



Fraser Basin Council

ANNUAL REPORT 2002-2003

Social well-being supported by a vibrant economy and sustained by a healthy environment



Fraser Basin Council

Fraser Basin Council Annual Report 2002 – 2003

The Fraser Basin Council's sixth Annual Report provides an overview of the mandate and structure of the Council, highlights from the Council's first six years, a summary of the Council's activities over the past year, and audited financial statements for the 2002/2003 fiscal year, April 1, 2002 through March 31, 2003.

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Message from the Chair



Dr. Jack Blaney, Chair of the Fraser Basin Council.

Dr. Jack Blaney was appointed as Chair of the Fraser Basin Council in September 2001, succeeding the previous Chair Iona Campagnolo who was appointed as British Columbia's first woman Lieutenant-Governor. In April 2003, Dr. Blaney was appointed as the Chair of the Citizens' Assembly on Electoral Reform and he therefore has taken an extended leave of absence as Chair of the Council. In May 2003, Patrick Reid, former Commissioner-General of Expo 86 and Chairman of the Rick Hansen Man-In-Motion Foundation, was appointed as the new Chair of the Council.

OVER THE PAST two years since I succeeded Her Honour Iona Campagnolo as Chair of the Fraser Basin Council, I have learned much about the magnificent Fraser River Basin. I also got to know many of the dedicated people who work so hard to make the Basin sustainable, and was very privileged to work with such exceptional Directors and staff.

The FBC is truly a unique coalition of dedicated individuals and a model of collaborative leadership at its best. I must say how impressed I have been with the effectiveness of the FBC in bringing people together from all orders of government, as well as from the private and civil sectors, to tackle big issues, solve problems and create opportunities to advance the sustainability of the Fraser River Basin. Working with this broad partnership, the FBC applies a new model of collaborative leadership and governance that is inherently open, informed, inclusive and flexible. In all of its work, the FBC remains impartial, transparent, independent and non-political in its primary role as an advocate for a sustainable Basin.

We all recognize that our Fraser River Basin – which stretches from its headwaters in the Rockies to its delta in the Georgia Strait – is one of the most diverse and magnificent places on this planet. We also know that we have the people to match its magnificence and its promise, as well as its challenges.

From those whose actions enrich the Basin, I have learned about many important issues throughout the Basin. Issues like preparing for the next great Fraser River flood, protecting our ecosystems, controlling invasive plant species, managing the effects of climate change, enhancing economic diversification and building constructive aboriginal and non-aboriginal relationships.

This annual report not only highlights Fraser Basin Council activities over the past year, but also chronicles six years of commitment by the FBC and its partners to advance sustainability throughout the Basin. The FBC is proud of the track record that it and its partners have forged since 1997, and it intends to build upon this legacy.

The highlights of the past year for me were undoubtedly the State of the Fraser Basin Conference in January 2003 that attracted more than 350 people from all parts of the Basin, and the release of the FBC's *A Snapshot On Sustainability: State of the Fraser Basin Report*. This comprehensive report examines 16 sustainability indicators that provide a picture of the health of the Fraser Basin.

In my "State of the Basin Address," I noted that achieving a sustainable Fraser River Basin is perhaps the most critical challenge facing the 2.7 million British Columbians who live, work and play in the Basin. In 30 years, the population of the Basin is expected to reach four million people. Managing this growth in ways that enhance the Basin's social, economic and environmental health is an enormous challenge, an important responsibility and an urgent priority.

The Fraser Basin Council believes that sustainability is not just about the environment nor the economy. It's about integrating economic, social and environmental considerations into all of our planning for the future health and prosperity of the Basin. It's about new ways of thinking. It's about developing new, collaborative models of leadership that can effectively grapple with the big issues. Sustainability is about change that rejects the status quo. It requires that we all work together to find the common ground upon which constructive solutions will be crafted. Perhaps we should stop trying to define the word and just think of sustainability as working together to build a better future for our children.

What we need is leadership that is collaborative, courageous, compelling and committed. Overall, the message to decision-makers is clear: British Columbians want courageous decisions that will leave a clean environment *and* a healthy economy for future generations, because both are needed for enduring prosperity.

