



Fraser Basin Council

Annual Report &
Financial Statement
1998 – 1999

FRASER BASIN COUNCIL ANNUAL REPORT 1998 - 1999

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FROM THE CHAIR...

■ Dear Fraser Basin Partner:

Activities for 1998/99 have provided the Council with a sense of accomplishment and continued development. Actions taken are an important part of this second Annual Report and Financial Statement.

The Council is an autonomous, non-governmental Society. It functions as an accountable and non-political forum where creative and sometimes controversial opinions and ideas can be debated in the security of cooperative decision-making processes. Founded in 1997 on firm principles contained in the Charter for Sustainability, during 1998/99 the Council has worked to maintain a constant balance between the social, economic and environmental components of a sustainable Fraser Basin. This balance extends to the requirements of the 2.6 million residents of the Basin living in the context of our natural surroundings.

The Council's 36 Directors from Federal, Provincial, Local and First Nations administrations and from private and non-governmental sectors, with a staff of 12 located in five Basin offices, act as inter-agency facilitators, conflict and jurisdictional impasse resolution agents and as sustainability educators. The Council in its regional committees provides community-grounded insight and action into local sustainability issues.

This year the Council played a special role in a number of important Basin sustainability actions in addition to publishing a broadly inclusive rolling Five Year Fraser Basin Action Plan outlining undertakings by many Basin partners toward sustainable goals. The Council also functions as an interim basin management process in a number of ways, pending evolution of more permanent management regimes. For instance, the Council facilitates integrated flood hazard management in the Basin where all flood-partners participate in integrating a long-term flood mitigation strategy.

The Council has played a critical role this year in obtaining the support of 12 government, private sector and non-governmental organizations to make up the shortfall in funding required to keep the Debris Trap near Agassiz operating and to develop a new regional debris management initiative for Georgia Strait and the lower Fraser River. The Council has facilitated a pre-permitting process of public consultation concerning a private sector proposal to remediate and reclaim the "largest point source metal pollution site in North America" at Britannia Mine. The Council is also at work helping to develop inclusive management processes of nutrients and gravel in the Fraser Valley, on Shuswap Lake pollution issues, in Cariboo Economic Development and on enduring Nechako Watershed concerns.

In June 1998, fostered by the Council, the Nechako Watershed Council (NWC) was formed. Last November, the Council's first State-of-the-Fraser Basin Conference was held, where some 300 individuals and groups joined in the work toward sustainability. The Conference was a forum filled with distinguished speakers and provocative thoughts. Working to share in the efforts of organizations with similar interests, the Council has also developed working relationships with the Puget Sound Council and the Columbia Basin Trust.

The Council is increasingly sought as a unique governance model. The Council does not take positions on any issue and remains an advocate only for sustainability. It acts as an impartial facilitator by bringing together interests to solve each challenge, drawing forth common threads of agreement on which action can take place. Just as the entire concept of the Council is not the product of any one mind, but many, so too are the issues of our time not to be solved by any single entity in isolation from the communities they serve, but rather in combination with each other. Thank you to all those who are making a difference and building a sustainable Fraser Basin together.



Iona V. Campagnolo
Chair, Fraser Basin Council

FROM THE EXECUTIVE DIRECTOR...

■ GREETINGS:

Through mutual respect, courtesy and a willingness to work together toward solutions for sustainability, the Council has made remarkable progress this year, its second year of operation. In its role as facilitator for the many actions that sustain and enhance the health, economic vibrancy and social development of the Fraser Basin, the Council has helped facilitate several important initiatives in an area that covers 25% of British Columbia and contributes to 80% of the province's economy.

The Council continues to support the Charter for Sustainability and encourage its application throughout the Basin. A significant highlight this year was the release of the first rolling Five Year Action Plan. The Council supports the actions of the Plan by monitoring, reporting and increasing the profile and implementation of the actions in the Plan.

Another highlight was the establishment of the 32-member Joint Program Committee to oversee implementation of the Integrated Flood Hazard Management Strategy for the Fraser River and implement action plans in readiness for future flooding in the Lower Mainland. The Fraser Basin Council worked with federal, provincial, regional, municipal and First Nations governments to establish this Committee. The Council now supports the actions of this Committee by providing the Chair and Secretariat. The Council will continue to facilitate cooperation and commitment to action before the next major flood occurs.

The Council is particularly proud of its role in securing the funds needed to prevent the shutdown of the Waleach Island Debris Trap (east of Agassiz) by obtaining the financial support of government, private sector and volunteer organizations. The Council will continue to work with partners to establish a regional strategy for debris management in the Lower Fraser River and Georgia Strait.

Other specific highlights include the Council's work in assisting the Nechako Environmental Enhancement Fund Management Committee with its public consultation process, facilitating a solution to Shuswap Lake water quality deterioration, bringing attention to the need to resolve the long standing metal pollution problem at the abandoned Britannia Mine in the Howe Sound and helping bring harmonization to federal, provincial and local government objectives related to the new Streamside Protection regulation under the provincial government's *Fish Protection Act*.

