



ANNUAL REPORT

Calendar Year 2010



*Students from Fraser-Cascade Mountain School explore Chittenden Meadows,
near Hozomeen at the head of Ross lake*



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This Annual Report summarizes the activities of the Skagit Environmental Endowment Commission (SEEC) during the calendar year 2010. It is prepared in fulfillment of the provisions of Article II, 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 Commission 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 each of the first four years after its creation. Per terms of the Treaty, both Seattle City Light and BC Hydro make ongoing annual supplemental payments to the Fund, based on annual power purchases.

As of December 31, 2010 the market value of the Endowment Fund was CAN\$ 9,448,257 (US\$ 9,499,552), with the principal held in separate US and Canadian investment portfolios in Canada. The Fund resides and is managed completely outside of the consolidated revenue of both the BC Provincial and Seattle City governments.

The primary purposes of the Fund are to:

- (A) conserve and protect wilderness and wildlife habitat;
- (B) enhance recreational opportunities in the Skagit Valley;
- (C) acquire mineral or timber rights consistent with conservation and recreational purposes;
- (D) conduct studies of need and feasibility of projects;
- (E) plan for and construct hiking trails, foot bridges, interpretive displays and the like; and

- (F) cause the removal of stumps and snags in Ross Lake and on the shoreline as deemed appropriate and the grooming and contouring of the shoreline, consistent with wildlife habitat protection

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.

2010 COMMISSIONERS AND STAFF

A complete roster of the Commission is attached to this annual report (Appendix A). The Commission mourns the loss of Canadian Commission Alternate Tom Bird to an untimely demise. Otherwise, membership was stable throughout the year.

By terms of the Agreement, Seattle City Light and the BC Ministry of Environment provide staff and administrative support to the Commission. Chris Tunnoch served as the Canadian staff with Scott Powell as the US staff member to the Commission.

2010 ACTIVITIES AND PARTNERSHIPS

SEEC continues the implementation of its Five-year Workplan developed at its 2008 annual retreat. The Commission is working with established partners with a focus on the following initiatives:



Commissioners tour NCI Environmental Learning Center during annual retreat.

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

The full Commission met quarterly in January, May, July, and November 2010. The July meeting was held over two days at Newhalem and Diablo, Washington, where the Commission reviewed and adjusted the 5-year Work-plan and prepared its draft budget for the following fiscal year.

As a critical part of its strategic initiatives, SEEC has developed strong working relationships with land management agencies and non-profit groups.

VIDEOS COMMEMORATE GATHERING AT HOZOMEEN

The Commission followed up on its September 2009 Gathering at Hozomeen event with two multimedia projects. A committee of Commission and Tribal/First Nations participants first worked with Bear Image Productions to develop a 40-minute video interpretation of the event and its lessons. Also, a slide interpretation was created by Benj Drummond and Sara Steele and is featured on the SEEC website. Discussion is underway concerning a follow-up gathering event in the future.

WEB-SITE UPGRADE FEATURES ON-LINE DOCUMENT ARCHIVE

Working through its outreach consultant, the Simplify Company, SEEC completed a thorough upgrade to its web-site. The web-host Groundwire, Inc. was hired to redesign the site, adding a contemporary look and an improved content management system framework and controls. Also, nearly one hundred documents produced in prior SEEC-funded projects were scanned and are available in a searchable online database. See www.skagiteec.org

TIES RENEWED WITH INTERNATIONAL JOINT COMMISSION

In the negotiations leading to the creation of SEEC in 1984, the US-Canada International Joint Commission (IJC) was involved and helped mediate over several years. The IJC has recently developed an International Watersheds Initiative, building on its many successful

negotiations across the US-Canada Border. Though IJC is no longer formally involved in the Skagit, ties between the two Commissions were renewed in 2010. Correspondence between the staffs led to a meeting in Vancouver in June. SEEC Canadian Co-chair Peter Kennedy was then invited and attended an IJC meeting in Ottawa in October.





The Commission continued to build on its commitment to education and outreach in 2010. In addition to the production of video and internet-based communications tools, major funding support was provided to non-profit groups and parks agencies in the U.S. and Canada.

SEEC held its annual retreat this year at the North Cascades Institute's Environmental Learning Center on Diablo Lake. In addition to its business meetings, the Commissioners toured and learned about this stunning outdoor learning facility. NCI continues to receive major SEEC support for its Mountain School program for local youth, which hosted more than 1,500 students and 300 parents in Spring and Fall sessions.

