999/2000 fiscal year, the NWC held nine meetings at which guest speakers provided information on various topics related to the watershed and its management; conducted a number of field trips to significant sites around the watershed; researched the technical aspects of such issues as flow regimes and water licensing; held working sessions to identify particular interests and concerns; and began the process of identifying and exploring options for solutions. The Nechako Watershed Council will continue to meet regularly in the upcoming year to gather information, and to explore workable solutions. In addition, the NWC will continue to provide input into the NEEF Management Committee's public consultation process and will develop a set of recommendations to present to the Management Committee.

■ **Chilako Watershed Council**

In the summer of 1999, the Fraser Basin Council began working in partnership with Fisheries and Oceans Canada (DFO), the BC Conservation Foundation (BCCF), the Puchaw Cattlemen's Association, and the Ministry of Agriculture, Fish & Food on the Chilako River Project. The project, which builds upon earlier work by the Spruce City Wildlife Club, the BCCF and DFO, was initiated primarily to resolve the longstanding differences between ranchers and DFO in the Chilako River area west of Prince George.

In the fall of 1999, Mr. Lorne Fitch, one of the founders of the Alberta Cows & Fish program, conducted a seminar and field training session regarding stream health assessment, and the Puchaw Cattlemen's Association hosted a meeting to discuss watershed stewardship. Resulting from these sessions was the widespread recognition of the benefits of a cooperative approach to watershed management, and the decision by the participants to form the Chilako Watershed Council (CWC). To date, participants in the CWC include the original partners, as well as the Mud River Farmers Institute, the Fraser-Fort George Regional District, the BC Ministry of Environment, the Upper Fraser Nechako Fisheries Council, Canfor, and the Spruce City Wildlife Club. FBC will continue to assist the CWC with planning and facilitation.

■ **Regional Fisheries Forum**

On March 10 – 11, 2000, the Fraser Basin Council and the Upper Fraser Nechako Fisheries Council (a partner delivery group for Fisheries Renewal BC), jointly hosted the Upper Fraser Regional Fisheries Forum. The goals of the forum were: a) to share information about projects, programs and funding; and b) to begin to develop a strategic approach to managing fish and fish habitat in the Upper Fraser.

The first day of the forum featured speakers from the private sector, universities, community groups, and all orders of government (including First Nations), presenting information on their priorities, programs, funding, and projects. Facilitated by Fraser Basin Council staff, the second day provided an opportunity for participants to contribute to the development of a management strategy for the Upper Fraser Nechako Fisheries Council (UFNFC).

■ **Robson Valley Community Based Tourism Development**

In May 1999, Simon Fraser University and the University of Northern British Columbia sponsored the first of a series of training sessions on priority topics identified by residents of the Robson Valley. This three year project, funded by Forest Renewal BC, focused on diversification of the Robson Valley's economy through further development of the existing tourism sector. In addition to exploring future options for the area, the sessions included training in effective communication, problem solving, visioning and goal setting among diverse groups.

■ **Other FBC Activities in the Upper Fraser Region**

- Assisted the McMillan Creek Stewardship Group to obtain funding for the development of a management strategy to promote the care and stewardship of McMillan Creek.
- Continued to attend the Omineca-Peace Inter-Agency Management Committee meetings, providing liaison with provincial agencies in the region.

CARIBOO-CHILCOTIN

■ Directors

Ervin Charleyboy
 Ken Day
 Marie Mervyn
 Jon Wolbers; succeeded by Steve Wallace

■ Staff

Gail Wallin

PROJECTS

■ Bridge Creek Watershed

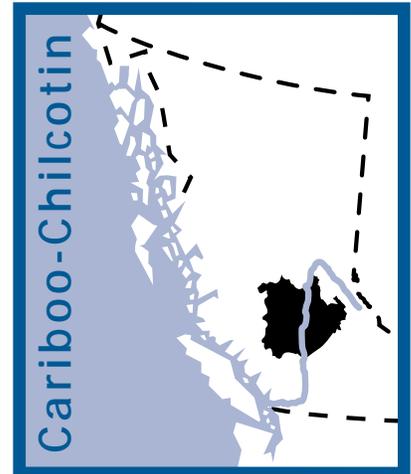
Bridge Creek Watershed is a large watershed composed of many sub-basins. For some time, a number of local watershed groups have been working to protect the watershed as a source of drinking water and for community use. In fall 1999, Fraser Basin Council staff met with representatives of the various local watershed groups in the area to identify opportunities to work together toward a healthier watershed through positive action. Participants suggested a role for the Council in helping foster communication among the groups to address such key issues as jet ski use, water quality, and the impacts of private land management on the watershed.

Following input from the BC Ministry of Environment and the BC Ministry of Forests, the Fraser Basin Council and the Cariboo Tribal Council (CTC) jointly submitted a proposal to Fisheries Renewal BC to address key watershed issues. The proposal calls for building communications among the various watershed groups, identifying cooperative and complementary actions, and creating a community action plan, with assistance from the Fraser Basin Council. The proposal also recommends that the CTC and Canim Lake Band lead in the development of an action implementation and water quality monitoring program for the Lower Bridge/Canim Lake area.

Currently, FBC is working to provide support to the local watershed groups and to assist with the development of the area's newest watershed group for the Lower Bridge Creek area.