It is through actions such as these that the Council continues to move toward understanding sustainability, caring for eco-systems, strengthening communities and improving decision-making - the four directions in the Charter for Sustainability. The Fraser Basin Council works to achieve a balance between social, economic and environmental needs of the Basin's Five Regions.

1998/99 was indeed a busy year for the Council. Thank you for working with the Fraser Basin Council to achieve a common ground on which to build a sustainable Fraser Basin.



David Marshall
Executive Director, Fraser Basin Council



FRASER BASIN COUNCIL ANNUAL REPORT, 1998-1999

OVERVIEW

The Council's second annual report provides a brief description of the Council, its organization and mandate, a summary of its activities during the course of the 1998/99 fiscal year and audited financial statements.

■ The Fraser River - Its Tributaries and its People

The Fraser Basin is home to 2.6 million people. In 20 years' time, the population is expected to rise to 3.8 million. The big question is how to balance this growth in ways that enhance social, economic and environmental health throughout the Basin. There is much at stake. The Basin's forests alone cover nearly three times the area of New Brunswick. 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. 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 people including the Halq'emeylem, Hun Qui Min In, Nlaka'pamux, Secwepmec, Stl'atl'imx, Tsilhqot'in, Carrier and Okanagan Speaking Nations. The history, heritage, strength and diversity of Aboriginal and other communities within the Fraser Basin is essential to the maintenance of the Basin providing a critical perspective to the common course of sustainability.

■ The Fraser Basin Council - A Short History

In the Spring of 1997, the Fraser Basin Council Society was established as a not for profit organization to help make responsible decisions about how we live, work and play in the Fraser Basin that will encourage a better quality of life.

The Council and its partners facilitate problem solving by bringing together the people necessary to make decisions and create appropriate solutions that integrate social, economic and environmental considerations. The solutions they act as a catalyst to develop are based on the needs of the whole Basin, rather than those of any single area, organization or person.

■ Fraser Basin Council – Mandate

The Council carries out its mandate by working with the vision, principles and goals of the Charter for Sustainability. The Charter is a good faith agreement to work towards the social, economic and environmental dimensions of 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 Fraser Basin's natural and human resources are vast and diverse. It is clear that the potential prospects for growth make decisions about the Basin's quality of life an enormous challenge - and an urgent responsibility.



CORPORATE STRUCTURE

■ Directors

The Board of Directors of the Fraser Basin Council comprises 36 Directors. Federal and provincial governments each appoint three Directors. The eight Regional Districts in the watershed representing over 60 villages, towns and cities each appoint a Director. The eight First Nations language groups from the 100 Aboriginal communities in the watershed each appoint a Director. The Basin consists of five regions, namely the Upper Fraser, Cariboo-Chilcotin, Thompson, Fraser Valley and Greater Vancouver/ Squamish/ Pemberton. Each of these regions has two non-government representatives appointed by the Council representing various private-sector interests throughout the watershed. Rounding off the 36 member Board of Directors is one member each representing the three major components of sustainability: environmental, social and economic. The Council has an impartial Chair.

Initially, Director appointments have been staggered in order to avoid wholesale changes each year. Once the initial period is over Directors are appointed for a term of office of three years and can be re-appointed for one additional term. Although a majority of Directors present at a Board meeting constitutes a quorum, the Board of Directors undertakes their business and makes decisions by consensus. When consensus cannot be reached, there are provisions in the Council's bylaws to enable a process to facilitate decisions. To date, this process has yet to be used.

■ Council Meetings

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



■ Committees

The Council primarily conducts its business through the operation of a number of committees: Operations; Financial Operations, Staffing and Audit; Constitution and Council Director Recruitment; Sustainability Fund; Communications; Flood Hazard Management, Fisheries and Transition to Partnership. The basic functions of the committees follows:

- 1) Operations Committee - The purpose of the Operations Committee is to form a representative Executive for the Council to oversee the Council's work in between Board meetings. This Committee oversees the organization, operation and development of the Council on behalf of the Board of Directors.
- 2) Financial Operation, Staffing and Audit - This Committee oversees the Council's spending program, including the management of funds in accordance with the directives given by the Directors. This Committee also provides staffing direction to the Executive Director and is responsible for ensuring the annual financial audit is carried out on behalf of the Council's 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 overseeing a recruitment process to replace departing Council directors.
- 4) Sustainability Fund Committee - This Committee oversees the Council's fund raising responsibilities and ensures proper procedures are established for the Council to work toward the Council's financial sustainability.
- 5) Communications Committee - This Committee oversees the development and implementation of the Council's communications needs and strategies.
- 6) Flood Hazard Management Committee - This Committee monitors and assists the work of the Integrated Flood Hazard Management Joint Program Committee for the Council.
- 7) Fisheries Committee - This Committee reviews specific fisheries initiatives of interest to the Council and reports on their progress.
- 8) Transition to Partnership Committee - This Committee facilitates and monitors the transition to enhanced aboriginal/non-aboriginal partnerships in the Fraser Basin.

