

RESOLUTION No. 31056

Harrell by (D)

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2008

Adopt BH, RC, JG
5/12/08 FULL COUNCIL ADOPTED 9-0

Introduced: 4.21.08	By: Harrell
Referred:	To: Energy & Technology (ETC)
Referred:	To:
Reported: May 12, 2008	
Passed: 9-0	Signed: 5.20.08
Filed: 5.20.08	Published: Title 2

US5171

LAW DEPARTMENT

1 administrative expenditures are expected to be exceeded before approval of an annual budget
2 for fiscal year 2009. The Commission may amend individual grant accounts and the
3 contingency account, provided the cumulative changes do not exceed the total capital budget.
4 Individual grant funds shall be available for authorized reimbursements to grantees until
5 projects are completed and grants closed out within the times specified in the grants.
6

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

9 Adopted by the City Council the 12th day of MAY, 2008, and signed by me in
10 open session in authentication of its adoption this 12th day of MAY, 2008.
11

12 
13 _____
14 President _____ of the City Council

15 THE MAYOR CONCURRING:

16 
17 _____
18 Gregory J. Nickels, Mayor

19 Filed by me this 20th day of May, 2008.

20 
21 _____
22 City Clerk

23 (Seal)

24 Attachment A: 2008 SEEC Budget
25
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2008 Skagit Environmental Endowment Commission Budget

SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION

For the period April 1, 2008 to March 31, 2009

(All amounts in U.S. Dollars)

SUMMARY

I. ADMINISTRATION (6.6%)		\$113,000
II. CAPITAL		
A. Agency Partnerships	\$200,000	
B. Contract Services	\$301,000	
C. Grant Projects	\$102,500	
D. Contingency *	\$1,000,000	
		\$1,603,500
	TOTAL BUDGET	\$1,716,500

* Set aside to cover costs of converting unprotected land in BC portion of Watershed to protected status and/or to cover SEEC long-term commitment to support grizzly bear recovery.



SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION
2008 ADMINISTRATIVE BUDGET for the period April 1, 2008 to March 31, 2009
 (All amounts in U.S. Dollars)

	U.S. SECTION	CANADIAN SECTION	COMBINED EXPENDITURES
I. Administrative Expenditures			
A. Meetings	\$ 10,000	\$ 10,000	\$ 20,000
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	\$ 4,000	\$ 10,000	\$ 14,000
1. Insurance	4,000		
2. Archiving project		10,000	
C. Financial Services	\$ 0	\$ 76,000	\$ 76,000
1. Audit		11,000	
2. Endowment management		65,000	
D. Miscellaneous	\$ 1,500	\$ 1,500	\$ 3,000
GRAND TOTAL ADMINISTRATIVE BUDGET	\$ 15,500	\$ 97,500	\$ 113,000



**SEEC INITIATIVES
FISCAL YEAR 2008**

Agency Partnerships

	TITLE	(US \$)
08-P1	National Park Service—North Cascades <i>International Interpretive Program, Interpretive Shelter Landscaping, Youth involvement.</i>	\$60,000
08-P2	North Cascades Institute et al <i>Allocations of \$40,000 for NCI's Mountain School and \$40,000 for additional educational programs.</i>	\$80,000
08-P3	BC Ministry of Environment: <i>International Interpretive Program.</i> <i>Balance for cross-border ecosystem management projects</i>	\$60,000
TOTAL PARTNERSHIPS		\$200,000

Contract Services

	TITLE	(US \$)
	Consultant Services <i>(related to land protection, science, and outreach)</i>	\$45,000
	Water Quality Study	\$130,000
	USFS Char Project	\$16,000
	Grizzly Bear Outreach Project	\$10,000
	Grizzly Bear Recovery (CAN)	\$50,000
	Grizzly Bear Recovery (US)	\$50,000
TOTAL CONTRACT SERVICES		\$301,000