■ Economic Networking

In preparation for the third economic networking session held in November 1999, the Fraser Basin Council researched and updated the Cariboo Chilcotin Economic Directory. This directory identifies the range of economic initiatives across the region and provides contact information for key agencies and people. FBC continues to work with communities and organizations to identify common issues and encourage sharing of relevant information.



■ Services Canada Pilot Project

Services Canada is a new pilot project being launched in four BC communities. The pilot project supplies each location with a staff person, an office, computer workstations and support materials to provide rural areas with better access to federal programs . At the request of the Williams Lake Service Canada Committee, FBC submitted a proposal to perform a Diagnostic Survey to provide guidance on ways to establish this pilot project in the South Cariboo. The proposal was accepted as a result of its clear and neutral approach, and work on the project will soon be under way.

■ Other FBC Activities in the Cariboo-Chilcotin Region

- Facilitated at the Premier's Summit on Economic Opportunity in Cariboo-Chilcotin.
- Participated in planning meetings for a the proposed Williams Lake Natural Resource Science Centre.
- Facilitated a session with the Cariboo Regional District to identify actions for the upcoming year to help move the region toward a healthier and more stable economy.
- Facilitated strategic planning sessions with the Cariboo Chilcotin Fish Enhancement Society.
- Attended the provincial government's Inter-Agency Management Committee meetings.

THOMPSON

■ Directors

Deborah Abbott
 Dorothy Argent
 Roy Decker; succeeded by Colin Mayes
 Bob Ellis; succeeded by Bill Kershaw
 Art Manuel
 George Saddleman
 Bob Smillie
 Morgan Wells

■ Staff

Phil Hallinan

PROJECTS

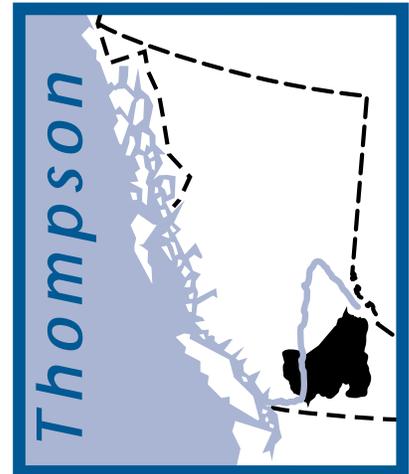
■ Shuswap Lake

Concerned about Shuswap Lake's water quality, residents around the Lake asked the Fraser Basin Council early in 1999 to assist them in compiling and organizing the data being gathered yearly by the Pollution Prevention branch of the Ministry of Environment, Lands and Parks (MELP). Working with MELP personnel, and with support from the Thompson-Nicola Regional District and University College of the Cariboo, FBC staff gathered and organized all the existing data on Shuswap Lake water quality and wrote a report showing the water quality trends in the various sites being monitored. The study revealed signs of deterioration in Shuswap Lake's water quality, especially in those areas most accessed by residents and visitors.

At the end of the fiscal year, a summary of the report's findings, entitled *How Is Our Lake Doing?* was nearly completed and was scheduled to be presented and distributed to the community in late April. In addition to presenting the findings, the summary will invite residents to work, with the help of FBC, to address water quality issues in Shuswap Lake.

■ Watershed Restoration

The Council accepted an invitation to sit on a committee convened to guide the restoration of high priority regional watersheds through cooperative planning. The committee – which included representatives from the forest industry, First Nations, the BC Ministry of Forests, and the BC Ministry of Environment, Lands and Parks – divided the Kamloops Forest Region into smaller regions based on natural watershed boundaries, and developed a set of criteria for prioritizing the watersheds for restoration. The work of the committee was then utilized by decision makers to determine where Forest Renewal BC's watershed restoration investments should be directed.



■ **Bridge Seton Water Use Plan (WUP)**

The Fraser Basin Council was invited by BC Hydro to assist with the development of a water use plan for the Bridge Seton River area near Lillooet. The goal of the planning process is a plan that ensures management of the area's licensed water in a manner that provides the broadest possible benefit to the province. To date, a number of sub-committees with different mandates have developed a set of objectives related to water management. Once the objectives of all the sub-committees are compiled, FBC staff will assist participants in the process to transform the objectives into a viable water use plan. The success of the process will depend on the recognition among all participants of the trade-offs inherent within water management (e.g., fish habitat versus power generation, flow through one river system versus another), and on the ability of conflicting interests to come to agreement on the best use for the water.

■ **Other FBC Activities in the Thompson Region**

- Acted as an observer on the Okanagan/Shuswap and Lillooet LRMPs (Land and Resource Management Plans) to ensure that they continue to work toward a sustainable future for the communities, land and resources of the area.
- Served in an advisory capacity for the development of the Thompson Nicola Regional District's Growth Management Plan.
- Facilitated various information forums including FOC's stewardship presentations and the Pacific Fisheries Resource Council panel's consultative process on salmon stocks.