REGIONAL REPORTS

UPPER FRASER

■ Directors

Bob Headrick – Chair, Regional District of Fraser-Fort George
 Kazuko Komatsu – President and Chief Executive Officer, Pacific Western Brewing Co.
 Frank Read – Chair, Regional District of Bulkley-Nechako
 Tom Steadman – Financial Advisor, Scotia McLeod Inc.
 Leonard Thomas – Vice Tribal Chief, Carrier Sekani Tribal Council

■ Staff

Joan Chess - Regional Coordinator

■ Nechako Watershed Council (NWC)

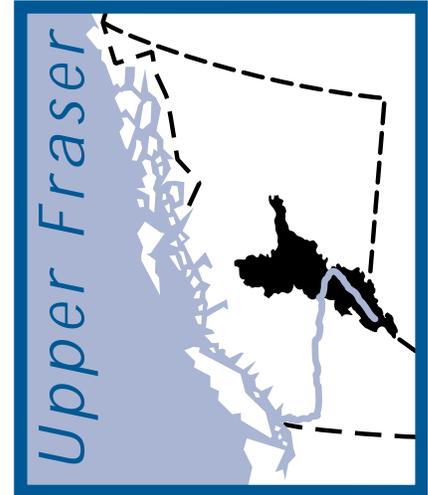
Continuing to work with the many interests concerned about the Nechako River, the Fraser Basin Council helped to formally establish the Nechako Watershed Council (NWC) in June 1998. The FBC made a contribution-in-kind to the NWC of half the time of the Upper Fraser Regional Coordinator, who provided facilitation, research and writing skills.

The NWC, consisting of 32 representatives from 17 organizations, met five times in four different communities. In less than one year, the NWC has:

- developed as an organization;
- identified and explored issues;
- attended a workshop on a potential Cold Water Release Facility;
- implemented an issues management system;
- received training in consensus decision making; and
- organized a series of information sessions to become better informed.

■ McMillan Creek Stewardship Group (MCSG)

Established in 1997, the MCSG continues to meet monthly. The members organize and support local community activities such as *Earth Day* in April, 1998, the September, 1998 *BC River's Day* clean-up and barbeque, a presentation to Mayor and Council of the City of Prince George and the sponsorship of road signs indicating Fish Habitat that promote the care and stewardship of McMillan Creek. The Fraser Basin Council assisted in preparing a funding proposal to the Upper Fraser Nechako Fisheries Council, Fisheries Renewal BC to prepare a management strategy. The proposal was successful and approximately \$16,000 was allocated to the MCSG.



■ Other Activities

The FBC continued its role of agency liaison with the Regional Coordinator attending the regular meetings of the provincial government's Omineca Peace Interagency Management Committee (IAMC). In the past year, the focus has been on completing Land and Resource Management Plans, five of which cover the Upper Fraser Basin, and beginning their implementation.

The FBC also assisted a joint Simon Fraser University/University of Northern BC/Forest Renewal BC project regarding community-based tourism development in the Robson Valley. The purpose of the project is to assist residents to diversify the area's economy by further developing the existing tourism sector. The results of a survey indicated that people would like training in areas such as how to start and operate a business and how to work together to develop a community vision.

CARIBOO - CHILCOTIN

■ Directors

Ervin Charleyboy – Chair, Tsilhqot'in National Government
 Ken Day – Manager, UBC/Alex Fraser Research Forest
 Marie Mervyn – Rancher, Alkali Lake Ranch
 Jon Wolbers – Director, Cariboo Regional District

■ Staff

Gail Wallin - Regional Coordinator

■ Bridge Creek Watershed

Bridge Creek is an important source of drinking water to many dispersed communities. Local watershed groups and organizations have been working to protect the watershed as a future source of drinking water. Working with provincial and local governments along with community groups, the Fraser Basin Council organized and facilitated a public information session on water quality in the Watershed. The meeting generated much discussion and support for future information sessions. The Fraser Basin Council was recognized for bringing together multi-agencies to a common meeting.

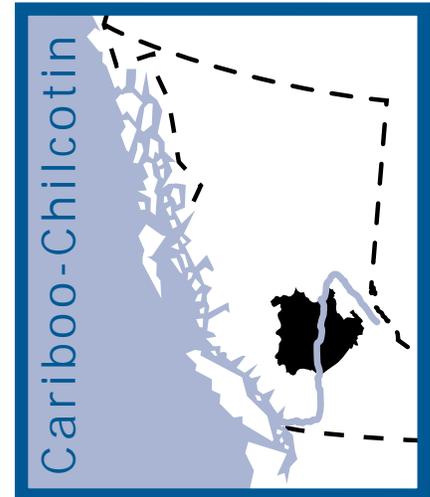
■ Economic Networking

Two networking sessions were held in 1998 to build communication among the many communities involved in economic planning. Smaller communities and agencies see the need to continue building liaisons, linkages and opportunities to share expertise.

The Council will continue to organize future meetings on key common topics and to update the Cariboo-Chilcotin Economic Development Directory.

