



Annual Report

FWCP Peace Region

2014-2015



The FWCP is a partnership between BC Hydro, the Province of B.C., Fisheries and Oceans Canada, First Nations and Public Stakeholders to conserve and enhance fish and wildlife impacted by existing BC Hydro dams.

Message from the Board Chair

On behalf of the Fish and Wildlife Compensation Program-Peace Board, I invite you to read our Annual Report for Fiscal Year 2015 covering the period April 1, 2014 to March 31, 2015. The FWCP in the Peace Region 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 generation facilities.

Fiscal Year 2015 (F15) was a year of significant achievements for the FWCP-Peace. The Policy Committee endorsed the new Basin and Actions Plans for FWCP-Peace, as well as the Governance Manual for the entirety of the Fish and Wildlife Compensation Program. These documents guided the Board's review of its first full funding application intake. This was only the second year of program activities under the new Program delivery model. Working with the Board, the First Nations Working Group (FNWG) developed a Notice of Intent (NOI) process to connect proponents with First Nations early in the application process to ensure appropriate pre-application dialogue. In addition to our funding application review and grant process, the Board also identified priorities to carry out project work ('directed projects') on high priority topics as identified in the Basin and Action Plans. These included projects to initiate investigations of limiting factors affecting moose populations in the basin, a data gap analysis for Arctic grayling, a strategy for investigating mercury related issues in fish in the reservoir, and a review of the status of riparian and wetland mapping in the region.

We received a strong response to our call for applications this year with 71 Notices of Intent submitted for review to the First Nations Working Group and, subsequently, 49 project applications submitted for review by all committees. The Board approved 21 grant applications representing a broad spectrum of projects for a variety of species including Bull trout, Lake trout, caribou, Fisher, migratory birds and amphibians. Other habitat studies will investigate lichen restoration in burn areas and fish passage improvement potential at perched culverts. Available funds that were not allocated in the funding cycle remain available for allocation through future proposal calls.

During the past year we were saddened by the passing of two of our members, both from Doig River First Nation. Alveena Acko was a Board member and Kelvin Davis was a member of the First Nations Working Group. Both made notable contributions to the Program.

I would like to thank all members of the Board, First Nations Working Group, Fish and Wildlife Technical Committees, and program staff for contributions to the FWCP in the Peace Region during this past year and for helping to make the program a success. We now have established priorities and a program structure in place to deliver on our vision of thriving fish and wildlife populations, in healthy and sustainable ecosystems.

Sincerely,

Eric Lofroth,
FWCP-Peace Board Chair



Front Cover
Bull Trout, Steve Rooke photo

1.0 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 Peace, Columbia and Coastal regions of British Columbia. The Program operates as a partnership between BC Hydro, the Province of BC, Fisheries and Oceans Canada (DFO), First Nations, and the public including local communities, organizations and groups.

The FWCP has invested more than \$134 million and delivered more than 1,600 projects that increase understanding, and conserve and enhance fish, wildlife and their supporting habitats impacted by existing BC Hydro generating facilities in the Coastal, Columbia and Peace regions of British Columbia.

The Peace program was established in 1988 to support the conservation and enhancement of fish, wildlife and habitat in watersheds impacted by the footprint created by the impoundment of the Peace River and creation of the Williston and Dinosaur reservoirs (Figure 1). In the Peace and Columbia regions, the Program is in place as a mechanism to implement conditions in BC Hydro's water licenses issued under the provincial Water Act.

This Annual Report provides an overview of the activities of the FWCP-Peace for Fiscal Year 2015, covering the period April 1, 2014 to March 31, 2015. It includes an overview of financial performance, project funding summary, alignment of the year's work with strategic objectives, and some highlights from the year.