Grant-Funded Projects

	TITLE	(US \$)
08-01	Student Conservation Association <i>(Canada-U.S. Conservation Crew)</i>	\$32,500
08-02	Hope Mountain School Society (incl. Fraser Cascade School District)	\$60,000
08-03	Western Canada Wilderness Committee	\$10,000
TOTAL GRANT-FUNDED PROJECTS		\$102,500

GRAND TOTAL SEEC INITIATIVES	\$603,500
CONTINGENCY FUND FOR LAND PURCHASE AND/OR GRIZZLY BEAR RECOVERY	\$1,000,000



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Seattle City Light	Scott Powell (386-4582)	Karl Stickel (684-8085)

Legislation Title:

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2008.

- **Summary of the Legislation:** This Resolution describes the planned use of the Endowment Fund between April 1, 2008 and March 31, 2009. 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 2007-2008 the payment was \$112,614.16. A Briefing Paper regarding SEEC's 2008 budget (Exhibit 1) and 2007 Annual Report (Exhibit 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.**

Exhibit 1: Briefing Paper for Skagit Environmental Endowment Commission 2008 Budget

Exhibit 2: 2007 Annual Report: Skagit Environmental Endowment Commission



BRIEFING PAPER
SKAGIT ENVIRONMENTAL ENDOWMENT COMMISSION
2008 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 of the Commission 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 initially accomplished in 1985-89. The Treaty also requires Seattle City Light and BC Hydro to contribute to the fund, based on the value of certain power sales, on an annual basis. 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 November, 2007, the Commissioners affirmed their intent to continue funding their partnership agreements through March 31, 2009 at \$200,000 as shown on the attached table. Additional grant-funded partnership activities, funded at \$102,500, combine education and the development of recreational facilities.
- The Commissioners allocated approximately \$300,000 to continue support for projects relating to water quality, grizzly bear recovery, fisheries assessment, and land protection.
- The Commission carried forward a set-aside from prior budgets of \$1,000,000 in contingent appropriation for two potential purposes. First is authority to move unprotected areas of the Upper Skagit Watershed in British Columbia into protected status. 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". The second contingent appropriation purpose is additional support for grizzly bear recovery in the upper Skagit area.



2007 ANNUAL REPORT

Skagit Environmental Endowment Commission





ANNUAL REPORT

Calendar Year 2007

INTRODUCTION

This Annual Report summarizes the activities of the Commission during the calendar year 2007. 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. Budget information is based on the Commission’s fiscal year which begins on April 1.

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.

As of December 31, 2007 the market value of the Fund is CAN \$10.3 million (US \$10.5 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 consists 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 Commissioners for a total of sixteen individuals that serve the Commission. By Treaty, SEEC is a non-profit, tax-exempt entity.

2007 COMMISSIONERS AND STAFF

A complete roster of the Commission is attached to this annual report (Appendix A). In August, 2007 two new alternate Commissioners were appointed for Canada: Tom Bird and Shaun Hollingsworth. In April, 2007 Ken Wilcox was reappointed as a US alternate Commissioner.

There is currently one vacant alternate Commissioner position for Canada and one in the US. Both positions are expected to be filled in the coming year.

Seattle City Light and the BC Ministry of the Environment provide staff and administrative support to the Commission. Chris Tunnoch served as the Canadian staff while Scott Powell was appointed as the new US staff member to the Commission.

2007 ACTIVITIES

In 2007, SEEC continued to work on goals from the 2006 workshop held at Semiahmoo in Washington State "Protecting an International Watershed: the Upper Skagit". The Commission is working with established partners and actively seeking new partners with a focus on the following initiatives:

- Land Management;
- Ecosystem Management;
- Education and Interpretation; and
- Recreation.

The Commission met via conference call in January and held other regular meetings in February, May, July, September, and November. There was a SEEC field trip in conjunction with the July meeting in the Upper Skagit Valley.