■ Rural Canada Partnership

The Fraser Basin Council has continued to liaise with the federal government's Canadian Rural Partnership to define a practical partnership. This Program was initiated in 1998 to engage rural Canadians in a dialogue to better understand local and regional issues and to identify the appropriate role for the federal government in addressing key rural issues. The Council has submitted a proposal to identify how rural communities can be effectively linked with the BC team of federal and provincial representatives. The Council is pursuing ideas to build effective dialogue and ways to provide support services to the interdepartmental government team.



■ Other Activities

Planning for a Forest Science Centre in Williams Lake has been initiated. The Regional Coordinator will continue to provide support for sustainability education and to build liaisons with the Fraser River Discovery Centre.

The Regional Coordinator participates with the Inter Agency Management Committee (IAMC) to provide an overview of the Council's work.

THOMPSON

■ Directors

Deborah Abbott – Executive Director, Nlaka'pamux National Tribal Council

Dorothy Argent – Past Chair, Salmon River Watershed Round Table

Roy Decker – Director, Columbia-Shuswap Regional District

Bob Ellis – Director, Thompson-Nicola Regional District

Art Manuel – Tribal Chair Shuswap Nation Tribal Council (Secwepmec)

George Saddleman – Chair, Nicola Tribal Association (Okanagan)

Dr. Robert Smillie – Health Consultant

Morgan Wells – Band Councillor, Mount Currie Band (Stl'atl'imx)

■ Staff

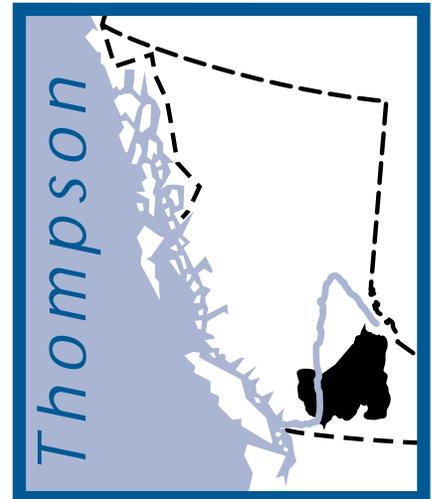
Phil Hallinan – Regional Coordinator

■ Shuswap Lake

Shuswap Lake receives water from six major watersheds. As a result, activities in each of these watersheds affect the water quality in the lake. In addition to those large areas of land drained, the area is also governed by three Regional Districts, six ministries of the Province and at least three federal government departments. Within the watershed, there are two First Nations, the Secwepmc and the Okanagan. The Council was asked to begin to develop possible initiatives to bring this varied group together to solve water quality issues.

Through combined funding from the Fraser Basin Council, the City of Kamloops and the University College of the Cariboo, the Council hired a co-op student from the University College of the Cariboo to begin to collate the data on Shuswap Lake.

The Columbia Shuswap Regional District (CSRD) completed its liquid waste plan for the South Shore and is preparing to take the plan to the public. The CSRD also began to identify existing data on the location of permitted septic and other sewage systems along the north and south shores of the lake. Once completed the information will be compared to data the Fraser Basin Council is collating from the Ministry of Environment, Lands and Parks in order to identify known sources.



■ Chase Creek

Chase Creek has been identified as a major contributor of silt to the South Thompson River. Its watershed consists of Crown Land in the upper reaches and private land in the lower reaches. About 30% of the land in the lower reaches is part of the Village of Chase. Downstream, the City of Kamloops pumps its water supply from the South Thompson. The silt arising from the Chase Creek watershed is drawn into this supply and affects the quality of water delivered to the residents.

Forest Renewal BC (FRBC) has chosen Chase Creek as one of its pilot projects in watershed restoration. FRBC will invest in the repair of private as well as crown land and it is expected that procedures developed on Chase Creek can be applied to other watersheds throughout the Basin and the province.

The Creek has many jurisdictions involved in the decision making process. As a result, the Council was asked to bring all the parties together and develop an overall vision for the area. Despite Forest Renewal BC's reduced income, it has maintained its commitment to the watershed by investing \$1.92 million. Riverside Forest Products has assigned the majority of its FRBC multi-year agreement watershed funds to the crown lands. The Chase Creek Community Group has supervised the implementation on the middle creek including giving permanent access to their private lands. The Village of Chase is implementing restoration to its portion of the creek.

FRASER VALLEY

■ Directors

Susan Anderson Behn – Community Consultant, Moccasin Telegraph
 Parm Bains – President, Westberry Farms Ltd.

George Ferguson – Director, Fraser Valley Regional District
 Roy Mussell – Vice Chair, Fraser Basin Council; Chief,
 Skwah First Nation (Halq'emeylem)

■ Staff

Brad Whitaker – Regional Coordinator

■ Nutrient Management

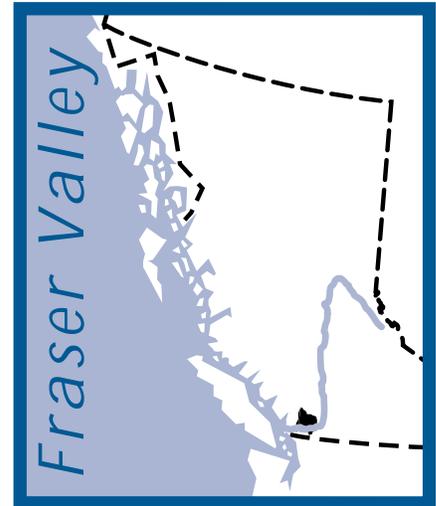
In 1998, the provincial government requested the Council facilitate the development of a nutrient management action plan focusing on the Fraser Valley. Nine integrated nutrient management study reports were distributed to area stakeholders by the Council. Work is expected to begin on the development of the action plan by the Fall of 1999.