FRASER VALLEY

■ Directors

Susan Anderson Behn
George Ferguson
Roy Mussell
Parm Bains

■ Staff

Marion Robinson
Jim Vanderwal

PROJECTS

■ Fraser Valley Regional Watershed Coalition (FVRWC)

Since 1997, the Fraser Basin Council has been a participating member of the FVRWC, a coalition of over 60 organizations, including watershed interests, federal and provincial agencies, local governments, and industry. The Council's role with the Coalition is to provide input as a neutral body and to assist the group with decision making processes.

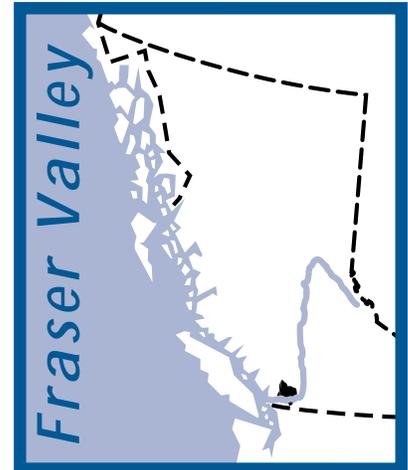
The FVRWC secured and allocated funding from Fisheries Renewal BC to support a number of community-based stewardship projects geared toward protection, enhancement and restoration of watershed areas in the Fraser Valley. The Coalition also established a Watershed Management Working Group to provide tools for groups involved in watershed management and developed the Stewardship Network Action Committee.

The Fraser Basin Council will continue to provide support to the Coalition as it works to allocate Fisheries Renewal BC funds to community-based stewardship initiatives in the 2000/2001 fiscal year.

■ Stave River Water Use Plan

In winter 1997/98, BC Hydro initiated an inclusive and broad-based planning process to develop an operating plan for the two dams it operates on the Stave River. To carry out the process, the company formed the Stave River Water Use Plan Consultative Committee and invited the Fraser Basin Council to sit on the Committee as a neutral participant.

Through comprehensive interest-based discussions and negotiations, the Committee was able to consider individual values, to assess trade-offs, to develop and evaluate creative alternatives, and ultimately, to reach consensus on an operating plan supported by all participants.



■ **Nutrient Management Action Plan (NMAP)**

In the spring of 1999, the Fraser Basin Council was invited to facilitate the development of a Nutrient Management Action Plan for the Fraser Valley. The NMAP will be a package of actions intended to enhance the sustainable management of agricultural nutrients which helps to ensure the viability of agriculture in the Fraser Valley.

With the support of the Agriculture Environment Partnership Committee, the Fraser Basin Council has facilitated a number of workshops and meetings for a group of agricultural interests and government agencies called the NMAP Working Group. Through these sessions, the Working Group has identified priority areas and has begun to outline specific actions for the Plan, such as the development of on-farm plans, improvements in nutrient testing tools, and improvements to infrastructure.

In addition to the Council's continuing facilitation role, Fraser Basin Council staff are working to build support for the NMAP by liaising between the Working Group, individual farmers, farm groups, government agencies and others.

■ **Development of a Management Plan: Hope to Mission**

The Fraser Basin Council is facilitating the development of a Management Plan for the Fraser River between Hope and Mission, an area often referred to as the Gravel Reach. The Council has been following this issue for several years, but began taking a more active facilitation role in December 1999, with the financial support of Fisheries and Oceans, MELP and Canadian Council for Human Resources in the Environment Industry.

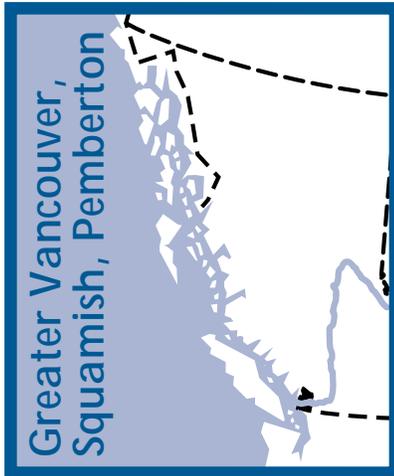
The Plan would provide a framework for making decisions about applications for various instream activities, such as dike construction, rock placement, gravel removal or shifting, and in-river infrastructure construction (e.g. bridges and pipelines). The Plan is intended to be a tool to facilitate decision-making that reconciles a number of interrelated issues including: flood and erosion protection, aquatic habitat protection, navigation, First Nations interests and land and resource use issues.

To date, FBC staff have carried out interviews and meetings with representatives of a number of the interests in the management of the Gravel Reach. Staff have also made presentations to various local organizations, including the FVRD and Fraser Valley Regional Watersheds Coalition. The Council is organizing a Steering Committee to guide the development of the Plan, which has begun to develop the Plan's Terms of Reference.

Future steps include forming a Stakeholder Assembly to involve a broad range of interests in the development of the Plan, and a Technical Committee to provide technical advice, and a Steering Committee to provide guidance. These three bodies will work together to develop the Interim Management Plan by November/December 2000. The Steering Committee will then test the implementation of this Interim Plan using some proposals for instream activity.