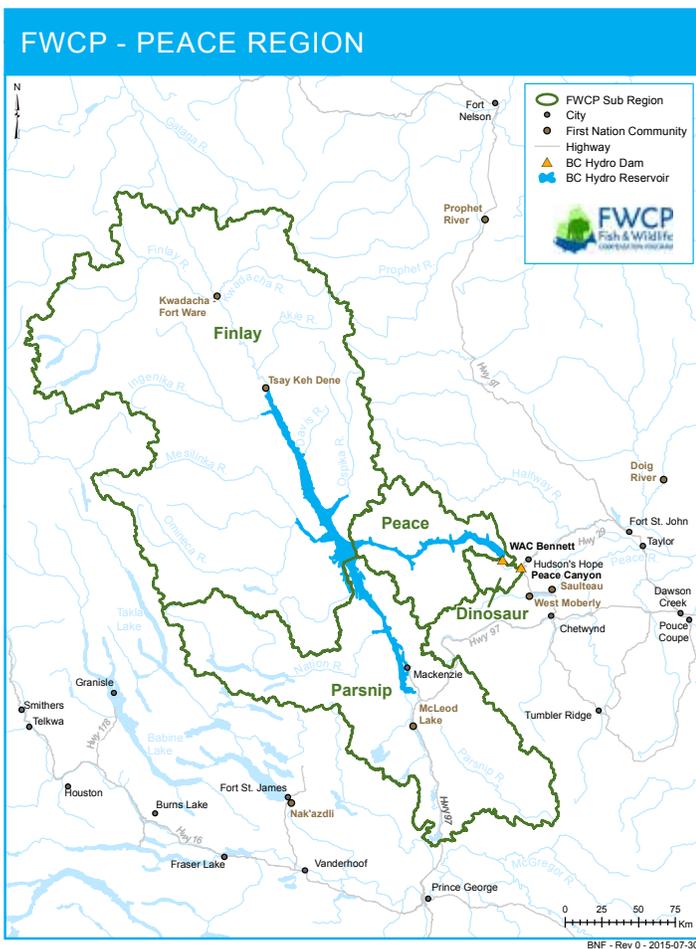


Figure 1.1
FWCP-Peace Region Map



Ruby-crowned Kinglet,
Audubon Society photo

GOVERNANCE

The FWCP is governed through a framework that recognizes the regulatory accountabilities of the agency partners (BC Hydro, the Province of BC 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 governance document can be found on the program website at FWCP.ca.

In the past year, the FWCP-Peace operated with a Board of sixteen members representing First Nations, the public, Province of B.C. and BC Hydro. Michael Nash (Public Member) retired from the Board in February 2015 and a recruitment process is underway to replace him. Ted Down (Ministry of Environment) retired as Board member and Chair and has been replaced by Eric Lofroth. Patrice Rother moved to a new position with BC Hydro and was replaced by Trevor Oussoren. Sadly, Alveena Acko representing Doig River First Nation passed away in August 2014. Gord Haines has since taken her place. The Board members were:

First Nation Representatives:

Luke Gleeson, Tsay Keh Dene
Teena Demeulemeester, Saulteau
T. Rosemarie Sam, Nak'azdli
Alec Chingee, McLeod Lake
Luke Vince, Kwadacha
Cec Heron, West Moberly
Robin Tsakoza, Prophet River
Alveena Acko / Gord Haines, Doig River
Jason Lee, Treaty 8 Tribal Association

Public Representatives:

Debbie Beattie, Public
Michael Nash, Public
Ross Peck, Public

Agency Representatives:

Ted Down / Eric Lofroth, (Chair), Ministry of Environment
Norm Bilodeau, Ministry of Forests, Lands and Natural Resource Operations
Patrice Rother / Trevor Oussoren, BC Hydro
Rian Hill, BC Hydro

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 Policy Committee members were:

- Edie Thome**, Director of Environmental Risk Management, BC Hydro
- Mark Zacharias**, Assistant Deputy Minister, BC Ministry of Environment
- Bonnie Antcliffe**, Regional Director Pacific Region, Fisheries and Oceans Canada (DFO)

This year the Board has been supported by the First Nations Working Group (FNWG) and by two Technical Committees, one for wildlife projects, and one for fish projects.

- The primary roles of the First Nations Working Group are to provide a First Nations advisory role including early dialogue with proponents prior to project application submission; to review and score all fish and wildlife project applications received and to advise on cultural, heritage and traditional ecological knowledge aspects that are important to their respective communities; to provide advice on the effective implementation of the Action Plans and Strategic Plan; and to contribute to building strong relationships with all partners to the FWCP.
- The primary roles of the Technical Committees are to provide a technical advisory role including fair and objective technical review, evaluation and ranking of fish and wildlife project proposals; support the development of strategic plans; assist in the development and oversight of directed projects; and provide advice on the effective implementation of action plans.