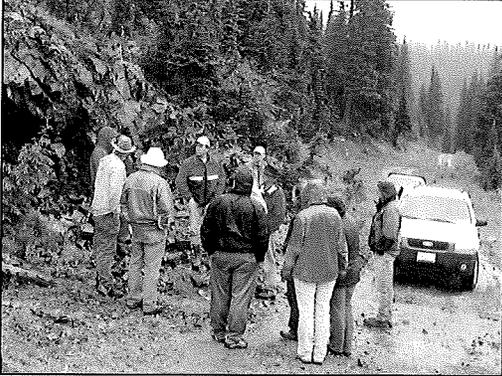


During the field trip the new Interpretive Shelter at International Point, funded by the Commission in 2006, was officially dedicated. The ceremony included the unveiling of a plaque at the site by the Honourable Barry Penner, Minister of the Environment and the new North Cascades National Park Superintendent, Chip Jenkins.

Commissioners also visited the mine claim site on Silver Daisy Creek along with representatives from Imperial Metals and the BC Ministry of Mines.

Land Management:

With respect to land management, the Commission launched two projects in 2007. First, it hired a consultant to address the status of tenures on BC crown lands lying outside the two provincial parks. The consultant has documented these tenures, secured administrative retirement of some and explored options for the Commission to purchase others. The consultant has also investigated Imperial Metals interests related to mining in the Silver Daisy Creek area.



Second, the Commission launched a study of water quality across the Skagit drainage in BC, using a “reference condition approach” that will link water quality parameters to biological indicators of aquatic habitat health. A major portion of field work for this study was completed in 2007.

Also, the Commission contacted potential new partners for land management in the Upper Skagit Watershed, including the BC Ministry of Forests and the Fraser Valley Regional District.

The Commission’s contingency fund of \$1,000,000 to support purchasing or moving unprotected areas of the Upper Skagit Watershed to protected status was not used and will be carried forward into 2008.

Ecosystem Management:

The BC Ministry of Environment, with SEEC funding, contributed to ecosystem management by initiating the development of a Fish and Wildlife Management Plan for the Skagit, along with completing a Fish and Fish Habitat Inventory and an Angling Study.

The Commission is also working to promote grizzly bear recovery in the Skagit. The Commission contracted with the Conservation Partnership Center to complete Grizzly Bear outreach on the Canadian side of the border. Strategic outreach to decision makers in BC and the US was completed and the Commission approved, in concept, funding support for grizzly bear recovery actions.

On the US side of the border, the North Cascades National Park worked on two projects designed to restore habitat and curb the growth of invasive species: Cheatgrass Mapping and Ross Lake Riparian Habitat Enhancement. Seattle City Light continued its char management project.

Education and Interpretation:

In continued partnership with the North Cascades Institute (NCI), SEEC supported the Mountain School at the North Cascades Environmental Learning Center.

Also, NCI conducted an Upper Skagit Education and Outreach Initiative to explore outdoor educational opportunities in BC. As an outgrowth of that work, funds were distributed on the Canadian side of the border to the Hope Mountain School Society, a community non-profit society with an adult education focus, and to the Fraser Cascade Mountain School. The Fraser Cascade Mountain School is the outdoor education program for schools in the Fraser Cascades (Hope) region. The funds were used to organize workshops for teachers and to take students into the Skagit Valley.

A unique partnership between the North Cascades National Park and the BC Ministry of Environment allowed for the continuation of the International Hozomeen Skagit Interpretive Program. This unique program involves two interpreters: one from Canada and one from the US, who jointly deliver interpretive programming to summer campers at Ross Lake. The program focuses around the newly dedicated Interpretive Shelter at International Point.

Recreation:

As in prior years, SEEC supported the Student Conservation Association's (SCA) summer campsite and trail renovation program in the Upper Skagit. SCA staff and volunteers worked under the supervision of the North Cascades National Parks Service and the BC Ministry of Environment on various sites around Ross Lake.

In 2007 a new collaboration to improve recreational opportunities in the Skagit was initiated with the Western Canada Wilderness Committee. In exchange for a donation, Wilderness Committee volunteers cleared the Ghost Pass Trail on the Canadian side of the border. The Commission is looking to continue this relationship in 2008 with the clearing of the Silver Daisy Trail.