■ Gravel Management in the Fraser River Gravel Reach (above Mission Bridge)

The Fraser Basin Council and the Fraser River Estuary Management Program jointly sponsored a Sand and Gravel Information Forum in New Westminster in April and a workshop focusing on the gravel reach of the Fraser River in October, 1998, with approximately 60 government and non-government stakeholders attending. The workshop provided all stakeholders with greater insight into flood protection, fisheries and gravel extraction issues and supported studies being carried out by the Ministry of Environment, Lands and Parks, the District of Chilliwack and Steelhead Aggregates Ltd. The Fraser Basin Council will continue its involvement by supporting a multi-stakeholder group with information exchange activities associated with the technical studies. The Council may also facilitate the development of an interim management plan for the Fraser River Gravel Reach if sufficient resources and agency support are secured.

■ Fraser Valley Regional Watersheds Coalition (FVRWC)

The FVRWC has been selected as the delivery partner for the Salmon Renewal Program of Fisheries Renewal B.C. The Fraser Valley Regional Coordinator supports the Coalition and ensures that its effectiveness and service to participating organizations is broadening its scope based on sustainability and includes a watershed management approach to its activities.



■ Other Activities

BC Hydro operates two dams on the Stave River and invited the participation of diverse interests such as habitat restoration, archeology, logging industry and government. This group is known as the Stave River Water Use Plan Consultative Committee. They succeeded in achieving a consensus on an operating plan and related recommendations to BC Hydro and the water comptroller in a process that took two years.

GREATER VANCOUVER, SQUAMISH, PEMBERTON

■ Directors

Rose Guerin- Band Councillor, Hun'qumi' num,
(Musqueam/Tsawwassen)

Brent Leigh - Director, Squamish-Lillooet Regional District

Ben Marr - Former Regional Manager, Greater Vancouver Regional District

Corisande Percival-Smith - Director, Greater Vancouver Regional District

Wendy Turner - Fraser River Coalition, Vancouver

■ Staff

Greg Mallette - Regional Coordinator

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

In December, 1998, Fraser Basin Council Regional Directors met with the FREMP and BIEAP Management Committee to exchange information on activities in the region and to explore ways to establish a more effective working relationship focusing on specific issues such as debris management and sand and gravel extraction. The various representatives agreed that regular meetings were beneficial and requested that the FREMP/BIEAP Program Manager and the Executive Director of the Fraser Basin Council consider ways the two organizations can enhance their working relationship.

■ Sand and Gravel extraction from the Fraser River

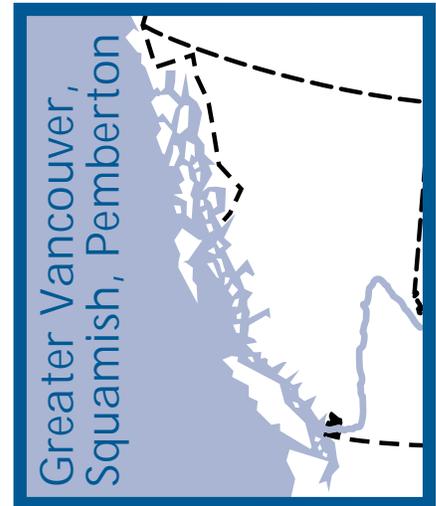
The Council and the Fraser River Estuary Management Program are working jointly on the issue of gravel and sand removal from the Fraser River downstream of Hope. On April 2, 1998 there was an information session jointly sponsored by FREMP/BIEAP and the Council. Five experts spoke about impacts on the environment, the sand and gravel "budget", the use of sand and gravel as construction inputs, flood control and the need to maintain the navigation channel.

■ Georgia Basin Ecosystem Initiative

With the establishment of the Georgia Basin Ecosystem Initiative (GBEI) by the federal and provincial governments in the Fall of 1998, the Council has participated in various initiatives of common interest to both the Fraser Basin Council and the Georgia Basin. The Council is actively involved in the planning of the Basin Forum, a workshop on Georgia Basin issues, scheduled for May, 1999.

■ Greater Vancouver Gateway Council: Vision Development

The Greater Vancouver Gateway Council is a body composed of transportation sector representatives with an interest in transportation activ-



ities in the region. The Fraser Basin Council participated in the development of a Gateway Council planning document intended to lead to enhancement of the region's transportation capacity. The Council provided input into the document to assist in aligning transportation goals and objectives with broader social, economic and environmental needs of the region.

