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A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2007.

J. Golden
Jean Golden

Introduced: <u>3-26-07</u>	By:
Referred: <u>3-26-07</u>	To: <u>Energy + Technology</u>
Referred:	To:
Reported: <u>4-3-07</u>	
Passed: <u>4-3-07</u>	Signed: <u>4-3-07</u>
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3/28/07 APPROVE JG, DD
4-3-07

US5171

LAW DEPARTMENT

DW

RESOLUTION 30971

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2007.

WHEREAS, on March 30, 1984, the City of Seattle and the Province of British Columbia signed an agreement settling their long-standing dispute over construction of the High Ross Dam; and

WHEREAS, Appendix D to that agreement provided for the establishment of the Skagit Environmental Endowment Commission to administer the Skagit Environmental Endowment Fund established by the City of Seattle and the Province of British Columbia; and

WHEREAS, in 1985, the Skagit Environmental Endowment Commission was duly constituted with four members appointed by the Mayor of Seattle and four members appointed by the Premier of British Columbia; and

WHEREAS, Article II of Appendix D establishing the Skagit Environmental Endowment Commission provided that the annual budget of the Commission shall be subject to review and approval by Seattle and British Columbia; and

WHEREAS, the Commission has agreed upon a budget for fiscal year 2007; and

WHEREAS, the budget of the Commission for fiscal year 2007 has been duly reviewed by the City Council and the Mayor; NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. The budget for the Skagit Environmental Endowment Commission (SEEC) fiscal year 2007 (April 1, 2007-March 31, 2008) as set forth in documents attached to this Resolution, is hereby approved by the City of Seattle.

Section 2. Projected expenditures detailed in the attached budget may be carried forward into fiscal year 2008, until such time as they are incorporated into a fiscal 2008 budget approved by the City of Seattle. The fiscal 2007 budget of the Commission needs to



1 be resubmitted to the City Council only if the aggregate budget amounts for projects or
2 administrative expenditures are expected to be exceeded before approval of an annual budget
3 for fiscal year 2008. The Commission may amend individual grant accounts and the
4 contingency account, provided the cumulative changes do not exceed the total capital budget.
5 Individual grant funds shall be available for authorized reimbursements to grantees until
6 projects are completed and grants closed out within the times specified in the grants.
7

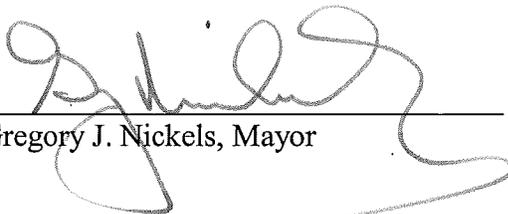
8 Section 3. Any act pursuant to the authority and prior to the effective date of this
9 resolution is hereby ratified and confirmed.

10 Adopted by the City Council the 2nd day of April, 2007, and signed by me in
11 open session in authentication of its adoption this 2nd day of April, 2007.
12

13 

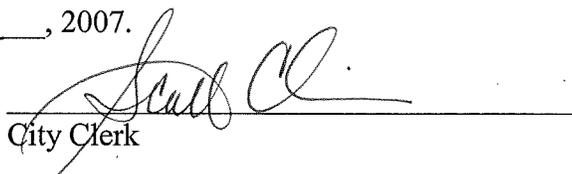
14 President _____ of the City Council

15
16 THE MAYOR CONCURRING:

17 
18 _____

19 Gregory J. Nickels, Mayor

20 Filed by me this 5th day of April, 2007.

21 
22 _____
23 City Clerk

24 (Seal)

25 Attachment: 2007 SEEC Budget
26
27
28





City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

March 13, 2007

Honorable Nick Licata
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Licata:

I am pleased to forward the attached Resolution seeking Council approval of the Skagit Environmental Endowment Commission's (SEEC's) 2007 Budget for its fiscal year of April 1, 2007 through March 31, 2008. The Commission was established in 1984 as part of an agreement between the City of Seattle and the Province of British Columbia to settle a long-standing dispute regarding the construction of the High Ross Dam. Although its funds come from an endowment and are separate from City funds, the agreement requires SEEC to submit its annual budget to the Seattle City Council for review and approval.

SEEC continues to renegotiate its partnership agreements with the National Parks Service (NPS), the North Cascades Institute (NCI), and the British Columbia Ministry of the Environment (MOE), which allow the agencies to work cooperatively on resource management, education, and interpretation programs..

