

2012 - 2013

FWCP ANNUAL REPORT

COLUMBIA REGION



The FWCP in the Columbia region is a partnership of BC Hydro, the Province of B.C., First Nations and the public



2013

MESSAGE FROM THE BOARD CO-CHAIRS



On behalf of the Fish and Wildlife Compensation (FWCP) -Columbia Board, we are pleased to invite you to read our Annual Report for Fiscal Year 2013 (F13). FWCP-Columbia is dedicated to advancing the objectives of the FWCP partnership—conservation, sustainable use, and community engagement—in watersheds impacted by the initial construction of BC Hydro’s generation facilities in the Columbia region.

Fiscal Year 2013 (April 1, 2012 to March 31, 2013) was extremely busy again for FWCP-Columbia. As in years past and representing the majority of program expenditures, core fish and wildlife project envelopes were implemented. Examples of core projects include the Nutrient Restoration Programs in Arrow Lakes Reservoir and Kootenay Lake, Hill Creek and Meadow Creek spawning channels, East and West Kootenay Enhancement activities, and Land Acquisition, etc.

In addition to the core fish and wildlife projects, 21 application-based projects were implemented to support fish and wildlife projects. We are always pleased to see the amount of in-kind, volunteer and other funding sources that applicants use to leverage our

funding dollars. The total value of the application-based projects FWCP-Columbia supported this past year was almost \$320K.

While continuing to implement the Program, the FWCP-Columbia Board undertook extensive stakeholder and First Nations engagement in F13 to seek input on a new delivery model and governance structure for the Program and its associated conservation and enhancement work. The new model was finalized in November 2012, and implementation was initiated in April 2013. The model aims to strengthen the Program’s regional independence and decision-making, while retaining strong links with Program partners.

Reflecting FWCP partnerships, the FWCP-Columbia Board is made up of representatives from the public, First Nations, the Province of B.C., Fisheries and Oceans Canada, and BC Hydro. We wish to thank all the dedicated applicants, proponents, and program and project partners who work hard each year to successfully implement projects to help us achieve our vision of thriving fish and wildlife populations, in healthy and sustainable ecosystems.

Yours truly,

Paul Rasmussen,
FWCP-Columbia Board Co-Chair

Patrice Rother,
FWCP-Columbia Board Co-Chair



Front cover: Columbia Lake, Larry Halverson image.

In April 2012, Rick Hansen inspired the crowd attending the Juvenile White Sturgeon Release on the Columbia River near Castlegar.

1. ORGANIZATIONAL OVERVIEW

INTRODUCTION

The Fish and Wildlife Compensation Program (FWCP) was established to compensate for the impacts resulting from the construction of BC Hydro dams by conserving and enhancing fish and wildlife in the Coastal, Columbia and Peace regions of British Columbia. The Program operates as a partnership between BC Hydro, the Province of B.C., Fisheries and Oceans Canada (DFO), First Nations, and local communities, organizations and groups.