■ Britannia Mine Reclamation and Remediation

At a meeting convened by the Council in June, 1998 relevant federal and provincial government regulatory agencies and the Squamish-Lillooet Regional District agreed to work together to seek a solution to the long standing acid mine drainage problem at the abandoned mine site at Britannia Beach in Howe Sound. This problem constitutes the largest metal pollution problem in North America. In the fall of 1998 the owner, Copper Beach Estates Limited, submitted a permit application under the *Mines Act* and the *Waste Management Act* to solve the problem.

The proposal is to develop and operate a treatment facility to remediate the acid mine drainage and includes a landfill program to finance the facility's operation. The Council will facilitate the consideration by the BC Ministry of Environment, Lands and Parks, the Ministry of Energy and Mines, the Ministry of Transportation and Highways, Environment Canada, Fisheries and Oceans Canada, the Squamish-Lillooet Regional District of the environmental, economic and social aspects of both the problem and the proposed solution. Public information meetings are to take place throughout April and May, 1999.

■ Fish Protection Act Workshop

In November 1998, at the request of the Greater Vancouver Regional District, the Council hosted a workshop of federal, provincial and local governments to discuss the draft Streamside Protection Policy Directives being developed by the Province of British Columbia under the Fish Protection Act. The workshop provided an impartial forum to share information relevant to the directives and identify challenges and opportunities related to the development of planning tools for protecting fish habitat in urban areas.

■ Local Watershed Initiatives

The Fraser Basin Council monitors and provides some assistance to a number of community watershed initiatives in the region. Some of these initiatives include: the Ridge Meadows Council, the Serpentine Watershed Initiative, the Coquitlam Watershed Initiative, the Brunette Watershed planning process, the Salmon River Watershed Management Partnership and the Alaksen National Wildlife Area Advisory Committee. In most of these cases the Council no longer plays an active facilitation role but instead provides, as needed, a resource to assist watershed initiatives with specific needs (ie., planning, obtaining funding, liaison with other initiatives etc.).

BASIN-WIDE

■ Directors

Dennis Brown – Special Advisor, Office of the Premier and Cabinet Office

Iona Campagnolo – Chair, Fraser Basin Council

Dick Carson – Director, Fraser River/Interior Area, Fisheries & Oceans Canada

Diane Gorman – Regional Director General West, Health Canada

Ruth Madsen – Director, Thompson Institute

Darlene Marzari – Former Minister of Municipal Affairs

Jon O’Riordan – Assistant Deputy Minister, Environmental Regional Operations, Ministry of Environment, Lands & Parks

Suzanne Veit – Deputy Minister, Ministry of Municipal Affairs

Brian Wilson – Director, Environmental Protection Branch, Environment Canada

■ Staff

David Marshall – Executive Director

Malcolm Smith – Basinwide Coordinator

Steve Litke – Project Coordinator

Doreen Wright – Executive Assistant

Cheri Hamilton – Administrative Assistant

Deena Tokaryk - Administrative Assistant

Judy Kirk – Communications Consultant

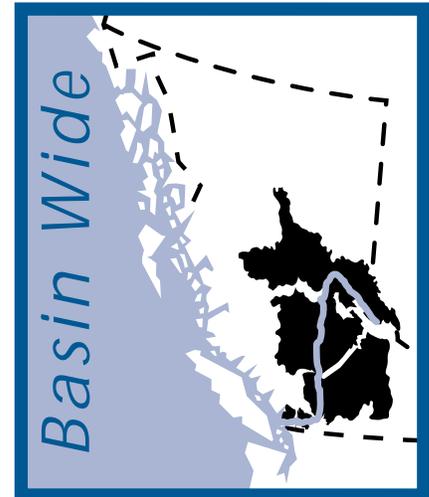
Throughout the year the Council participated in a number of actions that affect the well-being of social, economic and environmental systems in the Fraser Basin. Effectively addressing these emerging issues requires that all interests work together towards common goals and objectives.

■ Canadian Heritage River Designation

On September 27, 1998 (*BC Rivers Day*), Director Darlene Marzari represented the Council at the official announcement of the designation of the Fraser River as a Canadian Heritage River. B.C. Parks (Ministry of Environment, Lands and Parks) in partnership with Heritage Canada and the Fraser Basin Council led the process to achieve designation of the Fraser as a Canadian Heritage River. The Council assisted by facilitating consultation and input by stakeholders in the development of a management strategy.

■ Strategic Planning

Over the past year, the Council began developing an Organizational and Strategic Plan to assist the Council in strengthening its capacity to deliver its mandate over the long term. The Organizational and Strategic Plan will outline Actions to be taken in pursuit of specific Goals and Objectives. The Plan will be reviewed on an annual basis



by the Council to ensure that progress is being made in implementing Actions and achieving Goals and Objectives.

■ Aboriginal/Non-aboriginal Partnerships Document

The Council, with funding from the Department of Indian Affairs and Northern Development, BC Hydro and the Union of BC Municipalities, initiated the development of a publication that identifies examples of aboriginal and non-aboriginal communities working together in constructive ways to their mutual benefit. The purpose of the document is to assist aboriginal and non-aboriginal communities in building upon and expanding partnerships that support sustainability of the Basin.