■ Other FBC Activities in the Fraser Valley Region

- Attended the Manure Management '99 Conference in Saskatoon.
- Reported regularly to the Fraser Valley Regional District on FBC initiatives in the region. In support, the FVRD passed a motion to support the Regional Debris Management Strategy with \$5,000.
- Supported and contributed to the meetings and projects of various First Nations, non-profit organizations, advisory committees, community groups, and governmental and inter-governmental committees.
- Participated in the Abbotsford-Sumas International Task Force to address common issues relating to the Abbotsford-Sumas Aquifer.
- Hosted national and international guests in relation to FBC work.
- Provided input, through the Inter-Governmental Advisory Committee, into the development of the Fraser Valley Regional District's Growth Strategy.
- Assisted the Fraser Valley Regional District's Plan Monitoring Advisory Committee with the development of a Solid Waste Management Plan and Alternative Disposals for the Fraser Valley.



GREATER VANCOUVER, SQUAMISH, PEMBERTON

■ Directors

Nolan Charles
 Brent Leigh; succeeded by Pam Tattersfield
 Ben Marr
 Corisande Percival-Smith; succeeded by Kurt Alberts
 Wendy Turner

■ Staff

Bob Purdy

PROJECTS

■ Debris Management

Effective management of waterborne debris in the lower Fraser River and Georgia Strait is critical to protecting foreshore infrastructure such as docks, dikes and bridges; avoiding damage to shoreline habitat; and ensuring safe navigation and recreation. Late in 1998, a funding shortfall threatened the operation of the Fraser River Debris Trap, a critical debris capture facility near the town of Hope. In response to this crisis, the Fraser Basin Council facilitated cooperation among a broad range of interests toward development and implementation of a new organizational structure and strategy for debris management in the region. A new organization – the Debris Management Group – will ensure that vital facilities such as the Debris Trap continue to operate while collaborative efforts are fostered among organizations to find economically, socially and environmentally innovative ways to manage waterborne debris.

Acting as Interim Secretariat to the Debris Management Group, the Fraser Basin Council worked with the coastal forest industry, federal, provincial and local government agencies, and others to secure the funding necessary for Debris Trap operation during the 1999 and 2000 Fraser River spring freshets. If the Trap had failed to operate, up to 100,000 cubic metres of woody debris – an amount that would fill 12 football fields to a depth of 3 metres – would have flowed downstream, causing severe property and habitat damage and threatening the safety of the many users of the lower Fraser River and Georgia Strait.

The Fraser Basin Council also secured funds to undertake strategic research programs aimed at identifying economical uses of captured woody debris, determining what levels of debris are needed to support healthy aquatic ecosystems, and raising awareness of debris management challenges and opportunities in the region.

■ **Britannia Mine Reclamation and Community Development**

In 1998, the Squamish-Lillooet Regional District representative to the Fraser Basin Council requested that the Council facilitate cooperation toward solutions to the Acid Rock Drainage (ARD) pollution problem at the abandoned Britannia Mine site. The long-standing ARD problem at Britannia, which has been characterized by Environment Canada as the worst point source metal pollution problem in North America, has lethal effects on marine life in Howe Sound. Furthermore, the environmental liability on mine lands severely limits the economic prospects for the community of Britannia Beach.

Subsequent to convening meetings involving federal, provincial and local government agencies and Copper Beach Estates Ltd. (CBE), the current owner of the mine, the Council facilitated an enhanced public review of a proposal by CBE to address the ARD problem. The proposal includes an ARD treatment facility (the environmental solution), generation of tipping fees and reclamation of mine lands through storage of metal bearing soils in the mine's open pits (the economic/environmental solution) and donation of 25 acres of land to its current residents (the social solution).

The Council's report on the public review assisted the provincial Ministry of Environment, Lands and Parks and Ministry of Energy and Mines with their regulatory review of CBE's proposal. A Remediation Order and conditional Permits were issued by these agencies to CBE in the fall of 1999. Construction of the treatment plant is expected to begin once project financing is in place.

At the request of the community of Britannia Beach, the Council facilitated the creation of a committee that is assessing the institutional options, costs and other considerations with respect to the CBE land transfer proposal. As an ancillary benefit of the Council's work with the community, residents have become more actively and constructively engaged in land use planning processes and continue to urge all parties to work together to solve the environmental contamination problem.

■ **Fraser River Estuary Management Program (FREMP) and Burrard Inlet Environmental Action Plan (BIEAP)**

In June 1999, the Fraser Basin Council met with FREMP and BIEAP to explore opportunities for formal collaboration and more efficient use of common resources concerning social, economic and environmental sustainability initiatives in the lower Fraser River and Burrard Inlet.

Subsequent to this meeting a Memorandum of Understanding (MOU) was drafted to establish a framework for cooperation between the respective organizations. Selected highlights of this agreement include commitments to:

- Achieving consistency between the Council's Charter for Sustainability and BIEAP's Consolidated Environmental Management Plan and FREMP's Estuary Management Plan;

- Convening of regular meetings between Greater Vancouver, Squamish and Pemberton Regional Directors and the FREMP/BIEAP Management Committee to discuss areas of mutual interest;
- Developing and distributing a regularly-updated overview of planning processes and agency mandates to inform non-government organizations representing environmental, economic and social interests;
- Encouraging the informed participation of non-government organizations in sustainability initiatives in the estuary and Burrard Inlet; and
- Developing joint work plans for sustainability initiatives of mutual interest.