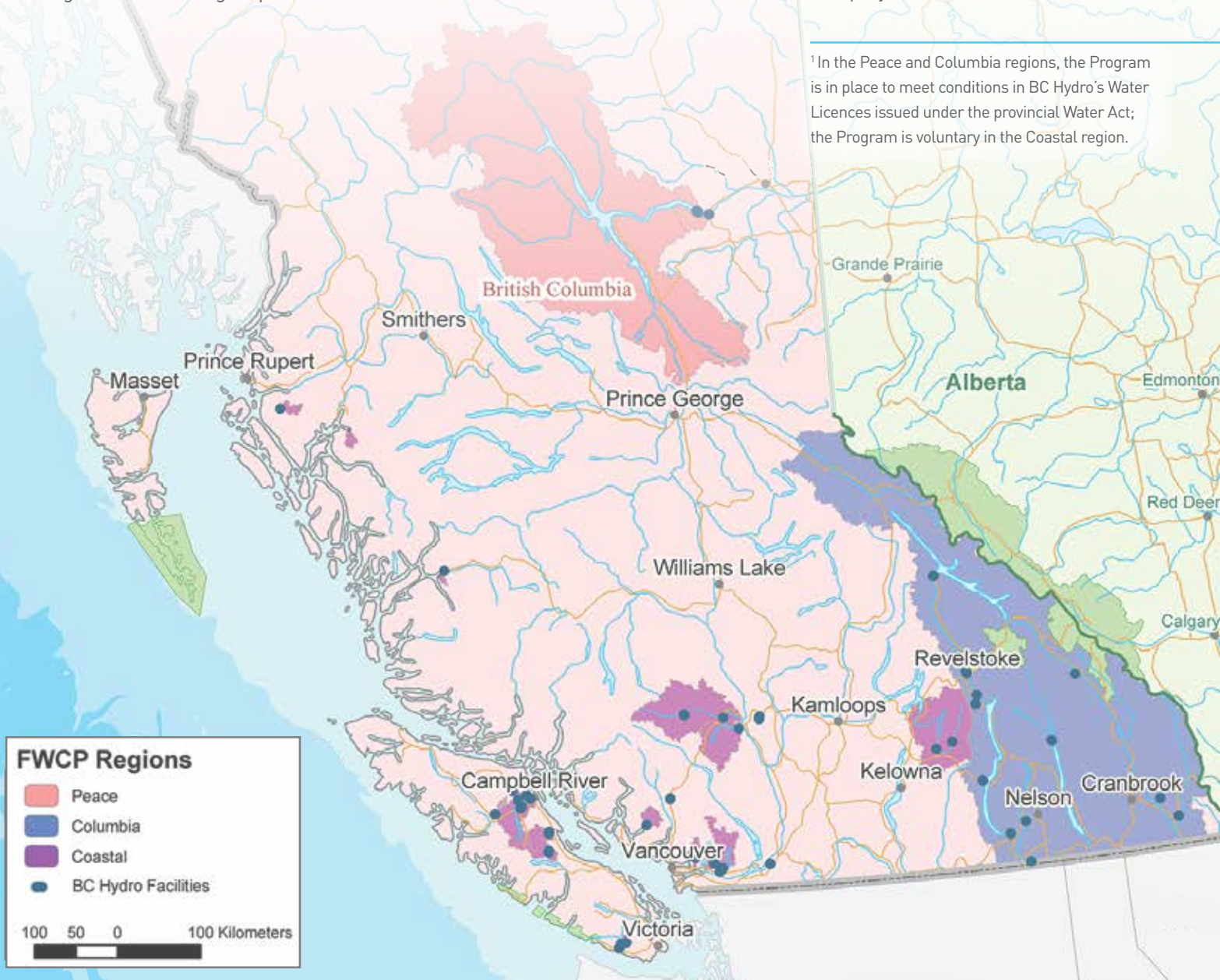
The FWCP has invested nearly \$120 million and delivered more than 1,500 projects that conserve and enhance fish, wildlife and their supporting habitats affected by the creation of BC Hydro-owned and operated generation facilities in the Coastal, Columbia and Peace regions of British Columbia.

In the Peace and Columbia regions, the FWCP is in place to meet conditions in BC Hydro's Water

Licences issued under the provincial Water Act; the Program is voluntary in the Coastal region. FWCP-Columbia was established in 1995.

This Annual Report provides an overview of FWCP-Columbia activities for Fiscal Year 2013 (i.e. April 1, 2012 to March 31, 2013), including a report on financial performance, project funding summary, alignment of the year's work with strategic objectives, and project lists.

¹ In the Peace and Columbia regions, the Program is in place to meet conditions in BC Hydro's Water Licences issued under the provincial Water Act; the Program is voluntary in the Coastal region.



GOVERNANCE

The FWCP is governed through a framework that recognizes the regulatory accountabilities of agency partners (BC Hydro, the Province of B.C., and DFO) and ensures active participation and input from First Nation and public partners. Specifically, each region has a Board to provide local oversight to the planning and implementation of the FWCP at the regional level and to make local decisions on strategic priorities, and on annual expenditures and investments by the Program.