The 2007 SEEC Budget carries forward contingent appropriation authority of \$1 million to support moving unprotected areas of the Upper Skagit Watershed in British Columbia to protected status. Currently, more than 5,800 hectares of the Watershed lie outside parks and protected areas. SEEC's goal of preventing resource extraction on these lands is consistent with the 1984 High Ross Treaty. SEEC's Commissioners continue to meet with British Columbia's Ministry of Environment to discuss options for protecting the land. The 2007 Budget allocates \$68,000 (US) for mining and water quality studies in the Canadian portion of the Watershed and approximately \$90,000 (US) to support Native Char and High Altitude Archaeology and the Grizzly Bear Outreach Project.

SEEC will not act on its 2007 budget proposal until it receives City Council approval. Please call Lynn Best at 386-4586 or Tony Kilduff (US Commissioner) at 684-3659 if you have questions or would like additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory J. Nickels", written over a circular stamp that partially overlaps the signature.

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

600 Fourth Avenue, 7th Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, E:mail: mayors.office@seattle.gov

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2007 Skagit Environmental Endowment Commission Budget

SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION

For the period April 1, 2007 to March 31, 2008

(All amounts in U.S. Dollars)

SUMMARY

I. ADMINISTRATION (5.4%)		\$82,008
II. CAPITAL		
A. Agency Partnerships	\$120,000	
B. U.S./Canadian Education Programs	\$73,985	
C. Grant Projects	\$30,500	
D. U.S./Canadian Ecosystem Projects	\$90,526	
E. Mining and Water Quality Studies	\$121,194	
F. Contingency *	\$1,000,000	
		\$1,438,205
	TOTAL BUDGET	\$1,520,213

* Set aside to cover costs of converting unprotected land in BC portion of Watershed to protected status.



SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION
2007 ADMINISTRATIVE BUDGET for the period April 1, 2007 to March 31, 2008
 (All amounts in U.S. Dollars)

	U.S. SECTION	CANADIAN SECTION	COMBINED EXPENDITURES
I. Administrative Expenditures			
A. Meetings	\$ 8,500	\$ 7,222	\$ 15,722
Includes scheduled Commission meetings and other meetings to conduct specific business; e.g., commissioner orientation, meetings to discuss grant proposals; meeting with resource managers to discuss cross boundary issues			
B. Office and Project Operating Expense	\$ 3,600	\$ 0	\$ 3,600
1. Insurance	3,600	0	3,600
C. Financial Services	\$ 0	\$ 60,836	\$ 60,836
1. Audit		10,620	
2. Endowment management		50,216	
D. Miscellaneous	\$ 1,000	\$ 850	\$ 1,850
GRAND TOTAL ADMINISTRATIVE BUDGET	\$ 13,100	\$ 68,908	\$ 82,008



**AGENCY PARTNERSHIPS
FISCAL YEAR 2007**

	TITLE	APPROVED (US \$) SEEC
06-P1	National Park Service—North Cascades <i>Hozameen Interpretive Communications within allocation. Balance for cross-border ecosystem management projects</i>	\$60,000
06-P2	North Cascades Institute et al <i>Allocations of \$40,000 for NCI's Mountain School and \$40,000 (CAN) for educational programs within BC</i>	\$73,985
06-P3	BC Ministry of Environment: Hozameen Interpretive <i>Communications within allocation. Balance for cross-border ecosystem management projects</i>	\$60,000
TOTAL PARTNERSHIPS		\$193,985

	TITLE	APPROVED (US \$) SEEC
	Consultant Services <i>(related to land protection)</i>	\$21,240
	Mining and Water Quality Studies <i>(includes contingency funds)</i>	\$101,954
	Char/Archaeology/Grizzly Bear Projects	\$90,526
		\$213,720

Grant-Funded Projects

	TITLE	APPROVED (US \$) SEEC
06-01	Student Conservation Association <i>2005 Canada U.S. Conservation Crew</i>	\$30,500
U.S. Total		\$30,500

GRAND TOTAL		\$438,205
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* Contingency funds for moving unprotected land to protected status

US \$1,000,000



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle City Light	Celia Grether (386-4588)	Thomas Dunlap (386-9120)

Legislation Title:

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2006.