■ Debris Trap Near Agassiz

The Council facilitated the reprieve of the Agassiz Debris Trap by obtaining the support of twelve government, private sector and non-governmental organizations to help make up a projected funding shortfall. Minimum trap operational funding for 1999/2000 of \$451,000 is now secure. The Fraser Basin Council is helping to facilitate the establishment of a new group that better represents the beneficiaries of the trap to provide secure funding and enhance debris management throughout the region.

■ Nechako Environmental Enhancement Fund (NEEF).

NEEF was established as part of the 1997 Settlement Agreement between Alcan and the provincial government to address outstanding legal matters. In January 1999, the NEEF Management Committee asked the Council to assist it with its task of reviewing, assessing and reporting on options that may be available for the downstream enhancement of the Nechako watershed area. The Council is facilitating a multi-interest involvement process to identify, explore and evaluate a range of these options. The process will include a variety of activities such as open houses, workshops, meetings, interviews, newsletters, questionnaires and other forms of media.

■ State of the Basin Conference

On November 20th and 21st, 1998 The Fraser Basin Council hosted a first ever *State-of-the-Basin Conference* in Richmond, B.C. The Conference was attended by approximately 300 participants and was a rewarding experience for all, including sponsors and the Council. Highlights from the 1998 Conference included internationally renowned speakers such as author Janine Benyus (*Biomimicry*) and Tim O'Riordan of East Anglia University in Britain; the diversity of participants who came from the private and public sector, First Nations, academia and non-governmental groups as well as people from diverse backgrounds living and working in the Basin with the common interest of sustainability.

The Conference also saw the inauguration of Fraser Basin Council *Sustainability Awards*, which recognized the achievement by organizations and individuals in advancing sustainability in the Fraser Basin. The City of Kamloops was awarded the Overall Sustainability award and four other awards were presented for contributions to sustainability.



The information and insights shared at the Conference will serve to enhance the effectiveness of the Council in facilitating steps toward sustainability of the Fraser Basin as well as developing an even more expansive conference scheduled for November 24th and 25th, 2000.

■ Integrated Flood Hazard Management Strategy

The Fraser Basin Council also facilitated the establishment of a Joint Program Committee in 1998, as well as five sub-committees to assist in the implementation of the Integrated Flood Hazard Management Strategy. The five subcommittees include Flood Proofing and Land Use Planning, Dike and Channel Maintenance and Habitat, Emergency Response and Recovery, Public Education and Finance. The Action Plan developed in 1998-99 includes actions in five areas including: collaboration and networking, development of tools and resources, development of recommendations, research/information exchange and communications/awareness raising.

■ Fraser Basin Five Year Action Plan 1998-2003

In 1998 a Five Year Action Plan for the Basin was published that inventories and monitors the commitments and efforts of a diverse range of interests and partners to address the interrelated social, economic and environmental challenges facing the Basin. The plan is a specific response to the Council's *Charter for Sustainability*. The common link between all the Actions is that they are supported by the Council in various ways including monitoring, facilitating implementation or providing active leadership. The rolling Five Year Action Plan is updated annually and progress reported. Over the course of the year, the Council looks for new actions to incorporate into the Plan. Updating the Plan assists in acknowledging progress that has been achieved and addressing new issues that may arise.

■ Memorandum of Understanding

During the course of 1998/99 a Memorandum of Understanding was signed with the Puget Sound Council to work on similar initiatives of common interest with the Fraser Basin Council.



■ LOOKING AHEAD

Two significant actions that may have a pronounced affect on the Fraser Basin Council's future took place during the course of the Council's second year of operation. Firstly, the Council was given charitable status by Revenue Canada and secondly, growing recognition of the Council's uniqueness in facilitating resolution of complex and multi-jurisdictional issues became more evident. The Council expects future financial sustainability will become more attainable as a result of these occurrences.

Acquiring charitable status allows the Council to put in place an effective fund raising strategy to acquire funds from sources other than government. When the Council was established it was envisioned that it would be supported financially by government, non-governmental organisations [eg. foundations], and the private sector. Specific strategies will now be developed and actions taken to capitalize on this opportunity over the next few years.

Growing recognition of the unique attributes of the Council and its extensive network were demonstrated many times during this year with the numerous requests by organizations both inside and outside the Fraser Basin for Council involvement. Some of these requests included the provision of full and partial fee for service contracts. These requests for services were also quite varied ranging from providing project management to facilitation to strategic planning to watershed and river management. They also included exporting the 'Fraser Basin model' to other parts of the country and internationally. The fact that organisations are now approaching the Council to form strategic alliances also reinforces this enhanced level of recognition.

In its work throughout fiscal year 1998-1999 it became evident to many that the Council was assuming a role of providing 'interim management' for the resolution of complex and inter-jurisdictional issues in the Basin. For example, its work on flood hazard management, gravel management, debris management and soon-to-be-started nutrient management is evidence to this fact.