Being appointed by the BC Legislature to Chair the Citizens' Assembly on Electoral Reform is a great honour and a challenging responsibility. Although I look forward to my new position, I remain committed to the vision of the Fraser Basin Council. I hand the reins over to the new Chair, Patrick Reid, who I know will bring his unflagging commitment, remarkable skills and unique perspectives to the Council.

Sincerely,

A handwritten signature in dark ink, reading "Jack Blaney". The signature is fluid and cursive.

Jack Blaney
Chair

Message from the New Chair



Patrick Reid, newly appointed Chair of the Fraser Basin Council (May, 2003).

I AM HONOURED to follow the distinguished tenures of Her Honour Iona Campagnolo and Dr. Jack Blaney at the Fraser Basin Council, a remarkable coalition of interests whose vision, and practical intent, is the achievement of "a place where social well-being is supported by a vibrant economy and sustained by a healthy environment." That place is the Fraser Basin, including the Fraser River, its tributaries and the communities that depend on its health.

What is well known is that the Basin is one of the largest salmon-producing river systems in the world. What is not well known is that the Basin contributes about 80% of British Columbia's gross domestic product and is home to two-thirds of the province's population, in an area the size of California.

For me, personally, this is the culmination of a long journey towards sustainability that commenced well over 30 years ago with the Club of Rome, the Limits of Growth report and the great Dr. Aurelio Peccei (who gave his very last oration at an Expo 86 conference), through Habitat 76, to the GLOBE series of conferences on sustainable development that began in 1990. And now I have been given a unique opportunity to be on "the firing line" with people whose daily lives depend on the sustainability of the Fraser Basin. I intend to make the most of it, and to encourage your interest and support.

I have asked a number of people what they know about the Council. The message I received was that the Council has been very effective in bringing people together to tackle big issues, to find solutions to longstanding conflicts and to take advantage of opportunities throughout the Fraser River Basin. It was clear that the Council's Directors and staff have gone about their work quietly yet most effectively, chalking up an impressive list of accomplishments. It was also clear, as more than one person noted, that the Fraser Basin Council is "one of the best kept secrets in BC!"

As the new Chair of the Council, I will contribute in any way I can to the work of the Council and to that of the many dedicated British Columbians who are devoted to the well-being of one of the world's great river systems. The health and prosperity of the Fraser and its tributaries are essential to the quality of the economic and social life of every citizen in the province.

As I learn more about the Council and its work, I will communicate regularly with you about what we are accomplishing. I think it's time that one of BC's "best kept secrets" be secret no longer.

Sincerely,

Patrick Reid

Roy Mussell Appointed as New President of the Fraser Basin Council Society



Roy Mussel appointed as the new President of the Fraser Basin Council.

FOLLOWING THE RESIGNATION of Dr. Jack Blaney as Chair of the Council and President of the Fraser Basin Council Society, Roy Mussell was appointed as the new President of the Society.

Mr. Mussell is Vice-Chair and a founding Director of the Council. He is Chief of the Skwah First Nation in Chilliwack, Co-Chair of BC First Nations' Aboriginal Human Resources Development Agreements Management Committee, Co-Chair of the

Assembly of First Nations' Chiefs' Committee on Human Resources Development Agreements and a Director on the Aboriginal Human Resources Development Council of Canada.

Fraser River Basin



BRITISH COLUMBIA'S Fraser River Basin – it's one of the most beautiful, prosperous and healthy places on earth. If you are reading this, you are probably one of the 2.7 million people who live, work and play in the Basin – but you may not know it.

The Fraser Basin – the area drained by the Fraser River and its many tributaries – is almost as large as the State of California. Stretching 1399 kilometres from the Rockies to Richmond, the Basin covers more than 25% of BC. For two out of every three British Columbians, it's the place we call home.

Prince George, Vanderhoof, Quesnel, Williams Lake, Kamloops, Lillooet, Chilliwack, Abbotsford, Surrey, Delta, Coquitlam, Vancouver, Whistler and many other cities and towns are all located in the Fraser Basin.

For thousands of years, the Basin has been home to aboriginal peoples including the Halquameelem, Hun Qui Min Um, Nlaka'pamux, Secwepmec, Stl'atl'imx, Tsilhqot'in, Carrier and Okanagan speaking First Nations. The sustainability of both aboriginal and non-aboriginal communities in the Fraser Basin is critical to the long-term health of the Basin as a whole.