■ **Other FBC Activities in the Greater Vancouver, Squamish, Pemberton Region**

- Educating non-government organizations and academic institutions on the content and application of the Fraser Basin Council Charter for Sustainability
- Serving on the Advisory Committee for the Burrard Inlet Environmental Action Program's Consolidated Environmental Management Plan
- Providing facilitation and advisory support to the BC Hydro Coquitlam/Buntzen Water Use Plan
- Monitoring planning initiatives such as Port Authority land use plans, the GVRD Livable Region Strategic Plan, and the Squamish-Lillooet Regional District Official Community Plan
- Providing advisory support to watershed stewardship groups

BASIN-WIDE

■ Directors

Dennis Brown
 Iona Campagnolo
 Diane Gorman; succeeded by Lillian Bayne
 Ruth Madsen
 Darlene Marzari
 Jon O'Riordan
 Suzanne Veit
 Dick Carson; succeeded by Jim Wild
 Brian Wilson
 Michael O'Brien

■ Staff

Steve Litke
 David Marshall
 Malcolm Smith
 Deena Tokaryk
 Rima Wilson
 Doreen Wright

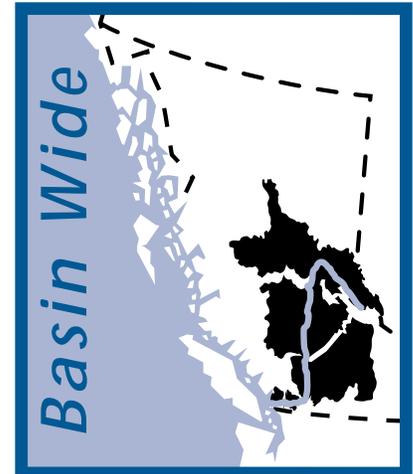
PROJECTS

■ Integrated Flood Hazard Management

In 1998, the Fraser Basin Council established the Joint Program Committee (JPC) and five subcommittees – including representatives of 33 federal, provincial, local, regional, and First Nations agencies – as part of a consensus-based process to foster an integrated approach to flood hazard management. As the facilitator of the process, FBC provides coordination, facilitation, administration, secretariat, and research in support of the JPC and its subcommittees.

Highlights of the process during 1999/2000 fiscal year include: i) the development of a Five Year Implementation Strategy for Integrated Flood Hazard Management, ii) the preparation of a draft Five Year Plan for Managing Flood Protection Works, and iii) an analysis of finance requirements and potential cost-sharing arrangements. In addition, FBC staff and directors prepared and delivered a number of presentations to agencies and the public to raise awareness about flood hazard risks and emerging flood mitigation options.

In the coming year, the Fraser Basin Council will continue to support integrated flood hazard management through continued efforts to broaden stakeholder involvement, foster partnerships for floodplain mapping, and explore flood protection through the inter-governmental Infrastructure Works Program. The Council will also coordinate a study to evaluate floodproofing options for historic settlement areas in order to assist municipalities with the implementation of practical approaches to floodproofing.



■ Strategic and Organizational Planning

In February 1999, the Fraser Basin Council initiated a process to develop a Strategic and Organizational Plan to assist the Council in strengthening its capacity to deliver its mandate over the long term. Through a series of Council and Committee meetings throughout the year, specific goals and objectives of the Council were reviewed, priority actions were identified, and work plans were developed to address implementation of these actions. The implementation of the Strategic and Organizational Plan will be reviewed on an annual basis, and the Plan will be reviewed and updated as necessary.

■ Canadian Rural Partnerships

In April 1999, Fraser Basin Council staff met with the BC Rural Team, a group of federal and provincial government agencies working to address rural issues. The Council encouraged the Team to work toward building communication links with rural organizations and citizens, and agreed to help facilitate a series of public dialogue sessions. The sessions, collectively called the BC Rural Dialogue, revealed strong support for continuing to improve communications and bolster relationships between the federal government, provincial government and rural citizens. Participants in the sessions also identified actions for addressing priority issues in different areas of the province.

Following the positive feedback from the Rural Dialogues, the BC Rural Team invited the Fraser Basin Council to continue to assist the Team as it endeavours to better address rural issues and to enhance government relationships with rural organizations and other stakeholder groups. Continued involvement will include the participation of FBC staff in the monthly Team meetings in order to provide a rural, non-governmental perspective.

■ Economic Transition

In April 1999, Fraser Basin Council staff and directors met to explore effective roles for the Council in addressing the economic component of sustainability. Meetings and interviews were subsequently held with key players facing the challenges of ensuring a strong and healthy BC economy. The goal of these meetings was to identify inter-jurisdictional issues not currently being addressed and to consider ways in which the Fraser Basin Council could help address these concerns.

■ **Habitat Enhancement/Restoration Forum**

At the February 1999 Fraser Basin Council Board Meeting, directors proposed that the Council sponsor an information forum focusing on habitat enhancement and restoration activities in the Fraser Basin. Council staff set to work forming partnerships for the forum, garnering support from various governmental and non-governmental interests, and developing the forum program.

