

2013 - 2014

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





2014

MESSAGE FROM THE BOARD CO-CHAIRS

On behalf of the FWCP-Columbia Board, we are pleased to invite you to read our Annual Report for Fiscal Year 2014 (F14). 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 2014 (April 1, 2013 - March 31, 2014) was extremely busy again for FWCP-Columbia. As in years past the majority of program expenditures went toward implementing core fish and wildlife project envelopes. 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.

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 year is over \$500K, up from approximately \$317K the previous fiscal year.

F14 was another significant year for the FWCP with the announcement of the partnership with Columbia Basin Trust (the Trust) to form the East Kootenay

Koocanusa Fish and Wildlife Program. This Program was initiated following a \$3M contribution from the Trust to the FWCP covering a 3-5-year time frame. The East Kootenay-Koocanusa Fish and Wildlife Program will help protect and enhance fish, wildlife and habitats in and around Koocanusa Reservoir and its tributaries in the Kootenay River system.

Another partnership, this time between the FWCP and the Ministry of Environment (MOE), forged during the fiscal year regarding report and data-management. Work was set in motion to transfer final reports from FWCP-supported projects, and associated project data wherever possible, to the appropriate MOE databases. The goal of this new direction is to make project methodologies and results readily available to a wider audience and to work in sync with the Province’s data management practices and guidelines.

This was also another year of successful major outreach events organized by FWCP-Columbia: sturgeon releases for the public and students were expanded to include more interactive displays; and another Toadfest at Summit Lake, Nakusp, received nationwide coverage through CBC Radio.

Information-sharing is also an important part of the work with the FWCP, whether it be in the field at the Open House at Meadow Creek Spawning Channel (that was very valuable given the new hours for public viewing), or through public information sessions, such as the Arrow

Lakes Fisheries Update meeting (in conjunction with the Ministry of Forests Lands and Natural Resource Operations) in Nakusp.

Reflecting the FWCP partnership, the FWCP-Columbia Board is made up of representatives from the public, First Nations, the Province of B.C. and BC Hydro. This marks the first full year of implementation of the new delivery model, and we have asked a lot of these representatives. The Program could not have moved forward in the way that it has without their time, commitment and dedication to improve it. During the process they have not lost sight of the ultimate goal – to help fish and wildlife in the Columbia Basin as much as possible through the operation of an effective and efficient program – and we appreciate their forward-looking direction as the Board sets priorities for future investment.

And finally, 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

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 the public.