Economic activities in the Basin account for 80% of the British Columbia's gross domestic product. Its forests cover nearly three times the area of New Brunswick, and its farms, ranches and orchards comprise half of all BC's agricultural lands. There are eight major producing mines, as well as some of the province's – and the world's – most spectacular natural beauty and recreational opportunities.

The Basin also boasts one of the world's most productive salmon river systems, supporting five salmon species and 65 other species of fish, including steelhead and sturgeon. The Fraser River and its tributaries comprise BC's most productive waterfowl breeding and overwintering area, and the mouth of the River in particular is recognized as a globally significant estuary. Hundreds of species of birds, reptiles, amphibians and mammals, not to mention trees, plants and insects, form the basis of the Basin's diverse ecosystems.

The Fraser River Basin – a very special place and worth taking care of!

Fraser Basin Council

THE FRASER BASIN COUNCIL (FBC) was established in the Spring of 1997 with a mandate to ensure that the decisions we make now about how we live, work and play in the Fraser Basin will protect and advance its social, economic, and environmental sustainability into the future. Individuals, organizations and four orders of government have signed a *Charter for Sustainability* that sets a path for achieving sustainability of the Basin. The FBC now oversees the implementation of the Charter.

The Charter embodies two sets of values that have been critical to the FBC's effectiveness. One set incorporates the fundamental principles and integrated elements of sustainability, namely strong communities, a healthy environment and a robust economy. The second set asserts the FBC's culture and how it will work together toward sustainability. These values include understanding and respecting the opinions of others, accepting all members as peers, valuing balance over extreme positions, taking action based on consensus and creating strong trust among members. These shared values have enabled members to learn how to make decisions that will enable sustainability.

These shared values have also enabled the FBC to become an unprecedented mechanism in which the four orders of Canadian government (federal, provincial, local and First Nations), the private sector and civil society can work together to enhance sustainability in a practical way. The FBC has helped change the approach to managing the Fraser River and its watershed to address the social, economic and environmental considerations of the entire system. This collaborative governance model is the first of its kind in Canada and addresses the limitations of the traditional hierarchy of multiple jurisdictions operating independently in a common system.

The encounter that crystallized concern over the health of the Fraser River and the Basin it drains took place more than thirteen years ago. Gordon Campbell, then Mayor of Vancouver, and John Backhouse, then Mayor of Prince George, challenged each other to "clean up their parts of the (Fraser) River." The joint challenge was itself recognition that making progress towards sustainability for the whole Fraser River Basin would require a collaborative effort all along the River and across all jurisdictions.

The FBC is a unique non-governmental, not-for-profit organization founded on the belief that a more effective, potent and sustainable kind of leadership emerges when diverse interests coalesce around core values, and when consensus and joint action are chosen over confrontation and inaction. In all of its work, the FBC remains impartial, transpartisan, independent and non-political in its primary role as an advocate for a sustainable Basin.

To achieve its goals, the FBC acts as an impartial, trusted facilitator operating under a unique model of collaborative governance. Under this model, the four orders of Canadian government, the private sector and civil society work together as equals to overcome conflict, find common ground, make informed and responsible decisions, generate long-term solutions to complex issues and take advantage of opportunities to enhance sustainability "on the ground."

The FBC's 36 member Board of Directors represents all regions of the vast and diverse Fraser River Basin. Decisions, which are reached by consensus, require a commitment among Directors or project team members to not only learn the facts of any one issue, but also to learn and understand how different experiences, beliefs and values can influence the interpretation of a given set of "facts."

The FBC has helped change the approach to managing the entire Basin by focusing on new ways of doing business that address the need to integrate the social, economic and environmental dimensions of sustainability. In addition, the FBC considers the needs of the entire Basin rather than those of any single jurisdiction, interest, organization or individual.

The FBC fulfills its mandate by working with the vision, principles and goals articulated in its *Charter for Sustainability*. The Charter is not a legally binding document, but rather a good faith agreement among all those with interests in the Basin to work collaboratively towards a more sustainable future. To ensure that the FBC has a local presence and is addressing issues of real concern from all parts of the Basin, it has established Regional Committees and offices in each of the Basin's five sub-regions – Upper Fraser, Cariboo-Chilcotin, Thompson, Fraser Valley, and Greater Vancouver-Squamish-Pemberton.