The forum, entitled *Visions 2000: Sustaining Salmon Fisheries of the Fraser River: Past, Present and Future*, took place February 21st – 24th, 2000 in Kamloops, BC. Building on the *Visions in Shared Management* workshops which have provided a forum for dialogue on fisheries management between and among First Nations and Fisheries and Oceans Canada for the past six years, the *Visions 2000* forum aimed to facilitate participation from a more diverse group of interests. The event, hosted by the Shuswap Nation Fisheries Commission, brought together over 250 participants from First Nations and other government and non-government organizations, and included over 60 presentations on fisheries management.

■ **Policy Development Institute**

Early in 2000, federal funding was obtained through the Federal Fraser Caucus (an advisory body to FBC composed of regional representatives from a number of federal departments) for the development of a Policy Development Institute (PDI). The purpose of the Institute is to assist First Nations in developing policy and to build capacity among First Nations to participate in decision-making processes. The PDI, which will be directed and controlled by First Nations, will work toward providing more equitable and informed dialogue between and among First Nations, other orders of government and the private sector. An external steering committee, chaired by Fraser Basin Council Vice-Chair Roy Mussell, has been established and will soon begin work on a series of consultations with First Nations and government agencies regarding First Nations policy needs and priorities.

■ **Provincial Fraser Caucuses**

Modeled after the Federal Fraser Caucus (established in 1997), the Provincial Fraser Caucus was established in 1999 as an advisory body to the Fraser Basin Council. Comprised of appointed representatives from various provincial agencies, the Provincial Fraser Caucus meets regularly to discuss and address inter-jurisdictional issues throughout the Province.



■ Eulachon Forum

In recent years, there has been a dramatic decline in the number of eulachon returning to the Fraser River and other coastal rivers. In order to provide an opportunity for discussion about how the sustainability of the Fraser eulachon could be enhanced, Fisheries and Oceans Canada (DFO) asked the Fraser Basin Council to organize and facilitate a forum involving all interests. The forum took place on March 27, 2000 and involved participants from federal and provincial fisheries agencies, First Nations, commercial and recreational fishers, industry and non-governmental organizations.

A broad range of recommendations focusing on sustaining the eulachon resource emerged from the forum. The recommendations will be reviewed by the Basin Fisheries Task Committee, and the possibility of further involvement by the Council remains open.

■ Outreach Initiatives

In the 1999/2000 fiscal year, Fraser Basin Council staff traveled to Irkutsk, (Siberia), Santo Andre (Brazil), and Cebu/Davao (Philippines) to present the Fraser Basin Council model, to give an overview of Council activities and projects, and to provide information on the development of sustainable watershed management that promotes collaborative solutions to sustainability issues and challenges.

■ Working Relationships with Other Organizations

In May 1999, Fraser Basin Council Directors and Staff met with the Columbia Basin Trust and the Northwest Power Planning Council in Valemont, BC. The outcome of the meeting was an agreement between the three organizations to develop a formal working agreement regarding subjects of joint interest. The Fraser Basin Council has drafted a Memorandum of Understanding (MOU), and pending agreement from all parties, plans will soon be made to organize a formal announcement of this historic international partnership based on cooperative watershed management.

At the May 1999 Forum on Georgia Basin Issues at the University of British Columbia, the Fraser Basin Council and the Puget Sound Council formally announced a Memorandum of Understanding between the two organizations. In keeping with the terms of the MOU, directors and staff from the two organizations attend each other's meetings to share information about their respective projects and activities. Future joint efforts will include co-sponsoring workshops, joint publications, and working together on the development of sustainability indicators.

In summer 1999, the Fraser Basin Council was invited by the Grand River Conservation Authority in Ontario to enter into a twinning arrangement highlighting Canada's two heritage rivers. After a partnership agreement was drafted and signed, the two organizations met to explore the development of cooperative initiatives. Opportunities for joint initiatives will continue to be pursued by the two organizations. In particular, FBC and the Conservation Authority will collaborate on the development of Sustainability Indicators that can be applied in both watersheds.

LOOKING AHEAD

The Fraser Basin Council continues to expand its activities and to seek ways to better serve the pursuit of sustainability in the Fraser Basin. Below are a few of the activities and events we look forward to in the coming months.

■ Financial Development Strategy

The Sustainability Fund Committee has worked hard over the last year to develop a financial development strategy for the Council. In addition to maintaining current levels of government funding and securing funds from new governments, the Council has been working to diversify its funding sources and to bolster its fee for service revenue. Due to its growing reputation as an effective facilitator, the Council is increasingly being asked to assist with projects on a fee for service basis, and a Sustainability Fund will soon be established to accept donations from non-governmental sources. With this increasing financial security comes enhanced capacity of the Council to work effectively toward the sustainability of the Fraser Basin.

■ Sustainability Indicators and Measurements

The Fraser Basin Council is undertaking the development of a set of sustainability indicators that will support future sustainability reporting activities including a State of Sustainability Report. The indicators will measure progress toward economic, environmental, and social sustainability in the Fraser Basin. Indicator development activities undertaken by the Council will include an indicators workshop and symposium, the development of an indicators workbook, regional workshops, and the development of an indicators network. Indicator development will be a major component of the Council's State-of-the-Fraser Basin Conference on November 25th and 26th 2000 in Richmond, BC, and the Council will be asking participants to participate in the process of identifying indicators.