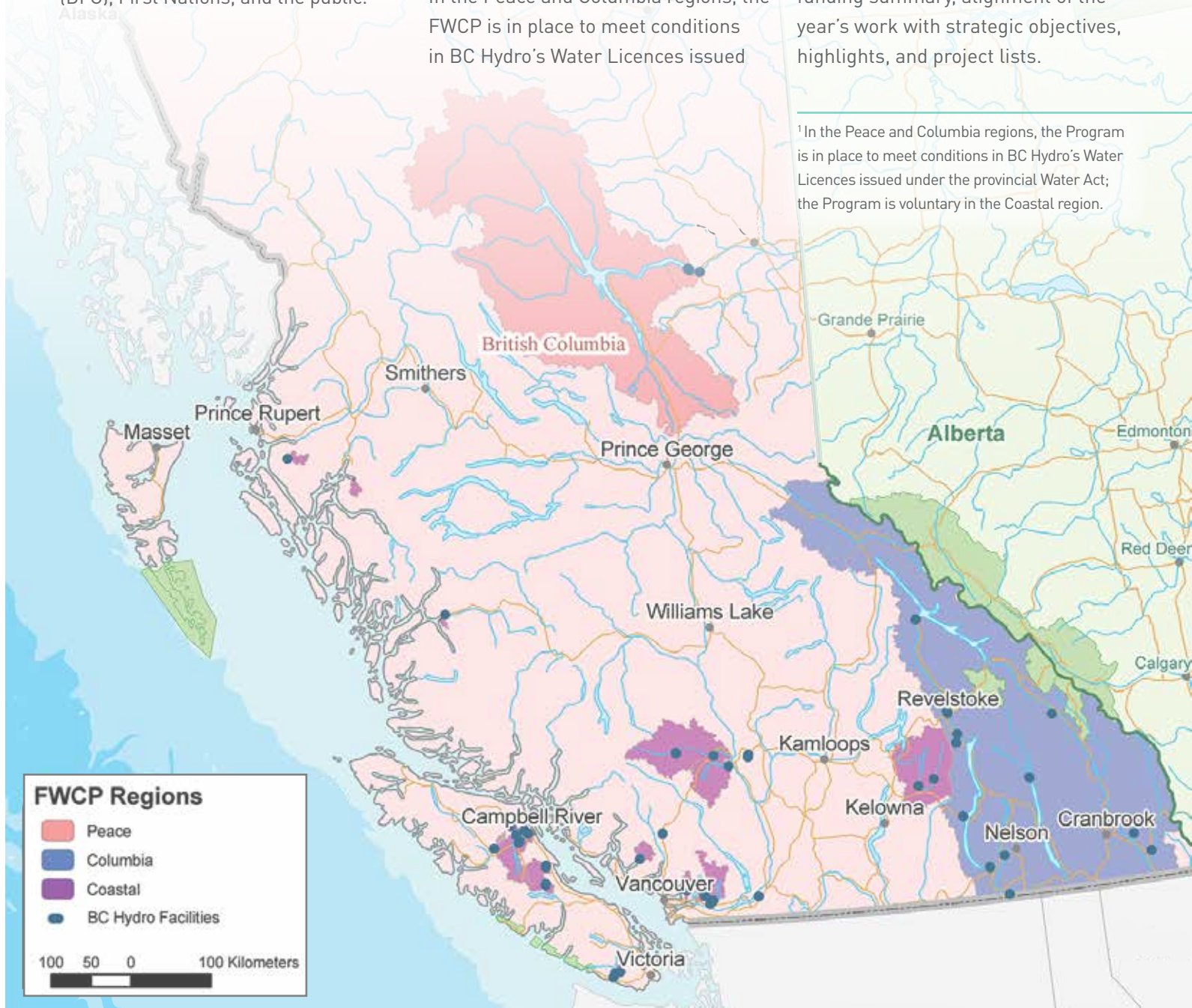
The FWCP has invested more than \$125 million and delivered more than 1,500 projects that conserve and enhance fish, wildlife and their supporting habitats affected by the creation of BC Hydro-owned and operated generation facilities in the Coastal, Columbia and Peace regions of British Columbia.

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 by BC Hydro in the Coastal region. FWCP-Columbia was established in 1995.

This Annual Report provides an overview of FWCP-Columbia activities for Fiscal Year 2014 (i.e. April 1, 2013 to March 31, 2014), including a report on financial performance, project funding summary, alignment of the year's work with strategic objectives, highlights, and project lists.

¹In 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)



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)

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 F14, 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 programs in F14.

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 which 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

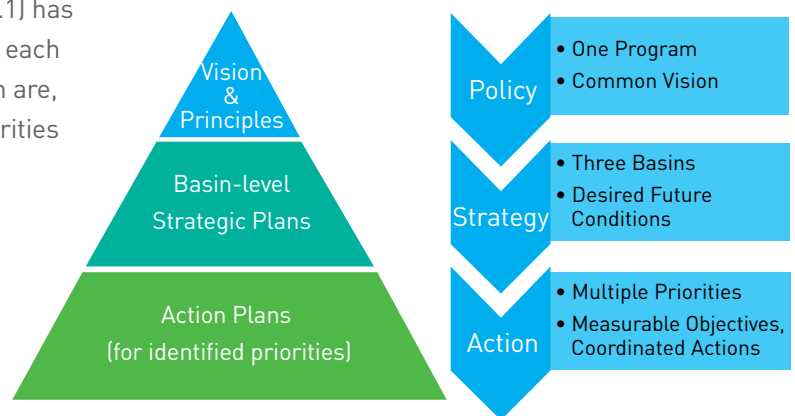


Figure 2.1: Relationship between the FWCP Strategic Framework, basin strategic plans and action plans.

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 Nations, 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 the Basin and Action Plans are combined, they present the priorities for investments in compensation activities within the Columbia Basin.

Action Plans:

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

Final drafts of the Actions Plans became publicly available online at www.fwcp.ca in the summer of 2012.