The FWCP-Columbia Board is made up of nine (9) members representing First Nations, the public, the Province of B.C., DFO and BC Hydro. The current Board members are:

PUBLIC REPRESENTATIVES

- David White
- Grant Trower
- Rick Morley

FIRST NATION REPRESENTATIVES

- Joe Nicholas, Ktunaxa Nation (Akisqnuq First Nation)
- James Pepper, Okanagan Nation Alliance

AGENCY REPRESENTATIVES

- David Tesch, BC Ministry of Environment (MOE)
- Doug Johnson, BC Hydro
- Patrice Rother, BC Hydro
- Paul Rasmussen, BC Ministry of Forests, Land and Natural Resource Operations (FLNRO)

The Board reports to the Policy Committee, representing the federal and provincial government regulators (DFO and the Province), and BC Hydro, which exists to allow the agencies to provide oversight on a range of fish and wildlife-related issues relevant to BC Hydro including, but not limited to, the FWCP. The current Policy Committee members are:

- Edie Thome, Director of Environmental Risk Management, BC Hydro
- Mark Zacharias, Assistant Deputy Minister, BC Ministry of Environment
- Bonnie Antcliffe, Regional Director Pacific Region, DFO.

The Board is supported by a Fish Technical Committee and a Wildlife Technical Committee. The primary roles of the Technical Committees are to:

support the development of strategic plans; provide advice on the effective implementation of action plans; and provide fair and objective technical review, evaluation, and ranking of fish and wildlife projects proposed for the Annual Operating Plan.

Program management and operations are implemented by a full-time Program Manager who administers all aspects of program delivery, including contribution agreements and contracts. During F13, the FWCP-Columbia Program Manager was Trevor Oussoren. The Program Administrator for all three FWCP regions was Lorraine Ens. Through a Letter of Agreement, the Ministry of Forests, Lands and Natural Resource Operations (FLNRO) implemented a number of the core fish and wildlife projects in F13.



FWCP-Columbia Board, L to R: Rick Morley, Joe Nicholas, David Tesch, Grant Trower, Paul Rasmussen, Doug Johnson, Dave White, Patrice Rother (missing: James Pepper)

2. FWCP'S STRATEGIC FRAMEWORK

The FWCP uses a strategic framework to guide overall planning for compensation investments. The framework (Figure 2.1) has guided the development of strategic plans (Section 3) for each basin or watershed within the FWCP program area that are, in turn, informing action plans that focus on specific priorities within each watershed.

The Program has a forward-looking, ecosystem-based approach that defines the desired outcomes and takes actions to restore, enhance and conserve priority species and their habitats. This approach is further conveyed in our vision and mission statements.

FWCP STRATEGIC FRAMEWORK

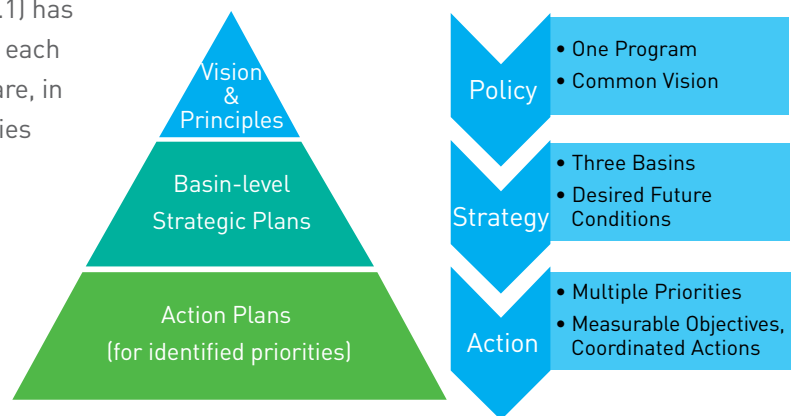


Figure 2.1: Relationship between the FWCP Strategic Framework, basin strategic plans and action plans.

VISION

Thriving fish and wildlife populations in watersheds that are functioning and sustainable.

An effective program will support the maintenance of healthy fish and wildlife populations in basins significantly altered by hydroelectric development. Actions taken should satisfy both the conservation and sustainable use objectives and, where possible, restore ecosystem function, making species more resistant to emerging pressures such as climate change.

MISSION

The FWCP compensates for the impacts to fish, wildlife and their supporting habitats affected by BC Hydro owned and operated generation facilities.