- **Summary of the Legislation:** This Resolution describes the planned use of the Endowment Fund between April 1, 2007 and March 31, 2008. Similar Resolutions are presented to the Council on an annual basis.
- **Background:** SEEC' s budget is supported by an Endowment Fund funded by Seattle City Light and BC Hydro during the period 1985-88, as a result of the 1984 High Ross Treaty. The Treaty requires Seattle City Light to supplement the fund by an annual, inflation-adjusted payment based on a fixed amount of power purchase.

In 2006-2007 the payment was \$109,128.89. A Briefing Paper regarding SEEC's 2007 budget (Attachment 1) and 2006 Annual Report (Attachment 2) are attached to this fiscal note for informational purposes.

- *Please check one of the following:*

 X **This legislation does not have any financial implications.**

Attachment 1: Briefing Paper for Skagit Environmental Endowment Commission 2006 Budget

Attachment 2: 2005 Annual Report: Skagit Environmental Endowment Commission

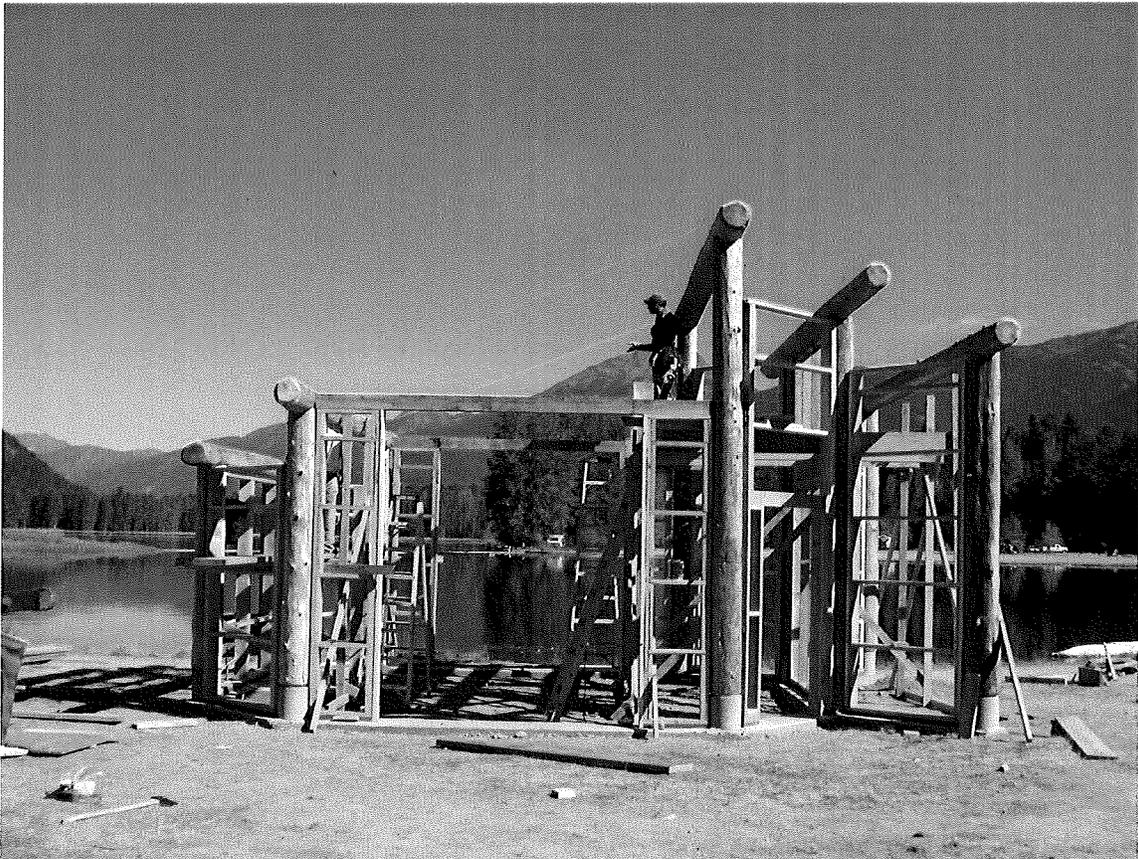


BRIEFING PAPER
SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION
2007 BUDGET