Partnerships:

As a component of its strategic initiatives, SEEC has developed strong working relationships with land management agencies and non-profit groups. This year, the Commission reaffirmed its intent to structure multi-year agreements with selected partners, to foster its goals through planning and collaboration. A Partnership ad-hoc committee was formed and will develop a 5-year work plan for partnership agreements.



2008 PLAN

A table of approved project expenditures for the 2008/09 funding cycle is attached in Appendix B. Since its inception the Commission has approved over 275 projects totaling in excess of US \$7 million.

The Commission's annual work plan and calendar follows:

Winter:
<ul style="list-style-type: none">• Commission approves budget and works on renewing agreements and goals for partnerships with agencies including NPS, MOE, NCI, SCA, HMSS and FCS
<ul style="list-style-type: none">• Secretaries send 2008/09 budget approval package to Seattle City Council and BC Government
<ul style="list-style-type: none">• Coordinating meetings are held to examine ecosystem monitoring and review water quality study.
Spring:
<ul style="list-style-type: none">• Seattle City Council and BC Government adopt budget; review Commissioners' terms and appointments.
<ul style="list-style-type: none">• Seattle City Light and BC Hydro pay inflation adjustment on annual payment on March 31 2008
<ul style="list-style-type: none">• Secretaries renew contracts and agreements for 2008 fiscal year.
Summer:
<ul style="list-style-type: none">• Project work completed.
<ul style="list-style-type: none">• Secretaries and support staff develop proposal for document archiving and access.
<ul style="list-style-type: none">• Commission field trip to watershed.
Fall:
<ul style="list-style-type: none">• Financial audits completed.
<ul style="list-style-type: none">• Project evaluation and budget development for the 2009 fiscal year.

FINANCES

The Commission's fiscal year runs from April 1 to March 31st. According to the 2007 4th Quarter Financial Update, the Endowment Fund showed a balance of approximately CAN \$10.3 million (US \$10.5 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 US \$112,614.16 and BC's payment of US \$71,786.66, a total of US \$180,915.55 was added to the Fund in 2007 exclusive of inflationary adjustments. (Note: Both BC Hydro and Seattle City Light inflation adjustment payments for 2007 will be added to the fund in March, 2008).

Total expenditures of the Commission based on projected expenditures for the 2007/08 fiscal year, are approximately US \$553,517 of which 85% was direct disbursement for contracts and partnership allocations. Administrative costs were 5.7%, while the balance reflects compensation for the Endowment Fund manager.

ATTACHMENTS

- Appendix A 2007 Commission Roster
- Appendix B Approved Projects Fiscal Year 2008

PHOTOS / CREDITS

Front Cover. International Point, Ross Lake, by A.J. Fedoruk, Canadian Interpreter, June 19, 2007.

Page 1. Commission and guests dedicating the interpretive shelter at International Point, by Scott Powell, July 19, 2007.

Page 2. Commission on field trip to Silver Daisy area with Imperial Metals representatives, by Scott Powell, July 20, 2007.

Page 3. Trout caught live and released in the upper Skagit River, by Duane Jesson, BC MoE on August 17, 2007.