3. FWCP STRATEGIC OBJECTIVES AND PLANS

3.1 STRATEGIC OBJECTIVES

The strategic objectives for the Fish and Wildlife Compensation Program reflect a synthesis of the core objectives and mandates of the partner agencies as they relate to mitigating impacts associated with hydro-power generation in British Columbia:

Conservation

- Maintain or improve the status of species or ecosystems of concern.
- Maintain or improve the integrity and productivity of ecosystems and habitats. This addresses the concept of ecosystem integrity, resiliency and the functional elements of ecosystems, including efforts to optimize productive capacity.



Sustainable Use

- Maintain or improve opportunities for sustainable use, including harvesting and other uses. This objective focuses on the program's role in restoring or enhancing the abundance of priority species, and in providing information to resource management decision-makers related to providing opportunities for harvesting and other uses. Harvesting includes First Nation, recreational and commercial harvests. Other uses may include cultural, medicinal, or non-consumptive uses such as wildlife viewing.

Community Engagement

- Build and maintain relationships with stakeholders and aboriginal communities. This objective stems from BC Hydro's social responsibility policy, MOE's shared stewardship goal and the approach of DFO's Stewardship and Community Involvement Program. This recognizes the importance of engaging aboriginal communities, local stakeholders, and other interest groups to contribute toward making good decisions and delivering effective projects.

3.2 STRATEGIC PLANS

In 2009, the program developed a strategic framework that guides the overall planning of the compensation investments (Macdonald, 2009). Subsequent to the development of this strategic framework, the Basin and Action prioritization process was initiated in 2010. Specifically, within the Columbia, there is a Columbia Basin Plan for the region, which sets forth the strategic direction for the FWCP. In brief, it outlines the vision, principles, policy context and strategic objectives that form the foundation of the FWCP. Beneath the Basin Plan are six Action Plans (outlined below), which identify a priority-setting process with associated actions. When combined (Basin and Action Plans), the plans present the priorities for investments in compensation activities within the Columbia Basin (FWCP, 2012).

Action Plans:

- Large Lakes;
- Small Lakes;
- Riparian and Wetland;
- Upland/Dryland Plan;
- Streams Action Plan; and
- Species of Interest Plan.



Salmo Watershed Stream Keepers in Sheep Creek.



Grizzly near St Mary's River, E. Kootenay

During the Action Plan development, the plans underwent a number of revisions, and a final draft was concluded in the summer of 2012, when the plans became publicly available (www.fwcp.ca).

Subsequent to the documents going online, FWCP-Columbia embarked on stakeholder and First Nation engagement throughout the Columbia Region for input on the FWCP-Columbia delivery model (June and July 2012). In addition to providing input on the new delivery model, stakeholders and First Nations were asked to provide input on the Basin and Action Plans. Largely, comments received were focused on the Wetland and Riparian Action Plan and to a lesser degree the Large Lakes Action Plan. FWCP-Columbia is now taking steps to refine the documents based on input received.

The Action Plans and tables provide direction and areas of focus for an approximately five-year period starting in the summer of 2012, when the Plans were approved as Final Drafts. The Final Draft status recognizes that the plans are considered living documents that will be reviewed and refined on an on-going basis, as determined by the regional Board.

Each year, as the FWCP-Columbia Board reviews and approves the Annual Operating Plan, alignment with the strategic priorities identified in the Watershed Plans and Action Plans is a key consideration.

Starting with Fiscal Year 13 (F13) annual work planning cycle (i.e. November 2012 application intake), all applications for funding to the FWCP-Columbia, and any potential directed studies or work, are measured against new FWCP Basin and Action Plans. The Plans are posted at the FWCP website at www.fwcp.ca, and each year, applicants are asked to review the relevant Plan and identify how their proposed project aligns with and supports its objectives.

FWCP reports are available on the Ministry of Environment's online data management systems. To search for a report of interest, please visit www.env.gov.bc.ca/clir.