- The Commission was established by treaty between the United States and Canada as part of the settlement of the High Ross Dam controversy in 1984.
- As part of the treaty, an endowment fund was created to protect the wilderness and wildlife values, and to enhance recreational opportunities in the upper Skagit watershed above Ross Dam.
- Half the members are appointed by the Mayor of Seattle; the other half by the Premier of British Columbia.
- The Treaty stipulates that Seattle and British Columbia contribute to an endowment fund that the Commission administers. This was accomplished in 1985. The endowment is used to fund activities that meet the terms of the Treaty as laid out in its Appendix D.
- The endowment fund is **not** part of Seattle's annual budget but approval of the budget by the Seattle City Council and the British Columbia Minister of Finance and Corporate Relations is required. The fiscal year for SEEC begins April 1.
- In January 2007, the Commissioners affirmed their intent to continue funding their partnership agreements through March 31 2008 at the level shown on the attached table.
- The Commissioners allocated approximately \$90,000 to continue support for cross- border projects relating to Native Char, High-level Archaeology and Grizzly Bear Education and Outreach, which were funded in 2006.
- The Commission carried forward a set-aside from the 2006-7 Budget of \$1,000,000 in contingent appropriation authority to move unprotected areas of the Upper Skagit Watershed in British Columbia into protected status. They have allocated up to \$102,000 to support mining and water quality studies in this area. Appendix D of the Treaty states "that the Fund shall have as its purposes...to acquire mineral or timber rights consistent with conservation and recreational purposes".



2006 ANNUAL REPORT
Skagit Environment Endowment
Commission



Framing for Interpretive Shelter at International Point



Skagit Environmental

Endowment Commission

**ANNUAL REPORT
Calendar Year 2006**

INTRODUCTION

This Annual Report summarizes the activities of the Commission during the calendar year 2006. It is prepared in fulfillment of the provisions as per Article II of Appendix D of the British Columbia–Seattle Agreement (March 30, 1984) regarding the High Ross Dam.

Background

The Skagit Environmental Endowment Commission (SEEC) was established in 1984 as a result of the Ross Lake/Seven Mile Reservoir Treaty between Canada and the United States. Within the Treaty, British Columbia and the City of Seattle established the Skagit Environmental Endowment Fund to be administered by the Commission. Seattle and British Columbia contributed us \$1 million and us \$250,000 respectively to the Fund for the first four years after its creation. Both Seattle City Light and BC Hydro make ongoing annual supplemental payments to the fund, with the supplements based on annual power purchases. The current value of the fund is us \$8.46 million with the principal held in separate US and Canadian investment portfolios in Canada. The Endowment Fund resides and is managed completely outside of the consolidated revenue of both the BC Provincial and Seattle City governments.

The primary purpose of the Fund is to: (A) conserve and protect wilderness and wildlife habitat and; (B) to enhance recreational opportunities in the Skagit Valley. Expenditures of the Fund are limited to projects located in or related to the Skagit River drainage upstream of the Ross Dam in both Washington State and British Columbia. The intent of the Agreement is that the majority of the expenditures from the Fund averaged over an extended period be made in Canada. Details of the Fund are outlined in Appendix D of the Treaty (page 38) dated 1984. Annual expenditure levels are set within established guidelines, including the investment income of the fund.

The Commission created to manage the Fund is authorized to consist of eight members, four of whom are appointed by the Mayor of Seattle and four of whom are appointed by the Premier of British Columbia. Both countries also have four alternate Commissioner appointments for a total of sixteen individuals that serve the Commission. By Treaty, SEEC is a non-profit, tax-exempt entity.

COMMISSIONERS for 2006 (see Appendix A)

As of December 2006, Canada had a full roster of Commissioners and Alternate Commissioners. The United States has a vacancy for one Alternate Commissioner which it is taking steps to fill.

2006 ACTIVITIES

Highlights for the year:

In the first quarter of 2006, SEEC convened a workshop titled "Protecting an International Watershed: the Upper Skagit" at Semiahmoo in Washington State. Land management agencies and conservation non-governmental organizations (NGO's) in the U.S.A. and Canada were invited to attend to discuss ways of bringing key, unprotected areas within the Watershed into protected status. Over 5,800 hectares lie outside the boundaries of parks and protected areas and the area around Silverdaisy and 26 Mile Creek contains timber and mining tenures. The second goal of the workshop was to identify ecosystem management areas of concern on both sides of the border. Attendees included Conservation Northwest, the Western Wilderness Committee the Washington Department of Fish and Wildlife and the B.C. Ministry of Forests.