Sadly, **Kelvin Davis**, FNWG member for Doig River First Nation passed away in November 2014. Gord Haines has since taken his place. In the 2015 fiscal year the First Nations Working Group members were:

- Luke Gleeson**, Tsay Keh Dene
- Fernie Garbitt**, Saulteau
- T. Rosemarie Sam**, Nak'azdli
- Alec Chingee**, McLeod Lake
- Charlotte Boya**, Kwadacha
- George Desjarlais**, West Moberly
- Robin Tsakoza**, Prophet River
- Kelvin Davis / Gord Haines**, Doig River
- Jason Lee**, Treaty 8 Tribal Association

Randy Zemlak (BC Hydro) took the place of outgoing Alf Leake on the Fish Technical Committee. In the past year the members were:

- Ray Pillipow**, (Chair), Ministry of Forests, Lands and Natural Resource Operations
- Mike McArthur**, BC Hydro
- Greg Wilson**, Ministry of Environment
- Alf Leake / Randy Zemlak**, BC Hydro

Doug Heard (FLNRO) retired in 2015 and was replaced by Mike Klaczek. Carmen Marshall of the Saulteau First Nation joined the committee to review applications this year. In the past year the Wildlife Technical Committee members were:

- Dale Seip**, (Chair), Ministry of Forests, Lands and Natural Resource Operations
- Susan Pinkus**, BC Hydro
- Doug Heard / Mike Klaczek**, Ministry of Forests, Lands and Natural Resource Operations
- Kim Hawkins**, BC Hydro
- Carmen Marshall**, Saulteau First Nation

In each region, 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 the past year, the FWCP-Peace Program Manager was Dan Bouillon. The Program Administrator for all three FWCP regions was Lorraine Ens

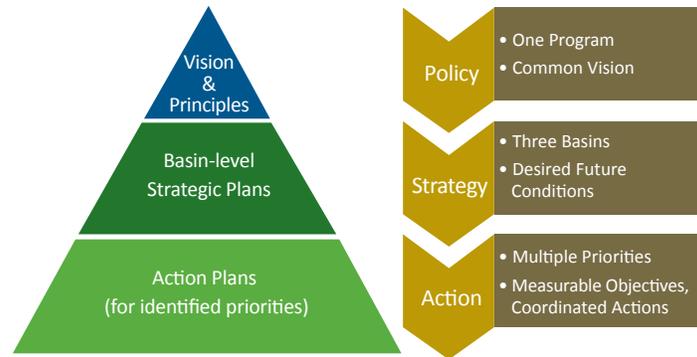


Artificial nest box monitoring,
Ecofor Consulting photo

2.0 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 watershed within the FWCP program area, which are in turn informing action plans that focus on specific priorities within each watershed.

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.

3.0 FWCP Strategic Objectives and Strategic 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, the provincial Ministry of Environment's shared stewardship goal and the approach of Fisheries and Oceans Canada'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

The outcome of the FWCP-Peace strategic planning process was the completion of the Peace Basin Plan and six Action Plans which were approved by the Policy Committee in June 2014. The Action Plans provide direction, and identify areas of focus in the FWCP-Peace. The Plans are considered living documents that will be reviewed and refined as required on an ongoing basis as determined by the Board. The Plans can be found on the Program web site at FWCP.ca.

Action Plans:

- Streams;
- Reservoirs;
- Lakes;
- Uplands;
- Riparian and Wetland; and
- Species of Interest.



Students learn about tree growth, Wildlife Infometrics photo



4.0 Major Milestones and Development

This was a year of continued significant change as the building blocks of the Peace program were formally completed and used to support decisions made by the Board. The major milestones and developments include:

- The FWCP Governance Manual, FWCP-Peace Basin Plan and six Action Plans were formally accepted by the Policy Committee in June 2014. The Governance Manual provides clear direction to all supporting FWCP committees on their roles and responsibilities. The FWCP-Peace Basin and Action Plans provide clear direction to proponents about priority project work that is eligible for funding.
- In May 2014 the Board met to identify priorities for the 24 'directed projects' identified in the Action Plans, and to establish a process for carrying out this work. Directed projects are those that are implemented to fill key information gaps, or those that requires specific direction from the Board to establish the scope and sequencing of work. The Board identified the 10 highest priorities and then designated the four priorities to be initiated first. The priorities and associated activities this past year were:
 - o Mercury in Fish: A scope of work was developed and approved by the Board in August 2014, and a contract established with Azimuth Consulting Partnership Group. Azimuth initiated dialogue with interested parties, met with First Nations and health authorities, reviewed existing data availability, identified data gaps and in March 2015 prepared a report that outlined a study approach for this project.
 - o Arctic Grayling Data Gaps: A detailed scope of work was developed and subsequently a contract was awarded to Stamford Environmental to carry out the work in the 2016 fiscal year.
 - o Moose Limiting Factors Investigation: The Board considered moose limiting factors to be important information requiring a significant investment of up to \$1M over five years, overlapping with similar provincial studies being carried out in other regions of the province. Two contracts were established to a) capture and collar 60 moose in the Parsnip and Peace areas of the Williston Basin, and b) to investigate factors limiting survival. The project was postponed for one year (to re-start in fall 2015) after it was determined that there were no BC Hydro approved helicopter companies available that could carry out the capture work.
 - o Riparian and Wetland Mapping: a review of existing map information was carried out by the Ministry of Environment and options proposed to fill in existing data gaps. A decision on next steps will be made by the Board in the coming fiscal year.

- Working with the Board, the First Nations Working Group developed a process to stimulate early dialogue between proponents and affected First Nations. The process requires all proponents to submit a 'Notice of Intent' (NOI) or early engagement form one month prior to application submission that identifies the project scope, location of work and partners involved. The FNWG reviews each NOI and sends the proponent advice on which First Nations to contact about the project (specific names and contact information). The process gives First Nations an early look at proposed work and therefore provides further opportunity for partnership development and communication among affected First Nations and project proponents. It also provides proponents with certainty about who specifically they need to contact to carry out appropriate communication. The process was well-received by First Nations and proponents in its first year of use.



Bull Trout, Steve Rooke photo

5.0 Report on Performance

5.1 RESULTS OF THE 2014-15 PROJECT APPLICATION INTAKE

This was the first year of implementation of the Notice of Intent process, and the first project application intake guided by finalized Peace Basin and Action Plans. Proponents were instructed to follow consultation advice given by the FNWG prior to submission of final applications, and to align their application with priorities identified in the Action Plans.

Seventy-one Notice of Intent forms were submitted. First Nations representatives generally reported good results with the process in this first year of implementation with useful information exchanged and follow-up dialogue with proponents. Proponents were pleased with the certainty provided by the process and the clarity of appropriate contact information.

Forty-nine applications were received representing broad participation from the Province of B.C., First Nations, non-profit societies, conservation groups, universities and consultants. Project applications were reviewed by the Program Office, Fish or Wildlife Technical Committee, FNWG and the Board. In making its final decision on each application, the Board considered advice provided by committees including advice on technical merit, First Nations values, and the value to the Program, alignment with priority actions identified in the Basin and Action Plans, and likelihood of success. Twenty project applications were approved for funding (five fish and 15 wildlife) and two directed projects for a total project investment of \$785,076 and total Program investment of \$1,148,875. The results of these projects will be reported on in the 2015-2016 Annual Report