4. REPORT ON PERFORMANCE

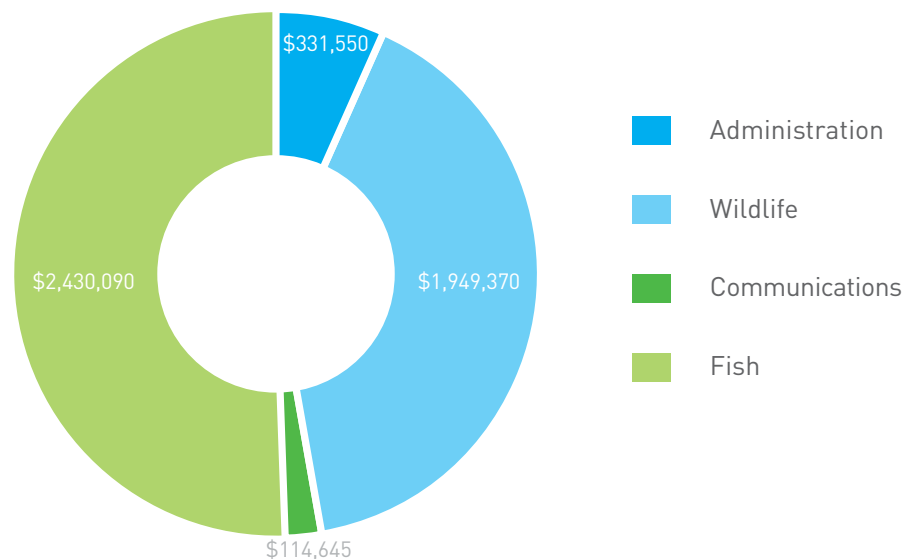
4.1 FINANCIAL REPORT

The FWCP is funded by BC Hydro through a notional fund that is indexed to the consumer price index. The FWCP fiscal year runs from April through to March of the following year. For F13, the annual funding budget for FWCP-Columbia was over \$4.8M.

Each year, annual funding budgets are allocated either in full or in part by the Board toward fish and wildlife projects, administrative costs (e.g. salaries, safety, Board and technical review committee expenses, etc.) as well as project support and communication costs (e.g. program evaluation, communications support and advertising). These allocations

F13 Approved Budget at April 1, 2012

Figure 4.1



form the Annual Operating Plan. Any unallocated funds are carried forward (“unspent surplus budget”), and are available for new spending in future fiscal years.

For F13, the Board approved a budget of \$4.8M, going primarily toward projects related to fish and wildlife enhancement projects. Figure 4.1 illustrates the approved F13 budget at the start of the fiscal year. A complete project list for F13 is found starting on page 8. Administrative and communications costs made up approximately 7% and 2.5% of the total budget, respectively.

Program expenditures up to fiscal year-end March 31, 2013 are illustrated in Figure 4.2 and listed in Table 4.1. It should be noted that Figure 4.2 represents a “snapshot in time” of actual and planned payments made related to F13 projects. Each year, allocated project funding is not fully paid by year-end due to the seasonal nature of field-based projects and the fact that some project proponents are unable to submit their

final project reports for approval by March 31 fiscal year-end. The F13 allocated funds not yet paid out by March 31, 2013 are labelled “Planned” in Figure 4.2 and Table 4.1.

In addition, it is not uncommon for projects to come in under-budget (“Unspent” in Figure 4.2). Any funds not spent during the fiscal year will be carried forward as unspent surplus

budget and made available for future new project spending. If additional projects remaining in the “Planned” category come in under-budget, the Unspent amount for F13 may increase.

The approved F13 budget for FWCP-Columbia included \$1.9M on Wildlife-related projects and \$2.4M on Fish-related projects (total \$4.3M). Shown in Figure 4.3.