As a result of the workshop, SEEC decided:

- To embark on a multi-year program to acquire mineral claims in the Skagit drainage. The Commission has contracted with a mining consultant who has developed a settlement plan for mining rights in the Canadian Skagit River Valley.
- To fund projects that support Grizzly Bear Recovery, High Altitude Archaeology and studies of Native Char. Contracts have been drawn up with consultants to provide these services.

SEEC held a meeting at the NCELC in June. A part of this meeting was to discuss a program of educational outreach which would develop interpretative capacity in the Canadian portion of the Watershed The North Cascades Institute is currently implementing this program in British Columbia. SEEC also sponsored community workshops in Chilliwack and Abbotsford related to the National Park Services 2009 Park Plan and attended similar meetings in Bellingham, Concrete, Mount Vernon and Seattle.



Partnerships: 2006 funds were also used in support of partnerships with the U.S. National Park Service (NPS), the North Cascades Institute (NCI) and the British Columbia Ministry of the Environment (MOE). NCI funds were used to support their Mountain School and their Upper Skagit Education and Outreach Initiative. The NPS funded the International Hozomeen Skagit Interpretive Program and a series of projects designed to restore habitat and curb the growth of invasive species. The NPS also constructed an Interpretive Shelter at International Point. MOE projects included the Canadian portion of the Hozomeen Interpretive Program, rare plants and rare invertebrate inventories and a cultural burn project in Chittenden Meadows.

As in prior years, SEEC supported the Student Conservation Association's (SCA) campsite and trail renovation program in the Upper Skagit. SCA staff and volunteers worked under the supervision of the NPS and MOE on various sites around Ross Lake.

Plan for the 2007/08 funding cycle

The Commission's contingency fund of \$1,000,000 to support moving unprotected areas of the Upper Skagit Watershed to protected status was not used in 2006 and will be carried forward into 2007. The Commission met again with Barry Penner, BC's Minister of the Environment, to discuss SEEC's interest in conserving environmental values within the unprotected portion of the Watershed. This also includes the Commission's support for grizzly bear augmentation in British Columbia.

A table of approved expenditures for the 2007/8 funding cycle is attached. Since its inception the Commission has approved over 270 projects totaling US \$6.7 million.

FINANCES

The Commission's fiscal year runs from April 1 to March 31st. The audited 2006 financial statements will be prepared later in 2007 and will form an additional attachment to this Annual Report. According to the 2006 financial audit, the Endowment Fund showed a balance of over US \$8.46 million. The Fund is held and managed in Canada and holds investment portfolios in both US and Canadian funds.

Both Seattle City Light and BC Hydro supplement the fund annually with payments based on power purchase under the agreement. With Seattle's payment of \$109,128.89 and BC's payment of US \$43,000, a total of US \$152,128.89 was added to the Fund in 2006 exclusive of inflationary adjustments.

Total expenditures of the Commission based on the budget for 2006/07 for the calendar year approximately US \$433,477 of which 71% was direct disbursement for contracts and partnership allocations. Administrative costs were 8.2% while the balance reflects the compensation for Endowment Fund manager.



Seattle City Light and the B.C. Ministry of the Environment provided staff and administrative support to the Commission in 2006. Chris Tunnoch served as the Canadian staff to the Commission and Celia Grether staffed the U.S. Commission.

Attachments: Appendix A Commission Roster
Appendix B 2006/7 Projects list
Appendix C 2006 Calendar