In F14 significant effort and research was put into refining the Wetland and Riparian Action Plan. The document is anticipated to be finalized in the summer of 2014, following a 2nd public comment period.

The Action Plans (and tables within) provide direction, and identify areas of focus in FWCP-Columbia, for an approximately five-year period, starting in the summer of 2012. The Final Draft status recognizes that the plans are to be considered living documents that will be reviewed and refined on an on-going basis, as determined by the regional Board, as is the case with the Wetland and Riparian Action Plan referred to above.

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 of key consideration.

All projects developed for F14, including both core and application-based projects, align with the Basin Plan and Action Plans. The Plans are posted at the FWCP website www.fwcp.ca, and, each year, applicants are asked to review the relevant Plans and identify how their proposed project aligns with, and supports, their 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

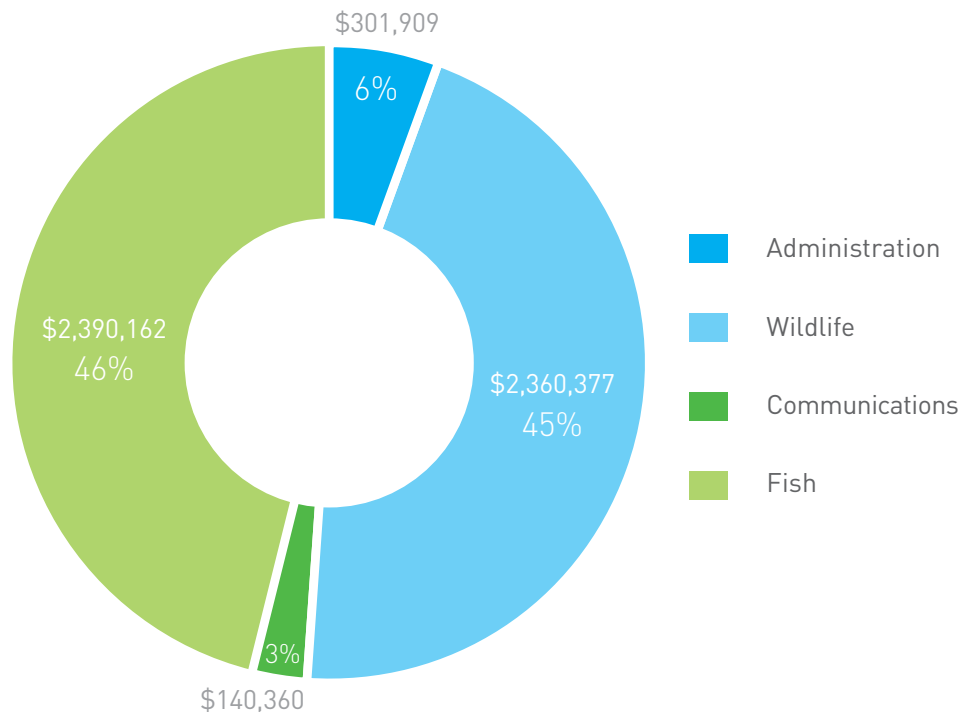
4.1 FINANCIAL REPORT

The FWCP is funded by BC Hydro through a notional fund that is indexed to the Consumer Price Index (CPI). The FWCP fiscal year runs from April 1, through to March 31, of the following year. For F14, the annual funding budget for FWCP-Columbia was \$5.2 million.

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

F14 Approved Budget at April 1, 2013

Figure 4.1



For F14, the Board approved a budget of \$5.2M, going primarily toward projects related to fish and wildlife enhancement projects. Figure 4.1 illustrates the approved F14 budget at the start of the fiscal year. A complete project list for F14 is found starting on page 8. Administrative and communications costs made up approximately 6% and 3% of the total budget, respectively.

In addition, it is not uncommon for projects to be completed 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 F14 may increase.

The approved F14 budget for FWCP-Columbia included \$2.4M each on both Wildlife-related projects and Fish-related projects, and their associated implementation support (total \$4.8M), as shown in Table 4.1.

Program expenditures in F14 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 expenditures made related to F14 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 fiscal year-end. The F14 allocated funds not yet paid out by March 31, 2014 are labelled “Planned” in Figure 4.2 and Table 4.1.