Actuals & Planned Expenditures at March 31, 2013

Figure 4.2

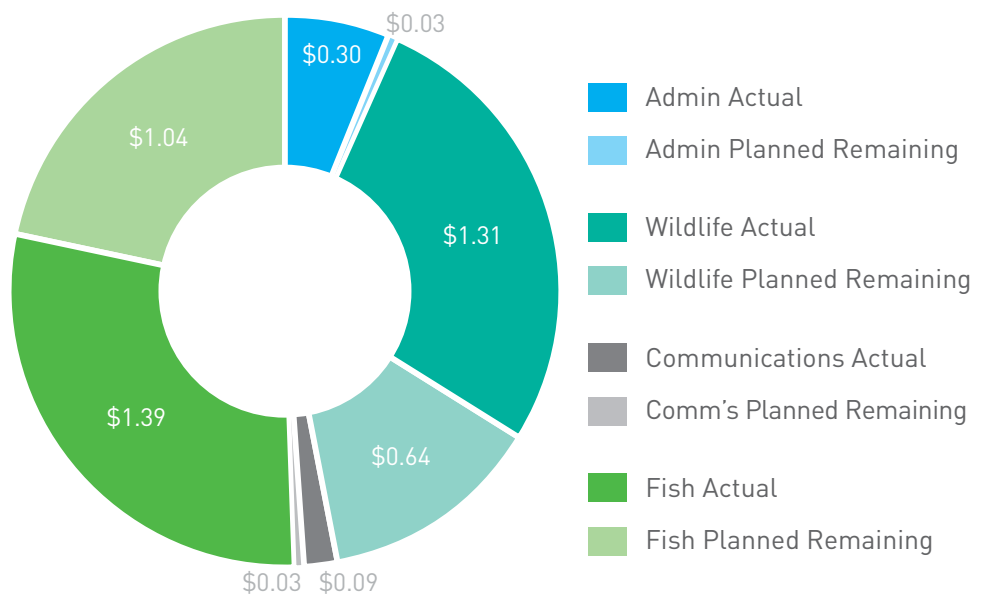


Table 4.3: F13 Actual Budget at March 31, 2013 (\$000s)

Fund Category	FY13 Approved Budget	Paid up to 31-Mar-13	Planned Payments ¹	Unspent Funds ²
Administration	\$331,550.00	\$299,574	\$31,977	\$0
Wildlife	\$1,949,370.00	\$1,314,303	\$635,066	\$0
Communications	\$114,645.00	\$88,539	\$26,106	\$0
Fish	\$2,430,090.00	\$1,392,285	\$1,037,805	\$0
TOTAL	\$4,825,655.00	\$3,094,701	\$1,730,954	\$0

Note 1: Planned payments represents expected invoices for approved, ongoing projects that have not yet submitted final reports by March 31st
 Note 2: Unspent funds are carried forward and available for next fiscal year

4.2 STRATEGIC PLAN ACCOUNTABILITY

As noted in Section 3.2, alignment with the strategic priorities identified in the Basin and Action Plans is a key consideration for the Technical Review Committees and Board during the project evaluation and selection process.

Tables 4.2 and 4.3 provide a listing of the projects selected for funding during F13, including alignment with the Basin and Action Plans.

In future, starting in F14, the Evaluation Plus process will further evaluate the success and performance of projects, including alignment with Basin and Action Plans and whether the results of the projects address the applicable Action(s) according to the needs identified in the Plans.



Matt Neufeld at a natural fish barrier, 28 km's upstream from Kootenay Lake, on the Upper Kaslo River. Photo: Redfish Consulting.

4.3 F13 LIST OF PROJECTS

In total, there were 14 core projects (Table 3.2) and 21 application-based projects (Table 4.3).

Table 4.2: Core Project List

Core Project Name	FWCP Contribution	Primary Project Type ¹	Primary Action Plan Linkage
West Kootenay Enhancement	\$ 93,450	HB	Upland/Dryland
East Kootenay Enhancement	\$ 252,900	HB	Upland/Dryland
Non Game Enhancement	\$ 49,875	HB	Species of Interest
Land Management Operations	\$ 311,350	LS	Upland/Dryland
Large Mammal Monitoring	\$ 78,550	ME	Upland/Dryland
Land Acquisition	\$ 625,225	LS	All Action Plans
Caribou Recovery	\$ 91,250	ME	Species of Interest
Leopard Frog Recovery	\$ 133,825	ME	Species of Interest
Core Wildlife Subtotal	\$ 1,636,425		
Arrow Lakes Nutrient Restoration Program	\$ 857,234	HB	Large Lakes
Upper Columbia White Sturgeon	\$ 234,275	HB	Species of Interest
Hill Creek Spawning Channel	\$ 146,000	HB	Large Lakes
Meadow Creek Spawning Channel	\$ 178,600	HB	Large Lakes
KL Nutrient Restoration	\$ 750,795	HB	Large Lakes
Large Lakes Trophic Interactions	\$ 49,700	RI	Large Lakes
Core Fisheries Subtotal	\$ 2,216,604		
GRAND TOTAL	\$ 3,853,029		

¹ HB = Habitat-Based Actions; LS = Land Securement; ME = Monitoring and Evaluation; and RI = Research and Information Acquisition.