APPENDIX A

As of 02/01/07

NAME OF MEMBER	TERM EXPIRES	DATE BEGAN SERVING/ REAPPOINTED	APPOINTING AUTHORITY	COMMISSION FIELD; PROFESSION, RELEVANT COMMUNITY ACTIVITY
US MEMBERS				
Shirley Solomon	7-1-10	7-1-06	Mayor	Environment: Project Director Long Live the Kings, NW Renewable Resources Ctr., Tribes & Counties.
Dennis Canty	7-1-10	7-1-06	Mayor	Business/Finance: Consulting on non-profit funding
Martin Loesch	7-1-08	7-1-04	Mayor	Land/Property mgt: Attorney for Swinomish Tribal Community
Tony Kilduff	7-1-08	7-1-04	Mayor	Government: Finance, economics. City of Seattle
ALTERNATES				
Vacancy	11-1-06		Mayor	
Tom Brucker	7-1-08	8-03-00	Mayor	Business/Finance; North Cascades Conservation Council; Sierra Club, Wash. Environmental Council. Alt. for Tony Kilduff
Sono Hashisaki	12-1-08	12-1-04	Mayor	Environment. Natural resource assessment and ecosystem restoration. Alt for Dennis Canty
Alison Studley	7-1-09	7-1-05	Mayor	Environment: Director of Skagit Fisheries Enhancement Group. Alt. For Martin Loesch
US STAFF				
Celia Grether		10-16-02	SCL	United States Staff
CA MEMBERS				
Lex Bennett	8-1-07	8-1-03	BC Premier	Business/Financial Management: Manager, Envision Financial; Economics
Pete Caverhill	3-25-07	3-25-03	BC Premier	Government: Fisheries expert
Ken Farquharson	3-25-07	3-25-03	BC Premier	Environment: Engineer, environmental advocate
Peter Kennedy	1-01-08	01-01-04	BC Premier	Land/Property Acquisition: Attorney
ALTERNATES				
Terry Bodman	12-12-07	12-12-03	BC Premier	Environment: Retired educator/school administrator. Alternate for Ken Farquharson
Susan Anderson-Behn	3-25-07	3-25-03	BC Premier	Land/ Property Management: Land management consultant. Alternate for Peter Kennedy
Betsy Terpsma	3-25-07	3-25-03	BC Premier	Government: Communications. Alternate for Pete Caverhill
Tracey Herron	4-30-09	5-01-05	BC Premier	Finance: Search and Rescue. Alternate for Lex Bennett
B.C. STAFF				
Chris Tunnoch		12-12-97	Minister of Environment	Canadian Staff



APPENDIX B

**FISCAL YEAR 2007
Agency Partnerships**

	TITLE	APPROVED (US \$) SEEC
07-P1	National Park Service-North Cascades <i>Hozomeen Interpretive Communications within allocation. Balance for cross-border ecosystem management projects</i>	\$60,000
07-P2	North Cascades Institute et al: <i>Allocations of \$40,000 for NCI's Mountain School and \$40,000 for educational programs within BC.</i>	\$73,985
07-P3	BC: Ministry of Environment: <i>Hozomeen Interpretive Communications within allocation. Balance for cross-border ecosystem management projects</i>	\$60,000
US Total	TOTAL PARTNERSHIPS	\$193,985

	Consultant Services (related to land protection)	\$21,240
	Mining and Water Quality Studies (including contingency funds)	\$101,954
	Char/Archaeology/Grizzly Bear Projects	\$90,526
		\$213,720

Grant Funded Projects

	TITLE	APPROVED (US \$) SEEC
07-01	Student Conservation Association (SCA)	\$30,500
Total		\$438,205

* SEEC is requesting continuation of contingent appropriation authority of up to \$1,000,000 to help move unprotected land in the Watershed to protected status



**APPENDIX C
Fiscal Year 2007**

DRAFT SEEC CALENDAR & WORKPLAN

April: Commission renews Partnership Agreements and approves proposals for the second year of transboundary ecosystem management projects and water quality projects.

May/June: Projects are assigned to Commissioners. Secretaries draw up contract documents. Water Quality and Mining Proposals in progress.

September: Commission field trip to view projects within the Watershed

December/January: Project evaluation and budget development. Plan funding cycle for 2007/8

February: Secretaries send 2008 Budget Approval package to Council and BC government.

March: Seattle City Council & BC Govt. adopt budget; review Commissioners' terms and needs for new member recruitment. SCL and BC Hydro pay inflation adjustment on annual payment on March 31 2008.



STATE OF WASHINGTON – KING COUNTY

--SS.

209907
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

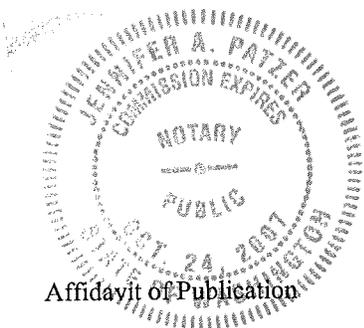
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:30971 TITLE ONLY

was published on

04/11/07

The amount of the fee charged for the foregoing publication is the sum of \$ 27.90, which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

04/11/07

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following resolutions, passed by the City Council on April 2, 2007, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

RESOLUTION NO. 30971

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2007.

Publication ordered by JUDITH PIPPIN,
City Clerk

Date of publication in the Seattle Daily
Journal of Commerce, April 11, 2007.

4/11(209907)