Actuals & Planned Expenditures at March 31, 2014

Figure 4.2

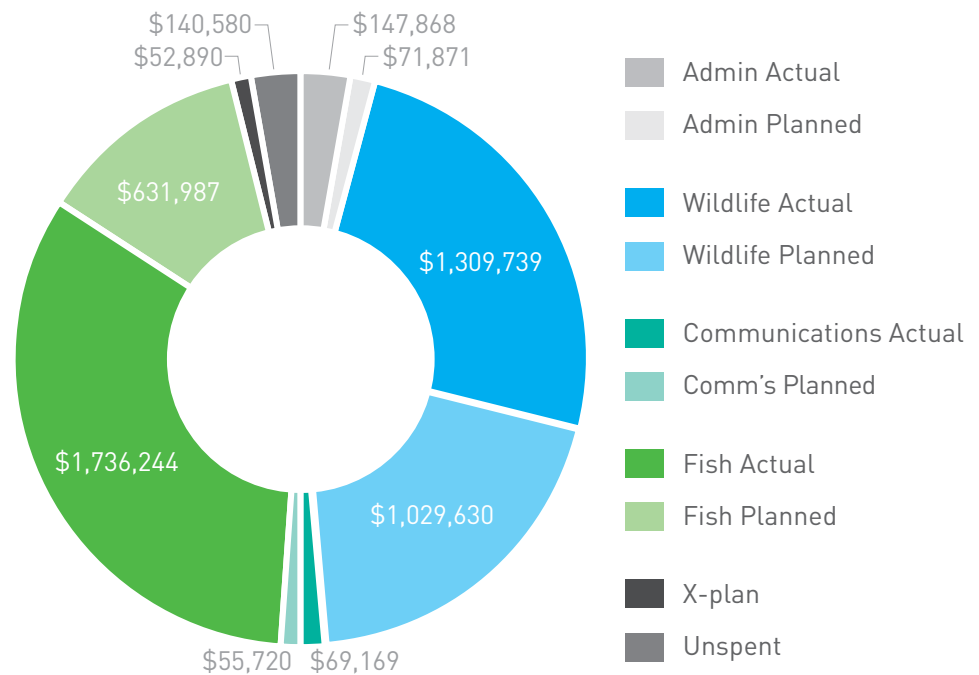


Table 4.1: F14 Actual Budget at March 31, 2014

Fund Category	FY14 Approved Budget	Paid up to 31-Mar-13	Planned Payments ¹	Unspent Funds ²
Administration	\$301,909.00	\$147,868	\$71,871	\$0
Wildlife	\$2,360,377.00	\$1,309,739	\$1,029,630	\$0
Communications	\$140,360.00	\$69,169	\$55,720	\$0
Fish	\$2,390,162.00	\$1,736,244	\$631,987	\$0
TOTAL	\$5,192,808.00	\$3,263,020	\$1,789,208	\$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 Watershed Plans 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 F14, including alignment with the Watershed and Action Plans.

4.3 F13 LIST OF PROJECTS

In total, there were 14 core projects (Table 4.2) and 22 application-based projects approved by the Board (12 wildlife, and 10 fish) as shown in 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	\$ 215,082	HB	Upland/Dryland
East Kootenay Enhancement	\$ 323,808	HB	Upland/Dryland
Non Game Enhancement	\$ 153,821	HB	Species of Interest
Land Management Operations	\$ 388,613	LS	Upland/Dryland
Large Mammal Monitoring	\$ 82,836	ME	Upland/Dryland
Land Acquisition	\$ 466,082	LS	All Action Plan
Caribou Recovery	\$ 156,685	ME	Species of Interest
Leopard Frog Recovery	\$ 163,585	ME	Species of Interest
Core Wildlife Subtotal	\$ 1,950,512		
Arrow Lakes Nutrient Restoration Program	\$ 755,073	HB	Large Lakes
Upper Columbia White Sturgeon	\$ 742,337	HB	Species of Interest
Hill Creek Spawning Channel	\$ 145,877	HB	Large Lakes
Meadow Creek Spawning Channel	\$ 151,980	HB	Large Lakes
Kootenay Lake Nutrient Restoration Program	\$ 742,337	HB	Large Lakes
Core Fisheries Subtotal	\$ 2,537,604		
GRAND TOTAL	\$ 4,488,116		