■ **State-of-the-Fraser-Basin Conference**

The Constitution of the Fraser Basin Council requires that the Council regularly report to the residents of the Basin on progress towards sustainability. The Council's biennial State-of-the-Fraser-Basin Conference provides a forum for reporting out and an opportunity to explore the latest local, national, and international developments in the study and pursuit of sustainability.

With the theme of "Do and Measure", the 2000 Conference – on November 24th and 25th – will be focused on the challenges of measuring progress toward sustainability. Plenary speakers will discuss the current state of sustainability indicators from corporate, governmental, and academic/non-governmental perspectives, and draft measures of sustainability will be presented for review and discussion. Five Sustainability Awards will be presented to communities, organizations or individuals who have made outstanding contributions to the sustainability of the Fraser Basin. Council Chair Iona Campagnolo will deliver a State-of-the-Basin address and Margaret Catley-Carlson, past president of the World Population Council, will address "the Global Perspective".

■ **Aboriginal/Non-Aboriginal Partnerships**

In June 2000, the Council newsletter will be released in the form of a special report on Aboriginal/Non-Aboriginal Partnerships. The document, which has already received an excellent response from contributors and funders, presents a number of case studies of effective aboriginal/non-aboriginal working relationships.

■ **Fraser Basin Council Website**

Work is underway to complete a Fraser Basin Council web site, which will include information about the Council and its activities, as well as access to all Council publications. The site, which will be available in spring 2000, will be located at www.fraserbasin.bc.ca

■ **Five Year Action Plan**

In November 2000, the Fraser Basin Council will release the 2000 – 2005 Fraser Basin Five Year Action Plan. The third in a series of annually updated Action Plans, the 2000 – 2005 edition will inform readers on progress toward sustainability in the Basin, and will challenge organizations, agencies and individuals to take action toward achieving sustainability in the Fraser Basin.



**Financial Statements of
FRASER BASIN COUNCIL SOCIETY
Year ended March 31, 2000**



■ FRASER BASIN COUNCIL SOCIETY

Auditors' Report to the MEMBERS

We have audited the statement of financial position of Fraser Basin Council Society as at March 31, 2000 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2000 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding fiscal year.

K P M A LLP

Chartered Accountants
Vancouver, Canada
May 19, 2000

■ FRASER BASIN COUNCIL SOCIETY



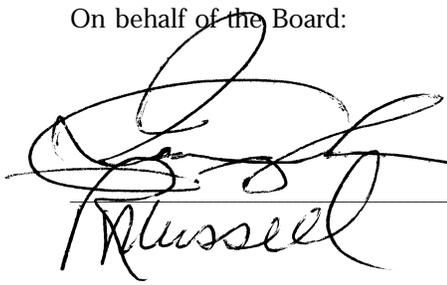
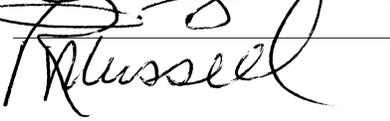
Statement of Financial Position

March 31, 2000, with comparative figures for 1999

	2000	1999
Assets		
Current assets:		
Cash and short-term investments	\$ 386,927	\$ 133,070
Restricted cash (note 2)	136,464	\$ 6,000
Project and other receivables (note 3)	219,743	\$ 135,678
Prepaid expenses	5,213	—
	<u>748,347</u>	<u>274,748</u>
Capital assets (note 4)	17,099	—
	<u>\$ 765,446</u>	<u>\$ 274,748</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 114,747	\$ 8,531
Funds held in trust (note 2)	136,464	6,000
Deferred revenue (note 5)	378,005	180,159
Current portion of obligation under capital leases (note 6)	7,342	—
	<u>636,558</u>	<u>194,690</u>
Obligation under capital leases (note 6)	13,663	—
Net assets:		
Invested in capital assets	17,099	—
Unrestricted	98,126	80,058
	<u>115,225</u>	<u>80,058</u>
	<u>\$ 765,446</u>	<u>\$ 274,748</u>

See accompanying notes to financial statements.

On behalf of the Board:


 _____ Director

 _____ Director



■ FRASER BASIN COUNCIL SOCIETY

Statement of Operations

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Revenue		
Government contributions:		
Federal	\$ 295,000	\$ 300,000
Provincial	350,000	300,000
Municipal	311,568	311,851
Project revenue	360,951	64,961
Interest	32,182	17,820
Conference revenue	—	68,949
Other	4,203	—
	<u>1,353,904</u>	<u>1,063,581</u>
Expenses:		
Administration	364,047	241,265
Amortization of capital assets	8,550	—
Programs	749,982	594,716
Communications	76,390	59,493
Board operations	100,186	98,759
Conference expenses	—	73,194
Goods and Services Tax	19,582	9,533
	<u>1,318,737</u>	<u>1,076,960</u>
Excess (deficiency) of revenue over expenses	<u>\$ 35,167</u>	<u>\$ (13,379)</u>

See accompanying notes to financial statements.

■ FRASER BASIN COUNCIL SOCIETY



Statement of Changes in Net Assets

Year ended March 31, 2000, with comparative figures for 1999

	Invested in capital assets	Unrestricted	Total 2000	Total 1999
Balance, beginning of year	\$ —	\$ 80,058	\$ 80,058	\$ 93,437
Excess (deficiency) of revenue over expenditures	(8,550)	43,717	35,167	(13,379)
Invested in capital assets	25,649	(25,649)	—	—
Balance, end of year	\$ 17,099	\$ 98,126	\$ 115,225	\$ 80,058

See accompanying notes to financial statements.