5.2 2014 -2015 FINANCIAL REPORT

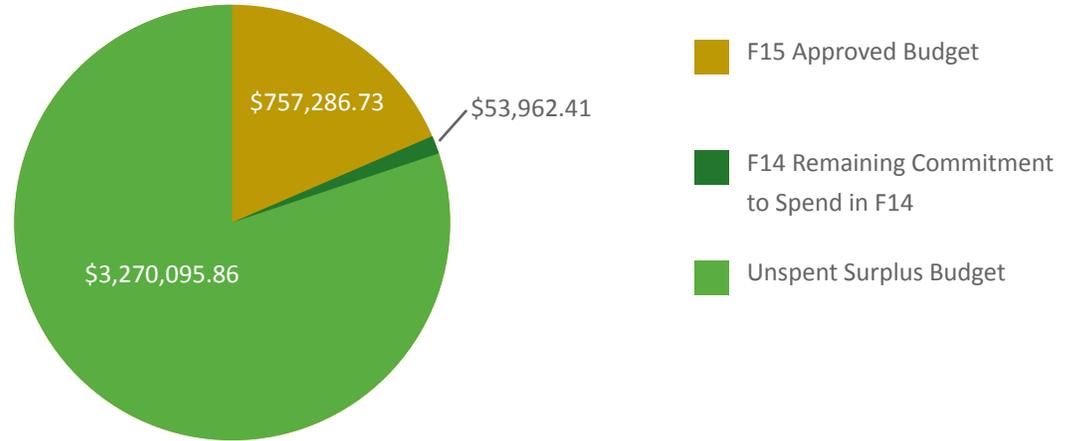
The FWCP is funded by BC Hydro through a notional fund which is indexed to the Consumer Price Index. For Fiscal Year 2015 spanning the time period April 1, 2014 to March 31, 2015, the annual funding for FWCP Peace Region was \$1.422M.

Each year, current annual funding is allocated by the FWCP Peace Board toward fish and wildlife projects and other Program costs. In Fiscal Year 2015 these other costs included administrative (e.g. salaries, travel, office, communication, safety and warehouse), community engagement (e.g. consultation and partnership, donations), annual planning (committee costs) and project development, support and delivery (e.g. database maintenance, inventory maintenance, survey and repair of existing habitat structures, historical data management). Any unallocated funds are carried forward ("unspent dollars"), and available for new spending in future fiscal years.

Similarly, not all allocated funds are expended by the end of a given fiscal year, due to the seasonal nature of the field-based projects. The difference between "planned spend" and "actually spent" funds ("committed funds") are carried forward as a liability on the balance sheet and remain available for spending on the respective committed projects to ensure payment in full. All allocated funds are associated with the fiscal year in which the spending was approved, and tracked separately.

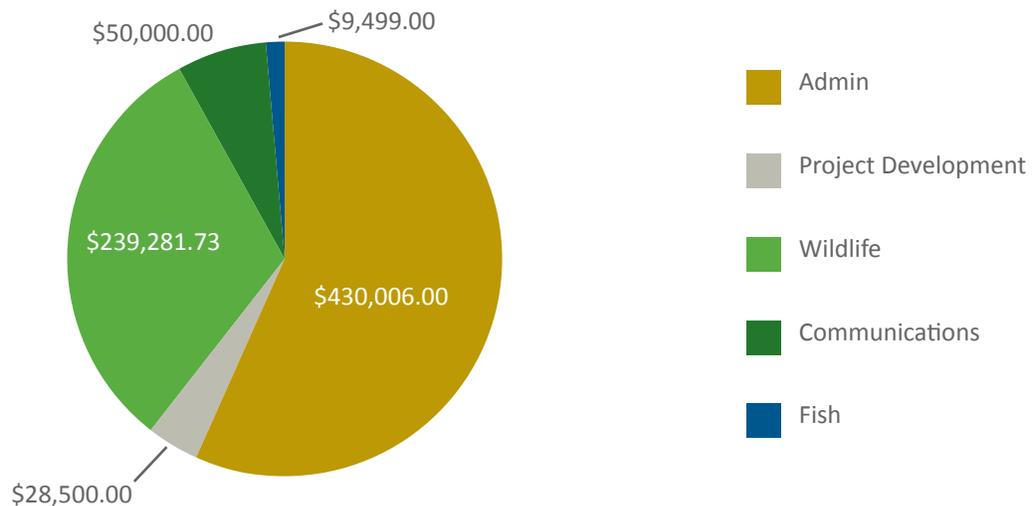
The FWCP-Peace financial situation at the start of Fiscal Year 2015 (April 1, 2014) included a Board-approved budget of \$757.3K and a funding commitment from the previous year of \$54K), with an unspent surplus of \$3.27M (Figure 3.1).