To learn more about past accomplishments and future priorities of the Fraser Basin Council, visit our website: www.fraserbasin.bc.ca.

Fraser Basin Council Achievements 1997 - 2003

SINCE ITS ESTABLISHMENT, the Fraser Basin Council has played an important role in finding enduring, workable solutions to many difficult sustainability challenges and in some cases, resolving entrenched conflicts that began as long as fifty years ago. It has also worked to increase public awareness about sustainability issues throughout the Basin and motivate people to take action to make their part of the Basin more sustainable.

Let me reiterate to you how impressed I am with the work of the Fraser Basin Council. The Council's approach to creating multi-stakeholder cross-jurisdictional partnerships in order to foster increased awareness and adoption of sustainable development practices in the Fraser River Basin is innovative and admirable.

—The Honourable Herb Dhaliwal, P.C., M.P., Minister of Natural Resources Canada, Senior Minister Responsible for British Columbia

One of the Council's principal strengths has been its ability to bring people together to solve complex problems and longstanding conflicts. Over the past five years, the Council has worked with all orders of government including First Nations, community and environmental groups, business and industry on a wide range of important issues and projects. Some of these include:

2003 State of the Fraser Basin Conference and Sustainability Awards – FBC convenes a biennial conference that brings together community and business leaders, government representatives, environmentalists and other non-governmental organizations to raise public awareness about sustainability; report on the Basin's progress in addressing social, economic and environmental challenges; and recognize those who have made significant contributions toward a more sustainable future.

The (State of the Fraser Basin) Conference... brought forward many ideas and strategies to provide the information and guidance needed to bring sustainability to the Fraser Basin. It is conferences such as these that allow a large number of people to come together and work towards a common goal.

—Richard Prokopanko, Director, Corporate Affairs, Alcan

Overall, the conference was an example of diverse groups of people sharing information and mobilizing into action in response to the need for change. It was inspiring to see so many levels of government and society focusing on the issue of sustainability...(it) left me with the impression that if this many heads are put together, there is no doubt that creative and effective solutions will result.

—Lisa Bland, conference delegate and student at University College of the Cariboo in Williams Lake

2003 Indicator Report: Measuring Progress on Sustainability

—FBC released its *A Snapshot on Sustainability: State of the Fraser Basin Report* at the 3rd State of the Fraser Basin Conference in January 2003. The comprehensive report, and subsequent reports to be released every two years, will be used to track and report on progress towards a more sustainable Basin.

BC Climate Exchange – FBC was selected to host Environment Canada's Climate Change initiative in BC. The Exchange promotes learning about climate change, works with communities to identify opportunities to produce clean energy from local waste resources, and supports the work of business, government and community organizations engaged in public education and outreach on this important sustainability issue.

This workshop provided me with new ideas to take back to my community. I had never thought of the climate change issue from the point of view of providing opportunities, rather than creating problems for northern BC.

—Mayor Fred Jarvis, District of Taylor

Britannia Mine Remediation – FBC encouraged collaboration among government agencies, property owners and the community of Britannia Beach to develop a solution to North America's largest point source metal pollution problem at the site of the former Britannia Mine.

The Fraser Basin Council has had unprecedented success at involving the regulatory agencies on (the Britannia Mine) project and in facilitating a public review process that has brought us closer than ever before to solving this environmental nightmare.

—Susan Gimse, Former Chair, Squamish-Lillooet Regional District

Drinking Water Review – FBC's Executive Director David Marshall chaired the independent Drinking Water Review Panel, appointed by the provincial government to evaluate and make recommendations on ways to strengthen the Drinking Water Protection Act.

Fraser River Integrated Flood Hazard Management – FBC raised awareness, promoted inter-jurisdictional cooperation and developed a collaborative course of action to help prepare for and minimize the threat of a major Fraser River flood.

The (Flood Control and River Management) initiative is necessary in order to coordinate the in-kind contributions from participating federal, provincial, regional, municipal and First Nations governments, and will provide lasting benefit to many regions and communities at risk to flooding.

—Sieb Swierstra, Former Chair, Lower Mainland Municipal Association, Flood Control and River Management Committee

Invasive Plant Strategy for British Columbia – FBC heads a program to develop a comprehensive strategy and call to action to curtail the growing problem of non-native, invasive plants – often called noxious weeds – that are destroying natural ecosystems, farm and ranch lands, and reforested areas throughout the province.