**Fraser Basin
Council**

■ FRASER BASIN COUNCIL SOCIETY

Statement of Cash Flows

Year ended March 31, 2000, with comparative figures for 1999

	2000	1999
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ 35,167	\$ (13,379)
Amortization of capital assets	8,550	—
Decrease (increase) in non-cash working capital:		
Project and other receivables	(84,065)	(16,027)
Prepaid expenses	(5,213)	—
Accounts payable and accrued liabilities	106,216	3,531
Deferred revenue	197,846	(19,841)
	<u>258,501</u>	<u>(45,716)</u>
Cash flows from investing activities:		
Purchase of capital assets	(25,649)	—
Assumption of obligation under capital leases	25,649	—
Lease payments made	(4,644)	—
	<u>(4,644)</u>	<u>—</u>
Increase (decrease) in cash and cash equivalents	253,857	(45,716)
Cash and cash equivalents, beginning of year	133,070	178,786
Cash and cash equivalents, end of year	<u>\$386,927</u>	<u>\$133,070</u>

Cash and cash equivalents are defined as cash and short-term investments, excluding restricted cash.

See accompanying notes to financial statements.

■ FRASER BASIN COUNCIL SOCIETY



Notes to Financial Statements

Year ended March 31, 2000

The Fraser Basin Council Society (the "Society") was incorporated under the Society Act of British Columbia on June 3, 1997. Its mandate is to advance sustainability of the Fraser Basin and monitor implementation of the Charter for Sustainability. The Charter for Sustainability is designed to maintain and enhance social, economic and environmental sustainability of the Fraser Basin. The Society is the successor to the Fraser Basin Management Program, which operated pursuant to a five year government agreement between the years 1992 to 1997. The Society qualifies as a registered charity under the Income Tax Act and, accordingly is exempt from federal and provincial income and capital taxes.

1. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations as prescribed by the Canadian Institute of Chartered Accountants.

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Capital assets:

For the year ended March 31, 1999, capital assets of the Society consisted of minor items of office furniture and computer equipment which had been charged to operations, or which were transferred at no cost from the Society's predecessor, the Fraser Basin Management Program, and were of insignificant fair value. During the year ended March 31, 2000, the Society acquired computer hardware under a capital leasing agreement which has been recorded as a capital asset and corresponding obligation under capital leases. The software was charged to operations, consistent with the Society's 100% amortization policy. Computer hardware is to be amortized on a straight-line basis over three years.



**Fraser Basin
Council**

(d) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may ultimately differ from these estimates.

2. Restricted cash/funds held in trust:

Funds held in trust represent the excess of funding received from the government and private sources over expenditures made in respect of specific projects. The Society acts as an agent only to collect funds and make disbursements with respect to these projects, and accordingly, related revenues and expenditures have not been included in the financial statements of the Society. The Society has received a management fee of \$12,450 in respect of policy development. The balance of funds held in trust consists of the following:

	2000	1999
Log Debris Management	\$ 88,500	\$ 6,000
Nechako Watershed Council	10,000	—
Policy Development Institute	12,964	—
Gravel Management	25,000	—
	\$136,464	\$6,000

Following the year end, the Society made a \$50,000 contribution to its sustainability fund as provided for in its 1999/2000 budget.

3. Project and other receivables:

	2000	1999
Department of Fisheries and Oceans	\$56,000	\$50,165
Environment Canada	30,000	—
Transport Canada	10,000	59,512
B.C. Ministry of Environment, Lands and Parks	49,487	6,520
Real Estate Foundation of B.C.	—	1,250
Municipalities and Regional Districts	32,215	6,500
Indian and Northern Affairs Canada	10,000	4,000
Goods and Services Tax	5,576	3,308
Other	26,465	4,423
	\$219,743	\$135,678



4. Capital assets:

		2000	1999
	Cost	Accumulated amortization	Net book value
Computer equipment	\$ 25,649	\$ 8,550	\$ 17,099
			\$ —

5. Deferred revenue:

Deferred revenue related to expenses of future periods consists of the following:

	2000	1999
Balance, beginning of year	\$ 180,159	\$ 200,000
Amounts received during the year related to future periods	278,005	30,400
	458,164	230,400
Less amount recognized as revenue in the year	80,159	50,241
Balance, end of year	\$ 378,005	\$ 180,159

The balance, end of year, consists of the following:

	2000	1999
Indian and Northern Affairs Canada	\$ 100,000	\$ 150,000
B.C. Ministry of Environment, Lands and Parks	250,000	25,159
Other	28,005	5,000
Total deferred revenue	\$ 378,005	\$ 180,159

6. Obligation under capital leases:

During the year, the Society entered into three capital leases for computer hardware. The leases range from a period of 35 months to 39 months at implicit interest rates of 12.5% to 19.5% and will result in automatic title transfer to the Society at the end of the lease term.

The future minimum lease payments are as follows:

2001	\$ 7,342
2002	8,663
2003	5,000
	\$ 21,005

www.fraserbasin.bc.ca



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