As the Council looks to the new millennium it will continue to face many challenges lead primarily by the fact that the Basin will continue to be subject to growing population pressures. The Council is very aware of these threats and is contemplating the possibility of releasing a report card on the Basin's progress over the last 100 years and what will be the nature of both institutional and individual commitments in the Basin to lead it, eventually to sustainability. It is envisioned that this initiative if carried out by the Council will be a feature of the Council's second State-of-the-Fraser Basin Conference to take place on November 24-25, 2000. Hopefully we will see you all there.

■ SOME OF THE FRASER BASIN COUNCIL'S ACTIVITIES DURING 1998-1999

1998-1999

Bridge Creek Water Quality Meetings

Britannia Mine Reclamation and Remediation

Canadian Heritage River Designation

Cariboo Economic Networking Initiatives

Chase Creek Watershed Vision Development

Debris Management

Fraser Valley Regional Watersheds Coalition

Integrated Flood Hazard Management Strategy

McMillan Creek Management Strategy

Nechako Watershed Management

Nutrient Management

Rolling Five Year Action Plan 1998-2003

Sand and Gravel Extraction

Shuswap Lake Quality Monitoring

State-of-the Basin Conference (November 20 and 21, 1998)

Sustainability Awards

Transportation and Sustainability

Various Watershed Planning Initiatives





■ 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, 1999 and the statements of operations and 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 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, 1999 and the results of its operations and its cash flows for the year then ended in accordance with 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 period.

KPMG LLP
Chartered Accountants
Vancouver, Canada
June 10, 1999

■ FRASER BASIN COUNCIL SOCIETY



Statement of Financial Position March 31, 1999, with comparative figures for 1998

Assets

Current assets:

Cash and short-term investments	\$ 139,070	\$ 178,786
Project and other receivables (note 2)	135,678	119,651
	<u>\$ 274,748</u>	<u>\$ 298,437</u>

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities	\$ 14,531	\$ 5,000
Deferred revenue (note 3)	180,159	200,000
	<u>194,690</u>	<u>205,000</u>

Net assets:

Unrestricted	80,058	93,437
Uncertainty due to the Year 2000 Issue (note 4)		
	<u>\$ 274,748</u>	<u>\$ 298,437</u>

Statement of Operations and Changes in Net Assets

	Year ended March 31, 1999	Period from June 3, 1997 to March 31 1998
Revenue:		
Government contributions:		
Federal	\$ 300,000	\$ 329,963
Provincial	300,000	300,000
Municipal	311,851	288,755
Project revenue	64,961	34,718
Interest	17,820	9,265
Conference revenue	68,949	—
Other	—	9,240
	<u>\$ 1,063,581</u>	<u>\$ 971,941</u>
Expenses:		
Administration	241,265	223,408
Programs	594,716	494,596
Communications	59,493	57,010
Board operations	98,759	80,580
Conference expenses	73,194	—
Goods and services tax	9,533	22,910
	<u>\$ 1,076,960</u>	<u>\$ 878,504</u>
Excess (deficiency) of revenue over expenses	(13,379)	93,437
Unrestricted net assets, beginning of period	93,437	—
Unrestricted net assets, end of period	<u>\$ 80,058</u>	<u>\$ 93,437</u>

See accompanying notes to financial statements



FRASER BASIN COUNCIL SOCIETY

Notes to the Financial Statements

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) These financial statements are prepared in accordance with generally accepted accounting principles for not-for-profit organizations as referred to in the Handbook of 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:

Capital assets of the Society comprise minor items of office furniture and computer equipment which have been charged to operations, or which were transferred at no cost from the Society's predecessor, the Fraser Basin Management Program, and are of insignificant fair value. No items of a capital nature were purchased in the year ended March 31, 1999.

(d) Use of estimates:

The preparation of financial statements in conformity with 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. Project and other receivables:

The following amounts were receivable as at March 31, 1999:

	1999	1998
Department of Fisheries and Oceans	\$ 50,165	\$ 50,000
Environment Canada	—	30,000
Transport Canada	59,512	25,000
B.C. Ministry of Environment, Lands and Parks	6,520	5,000
Real Estate Foundation of B.C.	1,250	—
National Round Table	—	5,000
Thompson-Nicola Regional District	5,000	—
Union of B.C. Municipalities	1,500	—
Department of Indian & Northern Affairs	4,000	750
Goods and Services Tax	3,308	3,901
Other	4,423	—
	\$ 135,678	\$ 119,651

3. Deferred revenue:

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

	1999	1998
Balance, beginning of period	\$ 200,000	\$ —
Amounts received during the year related to future periods	30,400	250,000
	230,400	250,000
Less amount recognized as revenue in the period	50,241	50,000
Balance, end of period	\$ 180,159	\$ 200,000
The balance, end of period, consists of the following	1999	1998
Indian of Northern Affairs Canada	\$ 150,000	\$ 200,000
B.C. Ministry of Environment, Lands and Parks	25,159	—
Other	5,000	—
Total deferred revenue	\$ 180,159	\$ 200,000

4. Uncertainty due to the Year 2000 Issue:

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the year 2000 as 1900 or some other date, resulting in errors when information using year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effect of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failures which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the Society, including those related to the efforts of customers, suppliers or other third parties, will be fully resolved.