What I liked best about this symposium was the fact that many stakeholders were brought together to discuss an important issue which traditionally has been addressed in an almost haphazard manner.

—“Weeds Know No Boundaries” Symposium Attendee

Nechako River Watershed – FBC continues to help develop solutions to resolve 50 years of conflict over water management in the Nechako River Watershed and to facilitate broad agreement on how to improve the health of the watershed.

The (Nechako/CWRF) Project has (potential for) incredible environmental enhancement, but also can provide some long-term economic stability in the valley and upstream in the Cheslatta area.

—Mike Robertson, Senior Policy Advisor, Cheslatta Indian Band

Nutrient Management – FBC facilitated the development of a plan to protect water quality and the viability of agriculture through enhanced management of manure and fertilizer in the Fraser Valley.

Regional Debris Management – FBC helped prevent severe property damage and may have even saved lives by ensuring that the Fraser River debris trap continued to operate while developing a comprehensive Business Plan for sustained operation of this critical waterborne debris capture facility near Hope.

Strengthening Communities – FBC and its partners such as the Canadian Rural Partnership are working together to develop an action plan to address rural concerns, improve the delivery of services to rural communities and strengthen community capacity.

Congratulations. Keep up the good work of building communities from the bottom up. Thank you for the opportunity to get involved.

—Jeff LeBlond, participant in the Sharing Lessons Learned Forum

Shuswap Lake Reports – FBC worked with citizens and local government to address deteriorating water quality in Shuswap and Mara Lakes, and produced a number of reports to assist the Columbia Shuswap Regional District to better plan development on the lakes.

Organizational Structure

Fraser Basin Council Board of Directors

THE FRASER BASIN COUNCIL'S Board of Directors is comprised of 36 individuals who reflect the broad diversity of people living in the Fraser Basin. Twenty-two Directors are appointed by the four orders of government: three by the federal government, three by the provincial government, one by each of the eight regional districts in the Basin, and one by each of the Basin's eight First Nations language groups. The remaining 14 Directors are non-governmental representatives appointed by the FBC – citizens from all walks of life. These 14 include two representatives from each of the Basin's five geographic regions, one Basin-wide representative for each of the three dimensions of sustainability (economic, social and environmental), and an impartial Chair.

The FBC's Board of Directors undertakes all of its business through both standing and task committees and makes all of its decisions by consensus. When consensus cannot be reached, the FBC's bylaws outline a process for facilitating decision-making.

The following is a list of the Directors who served on the FBC during the 2002/2003 fiscal year. (Please note that the list includes more than thirty-six Directors because it includes all those Directors whose terms ended or began part way through the year.)

Jack Blaney	Chair, Fraser Basin Council, Vancouver (September 2001 – April 2003)
Patrick Reid	New Chair, Fraser Basin Council, Vancouver (Appointed May, 2003)
Roy Mussell	Vice Chair, Fraser Basin Council; Chief of the Skwah First Nation, Chilliwack
Deborah Abbott	Executive Director, Nlaka'pamux Nation Tribal Council, Lytton
Dorothy Argent	Past Chair, Salmon River Watershed Roundtable, Salmon Arm
Ted Bacigalupo	Director, Columbia Shuswap Regional District, Blind Bay
Parm Bains	President, Westberry Farms, Abbotsford
David Barratt	Former Regional Director, Harbour & Ports, Transport Canada, Mission
Nolan Charles	Councillor, Musqueam Indian Band, Vancouver
Ervin Charleyboy	Chair, Tsilhqot'in National Government, Williams Lake
Jack Delair	Rancher, Hope
Bruce Drake	Executive Director, Industry Canada, Vancouver
George Ferguson	Director, Fraser Valley Regional District, Abbotsford
Caroline Grover	Economic Development Officer, Salmon Arm Economic Development Corporation, Salmon Arm
Judy Guichon	Rancher, Gerard Guichon Ranch Limited, Quilchena
Ronald Hawkins	Retired Forest District Manager, McBride
Dave Hendrixson	Director, Cariboo Regional District, Wells
Cheeying Ho	Executive Director, Smart Growth BC, Vancouver
Duncan Jeffries	Director, Industry Liaison, University College of the Fraser Valley, Abbotsford
Colin Kinsley	Chair, Regional District of Fraser-Fort George, Prince George
Valerie Kordyban	Co-Owner, Carrier Lumber Ltd., Prince George
Dennis Lapierre	Director, Columbia Shuswap Regional District, Salmon Arm
Ben Marr	Former Regional Manager, Greater Vancouver Regional District, Vancouver
Darlene Marzari	Artist, former MLA, provincial Minister and City Councillor, Vancouver
Colin Masson	A/Area Director, Lower Fraser River Area, Fisheries and Oceans Canada, Delta
Athana Mentzelopoulos	Regional Director, Environmental Protection Branch, Environment Canada, Vancouver
Michael O'Brien	Vice President, Vancouver International Airport Authority, Vancouver