Table 4.3: Application-Based Project List

Project Name	Lead Applicant	FWCP Contribution	Primary Project Type ¹	Primary Action Plan Linkage
Wetland Conservation and Stewardship in Nelson, Salmo and Castlegar	BC Wildlife Federation	\$ 4,620	HB	Riparian & Wetland
South Selkirk Grizzly Bear Habitat Assessment and Security Enhancement Project	Birchdale Ecological	\$ 30,000	RI	Species of Interest
BC Breeding Bird Atlas – Columbia River Basin	Bird Studies Canada	\$ 25,000	RI	Upland/Dryland
Quantifying the ecosystem response to reducing moose populations as a tool to mitigate the impacts of forest management and hydroelectric activities on endangered mountain caribou in the Revelstoke area	Robert Serrouya	\$ 13,400	RI	Species of Interest
Western Toads at Summit Lake	Jakob Dulisse	\$ 35,000	RI	Species of Interest
Enhancement and monitoring of nesting habitat for common loons on Whatshan Lake	Kingbird Biological Consultants Ltd.	\$ 4,700	HB	Upland/Dryland
St. Mary's Ecosystem Restoration Project	St. Mary's Band	\$ 10,000	HB	Upland/Dryland
Kinsmen Beach Restoration Project	Lake Windermere Ambassadors	\$ 5,000	HB	Small Lakes
Meadow Creek less-lethal Bear Management Project	North Kootenay Lake Bear Smart Program	\$ 25,000	ME	Species of Interest
North Kootenay Lake Bear Smart Program	North Kootenay Lake Bear Smart Program	\$ 10,000	HB	Species of Interest
Western Screech Owl Telemetry	Seepanee Ecological Consulting	\$ 38,520	RI	Species of Interest
Identifying and Securing Hibernation Habitat in the Columbia Basin in Response to Risk of White Nose Syndrome-Year 2	Wildlife Conservation Society of Canada	\$ 30,000	HB	Species of Interest

¹ HB = Habitat-Based Actions; LS = Land Securement; ME = Monitoring and Evaluation; and RI = Research and Information Acquisition.

Table 4.3: Application-Based Project List Continued

Project Name	Lead Applicant	FWCP Contribution	Primary Project Type ¹	Primary Action Plan Linkage
Queen Victoria Mine Gating	Wildlife Conservation Society Canada	\$ 10,000	HB	Species of Interest
Miller Road ER Treatment Follow-Up Effectiveness Monitoring	Rocky Mountain Trench Natural Resource Society	\$ 9,424	HB	Upland/Dryland
Wildlife Based Projects Subtotal		\$ 250,664		
Kaslo River/Crawford Creek Bull Trout Assessment	Redfish Consulting Ltd.	\$ 9,900	ME	Large Lakes
Boulder Creek Diversion	Wilmer Waterworks Improvement District	\$ 10,000	HB	Small Lakes
Salmo Bull Trout Redd Counts	Salmo Watershed Streamkeepers Society	\$ 8,816	ME	Streams
Sheep Creek Fertilization	Salmo Watershed Streamkeepers Society	\$ 10,000	HB	Streams
Lardeau/Duncan River Juvenile Gerrard Rainbow Assessment	Redfish Consulting Ltd.	\$ 9,355	ME	Large Lakes
Whatshan Reservoir Restoration	Redfish Consulting Ltd.	\$ 8,200	RI	Small Lakes
Kootenay Lake Habitat Index	CCRIFC / Ktunaxa Nation Council	\$ 10,000	RI	Large Lakes
Fisheries Based Projects Subtotal		\$ 66,271		
FISH & WILDLIFE APPLICATION BASED PROJECTS TOTAL		\$ 316,935		

¹ HB = Habitat-Based Actions; LS = Land Securement; ME = Monitoring and Evaluation; and RI = Research and Information Acquisition.