In BC, the Hope Mountain Centre for Outdoor Learning (HMCOL) also continued its strong development, more than doubling its offerings of interpretive hikes and volunteer events. Through HMCOL, SEEC also supported Fraser Cascade Mountain School, which led more than 900 students and 200 parents in hiking, camping, and backcountry safety programs.

The park agencies in the US and Canada had a very strong year of educational programming, supported in part by SEEC funding. North Cascades National Park spearheads programs that engage youth from a variety of organizations in outdoor stewardship and learning. Also, a BC Parks interpreter leads a joint international interpretive program at the campgrounds at Hozomeen. These programs, reaching almost 6,500 visitors this year, included a historical re-enactment, interpretive talks, and special offerings by HMCOL's Kelly Pearce and the NPS' Jon Reidel.



With respect to land management, in 2010 the Commission advanced its goal for land protection in BC. Negotiations were completed for the potential purchase of a key private in-holding within Skagit Provincial Park. This land would then be deeded to the BC government for management as a park property. A portion of the SEEC contingency fund of \$1,000,000 to support purchasing or moving unprotected areas of the Upper Skagit Watershed to protected status would be used to complete this transaction.

Also, information was gathered to advance protection against potential mining impacts, outside of the Park on the US side of the upper Skagit. Commissioners continue to evaluate options for consultants to study this issue and propose action steps.

The Commission was also active with respect to future land management on the US side. SEEC educated itself about the "American Alps" proposal to adjust the boundaries of the North Cascades National Park Service Complex and Pasayten Wilderness. The Commission joined with other groups to fund an economic impact analysis of the American Alps concept. It also reviewed and held discussion with the National Park leadership concerning their process for renewing the General Management Plan for the Ross Lake National Recreation Area. An extensive comment letter was submitted.

Finally, SEEC supported a follow-up to the water quality study completed in BC in 2009. Staff from the Hope Mountain Center received training and worked with volunteers to evaluate existing and new sites. It is expected that this work will continue each year, so as to maintain the existing water quality/benthic invertebrate model hosted by Environment Canada and to maintain vigilance against any future water quality impacts. The Commission will enlist support from BC Ministry of Environment to review and interpret the data collected.



The Commission continued to contribute to an ecosystem monitoring program by the North Cascades National Park Service Complex. SEEC funds allowed for expanded effort on studies including: Land Birds, Ross Lake fisheries and water quality, High Lakes, and Tributary Streams. This work is part of the National Park Service "Vital Signs" monitoring program to document and interpret key ecological indicators and detect impacts from human activities or climate change. The National Park Service began reporting on its monitoring outcomes through the publication "2010 Resource Brief Annual".

The BC Ministry of Environment continued implementing its SEEC-funded Fish and Wildlife Management Plan for the Skagit. Mapping of ungulate (moose, deer, and elk) winter ranges was completed, and the final year of a wolverine monitoring program was being planned. The Commission learned about ongoing work by the Ministry to aid in the recovery of both grizzly bears and spotted owls.

Ross Lake and upper Skagit fisheries issues were also addressed. SEEC participants and agency staff learned more about the red-side shiner population of small fish in Ross Lake that may be affecting trout population dynamics. In a related effort, SEEC joined with Seattle City Light to fund a study plan for an angler survey to be conducted in 2011 in the US and Canada. This information will be needed to evaluate current fishery regulations, in light of changes and uncertainty in the ecology of Ross Lake.



The Student Conservation Association, with support from the Commission, runs a 5-week trail and camp maintenance crew in the upper Skagit each year. 2010 showed continued success in this unique international program, with 8 crew member and 2 crew leads from throughout the U.S. and Canada. The crew spent the first two weeks in Canada, in Skagit Provincial Park, developing a new tent site and improving trails at the junction of Nepopekum and Centennial Trails. The second half of the season was spent in the North Cascades National Park, working in the vicinity of Desolation Peak and Lightning Creek. In 2010, the crew included students from around the U.S. and Canada.

Other recreation projects were moved ahead:

- Interim improvements were made at the BC Hozomeen Group Camp, including enhancement to the shelter and thinning of vegetation.
- Landscaping was completed at the Hozomeen Amphitheater at International Point.
- Planning was completed for enhancement of the “Winnebago Flats” camping area at Hozomeen. This project will start construction in 2011.



SCA Program Manager Sarah Zablocki-Axling heads up-lake to join the crew.