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
Blueprint for Action 2013	Rocky Mountain Trench Natural Resources Society	\$ 6,000	ME	Uplands/ Drylands
Abundance and Connectivity of Wolverine (Gulo gulo) in the Kootenay Region	Seepane Ecological Consulting Ltd.	\$ 35,550	RI	Species of Interest
South Selkirk Grizzly Bear Habitat Assessment and Security Enhancement Project	Birchdale Ecological	\$ 30,000	RI	Species of Interest
Assessing Population Connectivity – Furbearer Populations in the Columbia Basin ²	Ministry of Environment	\$ 6,675	RI	Species of Interest
Ecology of a Focal Wetland Species: the Western Painted Turtle	VAST Resource Solutions	\$ 50,190	RI	Species of Interest
Riparian/Wetland Habitat Restoration – Lower Goat River	Masse Environmental Consultants Ltd.	\$ 20,333	HB	Wetland & Riparian
Kinsman Beach Restoration – Phase 3	Lake Windermere Ambassadors Society	\$ 2,523	HB	Large Lakes
Meadow Creek Bear Education and Management Project	The British Columbia Conservation Foundation (BCCF)	\$ 35,000	HB	Large Lakes
Lewis Woodpecker Nesting Surveys in First Nation Reserves of the East Kootenay Region	Nupqu Development Corporation	\$ 18,100	RI	Species of Interest
Decision Support Tools for the Columbia Basin -BC Breeding Bird Atlas	Bird Studies Canada	\$ 28,700	RI	Species of Interest
Wetlands on Wheels – Conservation in the West Kootenay	The British Columbia Wildlife Federation (BCWF)	\$ 25,000	HB	Wetland & Riparian
Testing Effects of Reseeding and Fertilizer to Enhance Grassland Restoration Treatments in the East Kootenay ²	Nupqu Development Corporation	\$ 36,055	ME	Uplands/ Drylands
Wildlife Based Projects – Subtotal		\$ 294,126		

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

² Note: projects were conditionally approved; however projects were not implemented by the proponents.

Table 4.3: Application-Based Project List Continued

Project Name	Lead Applicant	FWCP Contribution	Primary Project Type ¹	Primary Action Plan Linkage
Arrow Lakes Reservoir Bull Trout Redd Counts	John Hagen and Associates	\$ 47,739	ME	Large Lakes
Slocan Lake Bull Trout Spawning Study	Mountain Water Research	\$ 9,923	RI	Large Lakes
Pass (Norns) Creek Fish Habitat Enhancement Structure Monitoring	Okanagan Nation Alliance (ONA)	\$ 10,065	ME	Streams
Kootenay Lake Exploitation Study	Poisson Consulting Ltd.	\$ 8,442	ME	Large Lakes
Determination of Gerrard Rainbow Trout Parr Productivity and Capacity Required for Defining Management Reference Points: Specifically the Stocks' Compensatory Capacity	Red Fish Consulting Ltd.	\$ 10,050	ME	Large Lakes
Kootenay Lake Adfluvial Bull Trout Monitoring	Red Fish Consulting Ltd.	\$ 56,802	ME	Large Lakes
Feasibility of Obtaining In-lake Predator Estimates from Hydroacoustics on Kootenay Lake	Red Fish Consulting Ltd.	\$ 9,800	RI	Large Lakes
Bull Trout Spawner Escapement in the Salmo River Watershed 2013	Salmo Watershed Streamkeepers Society	\$ 11,748	ME	Streams
Sheep Creek Fertilization: The Food for Fish Enhancement Project	Salmo Watershed Streamkeepers Society	\$ 12,507	HB	Streams
Murphy Creek Spawning and Rearing Channel Restoration	Trail Wildlife Association (TWA)	\$ 24,508	HB	Streams
I Love my Lake – Columbia Basin	Wildsight	\$ 8,000	RI	Small Lakes
Fisheries Based Projects – Subtotal		\$ 209,584		
GRAND TOTAL		\$ 503,710		

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

² Note: projects were conditionally approved; however projects were not implemented by the proponents.