APPENDIX A

2007 COMMISSION ROSTER

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 (US Co-chair)	7-1-10	7-1-04	Mayor	Government: Finance, economics. City of Seattle
ALTERNATES				
Ken Wilcox	7-1-10	7-1-06	Mayor	Environment: Planning. Alternate for Shirley Solomon.
Tom Brucker	7-1-08	7-1-04	Mayor	Business/Finance; North Cascades Conservation Council; Sierra Club, Wash. Environmental Council. Alternate for Tony Kilduff
Alison Studley	7-1-09	7-1-05	Mayor	Environment: Director of Skagit Fisheries Enhancement Group. Alternate For Martin Loesch
Vacancy			Mayor	Alternate for Dennis Canty
US STAFF				
Scott Powell		3-1-07	Seattle City Light	United States Staff
CANMEMBERS				
Lax Bennett	12-10-11	8-1-03	BC Premier	Business/Financial Management: Manager, Envision Financial; Economics
Pete Caverhill	3-31-12	3-25-03	BC Premier	Government: Fisheries specialist
Ken Farquharson	3-31-12	3-25-03	BC Premier	Environment: Engineer, environmental advocate
Peter Kennedy (CAN Co-chair)	1-14-12	01-01-04	BC Premier	Land/Property Management: Attorney
ALTERNATES				
Tom Bird	8-1-11	8-1-07	BC Premier	Government: Federal Fisheries biologist. Alternate for Pete Caverhill.
Shaun Hollingsworth	8-1-11	8-1-07	BC Premier	Environment: BC Wildlife Federation, BC Conservation Foundation. Alternate for Peter Kennedy.
Tracey Herron	4-30-09	5-01-05	BC Premier	Finance: Search and Rescue. Alternate for Lex Bennett
Vacancy			BC Premier	Alternate for Ken Farquharson
BC STAFF				
Chris Tunnoch		12-12-97	Minister of Environment	Canadian Staff

APPENDIX B

APPROVED PROJECTS FISCAL YEAR 2008

PARTNER AGENCIES	APPROVED (US \$) SEEC
National Park Service-North Cascades: <i>Hozomeen Joint Interpretive Programming Balance for cross-border ecosystem management projects</i>	\$60,000
North Cascades Institute: <i>Mountain School</i>	\$80,000
BC: Ministry of Environment: <i>Hozomeen Joint Interpretive Programming Balance for cross-border ecosystem management projects</i>	\$60,000
Hope Mountain School Society <i>Fraser Cascade Mountain School</i>	\$60,000
Student Conservation Association	\$32,500
TOTAL PARTNERSHIPS	\$292,500

OTHER PROJECTS	APPROVED (US \$) SEEC
Consultant Services <i>Related to land protection in Canada</i>	\$45,000
Continuation of Water Quality Studies (<i>Canada</i>)	\$130,000
Ecosystem Management <i>(Grizzly Bear projects in the US and Canada and Char Management in the US)</i>	\$126,000
Trail Clearing <i>Silver Daisy Trail (Canada)</i>	\$10,000
TOTAL OTHER PROJECTS	\$311,000

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 and/or to assist with Grizzly Bear restoration projects.



STATE OF WASHINGTON – KING COUNTY

--SS.

224672
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.

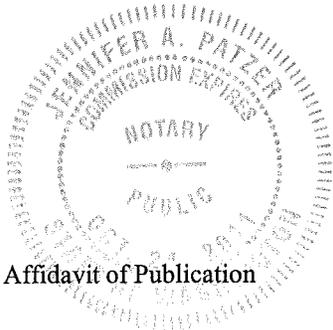
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31056,60-61 TITLE ONLY

was published on

05/22/08

The amount of the fee charged for the foregoing publication is the sum of \$ 42.15, which amount has been paid in full.



Affidavit of Publication

Subscribed and sworn to before me on

05/22/08

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 May 12, 2008, and published here by title only, will be mailed, at no cost, on request for two months after this publication. For further information, contact the Seattle City Clerk at 684-8344.

RESOLUTION NO. 31061

A RESOLUTION establishing the Campaign Public Financing Advisory Committee and superseding Resolution 31052.

RESOLUTION NO. 31060

A RESOLUTION adopting the Seattle Human Services Department Strategic Investment Plan Update 2008-2010 for the City of Seattle.

RESOLUTION NO. 31056

A RESOLUTION approving the proposed budget of the Skagit Environmental Endowment Commission for fiscal year 2008.

Publication ordered by JUDITH PIPPIN,
City Clerk

Date of publication in the Seattle Daily
Journal of Commerce, May 22, 2008.

5/22(224672)