FINANCES

The Commission's fiscal year runs from April 1st to March 31st. The Endowment Fund is held and managed by the Canadian Imperial Bank of Commerce (CIBC) and holds investment portfolios in both US and Canadian funds. According to CIBC's 2010 Fourth Quarter Financial Update, the combined Fund showed a balance of approximately CAN \$9.4, million or US \$9.5 million. Seattle City Light and BC Hydro supplement the fund annually with payments based on power purchases under the agreement.

Total expenditures of the Commission, based on projected expenditures for the 2010/11 fiscal year, are approximately US \$573,000 of which 85% was direct disbursement for contracts and partnership projects. Administrative costs were 6.6%, while the balance reflects financial management fees for the Endowment Fund.

ATTACHMENTS

- Appendix A 2010 Commission Roster
- Appendix B SEEC Budget - Fiscal Year 2010

APPENDIX A 2010 COMMISSION ROSTER

NAME OF MEMBER	TERM EXPIRES	TERM BEGAN	APPOINTING AUTHORITY	COMMISSION FIELD; PROFESSION, RELEVANT COMMUNITY ACTIVITY
CAN MEMBERS				
Lex Bennett	12-10-11	8-1-03	BC Premier	Business/Financial Management: retired finance manager
Pete Caverhill	3-31-12	3-25-03	BC Premier	Government: retired fisheries specialist
Ken Farquharson	3-31-12	3-25-03	BC Premier	Environment: retired engineer, environmental advocate
Peter Kennedy (CAN Co-chair)	1-14-12	01-01-04	BC Premier	Land/Property Management: Attorney
ALTERNATES				
Tracey Herron	5-15-13	5-15-09	BC Premier	Recreation: Search and Rescue
Shaun Hollingsworth	8-1-11	8-1-07	BC Premier	Environment: BC Wildlife Federation, BC Conservation Foundation
Richard Jessome	2-28-13	2-28-09	BC Premier	Land Management: Environmental & Forest Services Consulting
BC STAFF				
Chris Tunnoch		12-12-97	Minister of Environment	Canadian staff
US MEMBERS				
Tom Brucker	7-1-12	7-1-04	Mayor	Business/Finance: North Cascades Conservation Council; Sierra Club, Wash. Environmental Council
Larry Campbell	7-1-13	11-4-09	Mayor	Cultural Resources: Historic Preservation Officer, Swinomish Indian Tribe
Michelle Connor	7-1-12	10-1-08	Mayor	Conservation: Cascade Land Conservancy, non-profit organizational development
Ken Wilcox (US Co-Chair)	7-1-12	7-1-02	Mayor	Environment: North Cascades Conservation Council, environmental and recreation planner
ALTERNATES				
Jim Hattori	7-1-12	10-1-08	Mayor	Finance: Financial and non-profit management; outdoor recreation
Tim Manns	7-1-12	10-1-08	Mayor	Education/Recreation: retired from US National Park Service
Alison Studley	7-1-13	7-18-05	Mayor	Environment: Skagit Fisheries Enhancement Group
Jennifer Watkins	7-1-12	10-1-08	Mayor	Conservation: Conservation Northwest
US STAFF				
Scott Powell		3-1-07	Seattle City Light	United States staff

APPENDIX B SEEC BUDGET PLAN - FISCAL YEAR 2010

Partnership Workplan Support

TITLE	(US \$)
National Park Service—North Cascades <i>International Interpretive Program; Youth involvement.</i>	\$40,000
BC Ministry of Environment: <i>International Interpretive Program; Youth involvement.</i>	\$40,000
North Cascades Institute <i>Mountain School</i>	\$80,000
Hope Mountain Centre for Outdoor Learning: <i>Capacity building; Education programs; Fraser Cascade School programs</i>	\$55,486
TOTAL PARTNERSHIP WORKPLAN SUPPORT	\$215,486

Partnership Joint Projects

TITLE	(US \$)
Ecosystem Management	\$120,745
Recreation Projects (incl Student Conservation Assn)	\$80,141
Land Management/Outreach Coordinator	\$38,496
TOTAL PARTNERSHIP JOINT PROJECTS	\$239,382

Optional Funding

TITLE	(US \$)
Video Production: Gathering at Hozomeen	\$20,000
Website Redevelopment	\$10,000
Archaeology Field School Evaluation	\$2,000
TOTAL OPTIONAL FUNDING	\$32,000

ADMINISTRATION AND FUND MANAGEMENT	\$82,381
WORKPLAN CONTINGENCY	\$12,913

GRAND TOTAL SEEC WORKPLAN	\$582,162
CONTINGENCY FUND FOR LAND PURCHASE AND/OR GRIZZLY BEAR RECOVERY	\$1,000,000