Figure 3.1 FWCP-Peace Financial Summary at April 1, 2014



The approved Fiscal Year 2015 budget directed funding toward administration (including committee meeting costs), fish and wildlife projects, communications and directed projects (Figure 3.2 and Table 3.1). Note that as the Program was still in a developmental stage in Fiscal Year 2015 only 53% (\$757.3K out of \$1.422M) of the total available annual budget was allocated. As annual administration costs are somewhat fixed this resulted in a large portion (56.8%) of the expended budget (or 30% of the total available annual budget). It is anticipated that administration costs will be reduced as committee budgets for Board, First Nations Working Group and Technical Committees are refined based on experience and improved practices. During the year additional expenditures were identified and approved by the Board and are identified as 'X-plan'. The X-plan approved costs were for Mercury Study Development (\$39,230), Arctic Grayling data gap assessment (\$35,000) and an investigation of Moose Limiting Factors (\$190,000) for a total X-plan of \$264,230.

Figure 3.2 F15 Approved Budget at April 1, 2014



It should be noted that Table 3.1 represents a “snapshot” in time of actual expenditures, as these values will change over the following months as F15 approved projects become finalized and final payments are issued. Any funds not spent during the fiscal year will be carried forward as unspent surplus budget and made available for future new project spending.

Table 3.1 provides a summary of planned and realized expenditures at the end of Fiscal Year 2015 by major budget category. A total of 52.5% (\$536,076) of the total budget including X-plan (\$1,021,507) was remained unspent by March 31 but is expected to be invoiced in subsequent months. An additional 7.2% (\$73,412) was not spent and represents cost savings. These cost savings were achieved primarily in administration and project development, support and delivery.



Caribou, Steve Rooke photo

Table 3.1 F15 Actual Budget at March 31, 2015

Fund Category	FY15 Approved Budget	Paid up to March 31, 2015	Planned Payments1	Unspent Funds2
Fish	\$9,499	\$3,749	\$5,750	\$-
Wildlife	\$239,282	\$85,885	\$147,441	\$5,956
Administration	\$430,006	\$248,707	\$136,693	\$44,607
Project Development	\$28,500	\$455	\$11,000	\$17,045
Communications	\$50,000	\$36,352	\$6,944	\$6,704
SUB-TOTAL	\$757,287	\$375,147	\$307,827	\$74,312
X-Plan	\$264,230	\$35,981	\$228,249	\$0
TOTAL	\$1,021,517	\$411,128	\$536,076	\$74,312

Table 3.1

Note 1: Planned payments represent expected invoices for approved, ongoing projects that have not yet submitted final reports by March 31st.

Note2: Unspent funds are carried forward and available for next fiscal year.

5.3 F15 PROJECTS AND GRANT RECIPIENTS

Table 3.2 provides a list of Program investments by project, grant recipient and Program sub-region. The FWCP-Peace operational area is broken down into four sub-regions in order to monitor and balance project investment (Finlay, Parsnip, Peace and Dinosaur).

Table 3.2 Table 3.2 Fiscal Year 2015 Project Investments and Grant Recipients.

Project Description	Lead Applicant	Region 1	FWCP Investment	Action Plan and Action #
Bird Banding at Mugaha Marsh Banding Station, Mackenzie, BC	Mackenzie Nature Observatory	Parsnip	\$15,500	
Artificial Nesting Structure Use and Maintenance	Ecofor	Parsnip	\$37,565	
Prescribed Burns to Enhance Habitats for Ungulates in the Williston Regional Area of North-central BC	Finlay River Outfitters and Wildlife Infometrics	Finlay	\$155,944	
Mackenzie Schools Ecology Program	Wildlife Infometrics	Parsnip	\$10,835	
Assessing Effectiveness of Designated Areas for Conservation of Caribou in the Scott West Herd Area	Wildlife Infometrics	Parsnip	\$19,438	
Peace Fish and Wildlife Compensation Program Colloquium	University of Northern British Columbia	All	\$4,500	
Development of Priorities for Assessment and Treatment	Society for Ecosystem Restoration and Enhancement in northcentral BC	All	\$4,999	
Directed Project: Azimuth Mercury Study (directed)	Azimuth Consulting Partnership Group	All	\$39,230	
Directed Project: Moose Limiting Factors	Wildlife Infometrics	Parsnip, Peace	\$100,000	
Directed Project: Capture-Collar for Moose Limiting Factors	Diversified Environmental	Parsnip, Peace	\$90,000	
Directed Project: Arctic grayling	Stamford Environmental	All	\$35,000	
TOTAL			\$513,011	