Hugh O'Reilly	Director, Squamish Lillooet Regional District, Whistler
Jon O'Riordan	Deputy Minister, BC Ministry of Sustainable Resource Management, Victoria
Alan Osborne	Executive Director, Intergovernmental Relations and Planning Division, Ministry of Community, Aboriginal and Women's Services, Victoria
Robert Patterson	Mine Superintendent, Gibraltar Mines Ltd, 150 Mile House
Bob Peart	Executive Director, Canadian Parks and Wilderness Society, Vancouver
Jerry Petersen	Director, Regional District of Bulkley Nechako, Vanderhoof
Joe Post	Director, Thompson-Nicola Regional District, Merritt
Sylvia Pranger	Director, Fraser Valley Regional District, Kent
Harold Prince	Vice-Tribal Chief, Carrier Sekani Tribal Council, Prince George
George Saddleman	Chief, Upper Nicola Indian Band, Merritt
Bruce Sampson	Senior Vice-President, Strategic Planning and Sustainability, BC Hydro, Vancouver
Barbara Sharp	Director, Greater Vancouver Regional District, North Vancouver
Pablo Sobrino	Area Director, Lower Fraser River, Fisheries and Oceans Canada, Delta
Coro Strandberg	Principal, Strandberg and Associates Consulting, Vancouver
David Van Seters	President, Small Potatoes Urban Delivery, Vancouver
Pam Tattersfield	Director, Squamish-Lillooet Regional District, Britannia Beach
Steve Wallace	Director, Cariboo-Chilcotin Regional District, Quesnel
Morgan Wells	Band Councillor, Mount Currie Band, Mount Currie
Brian Wilson	Director, Environmental Protection Branch, Environment Canada, North Vancouver
Bill Young	Registered Professional Forester, Consultant, Bill Young Forest Management Inc., 150 Mile House

Fraser Basin Council Staff

David Marshall	Executive Director
Natalie Bandringa	Assistant Regional Coordinator, Thompson
Jessica Bratty	Project Coordinator
Laura Brend	Administrative Assistant, Council Operations and Information Technology
Narissa Chadwick	Assistant Project Coordinator
Joan Chess	Regional Coordinator, Upper Fraser
Diana Dilworth	Coordinator, Council Operations
Phil Hallinan	Regional Coordinator, Thompson
Cheri Hamilton	Administrative Assistant, Financial Administration
Jennifer Krotz	Assistant Regional Coordinator, Thompson
Steve Litke	Project Coordinator
Raymond McAllister	Communications Consultant
Bob Purdy	Director of Corporate Development and Regional Coordinator, Greater Vancouver-Squamish-Pemberton
Marion Robinson	Regional Coordinator, Fraser Valley
Kathi Smith	Fund Development Coordinator
Jim Vanderwal	Project Coordinator
Gail Wallin	Regional Coordinator, Cariboo-Chilcotin
Maureen Young	Coordinator, Board Operations and Communications

Basin Wide Highlights 2002 - 2003

Chair

Jack Blaney

Directors

Bruce Drake

Colin Masson

Darlene Marzari succeeded by Coro Strandberg

Athana Mentzelopoulos

Michael O'Brien

Jon O'Riordan

Alan Osborne

Bob Peart

Bruce Sampson

Staff

David Marshall, Executive Director

Jessica Bratty

Laura Brend

Narissa Chadwick

Diana Dilworth

Cheri Hamilton

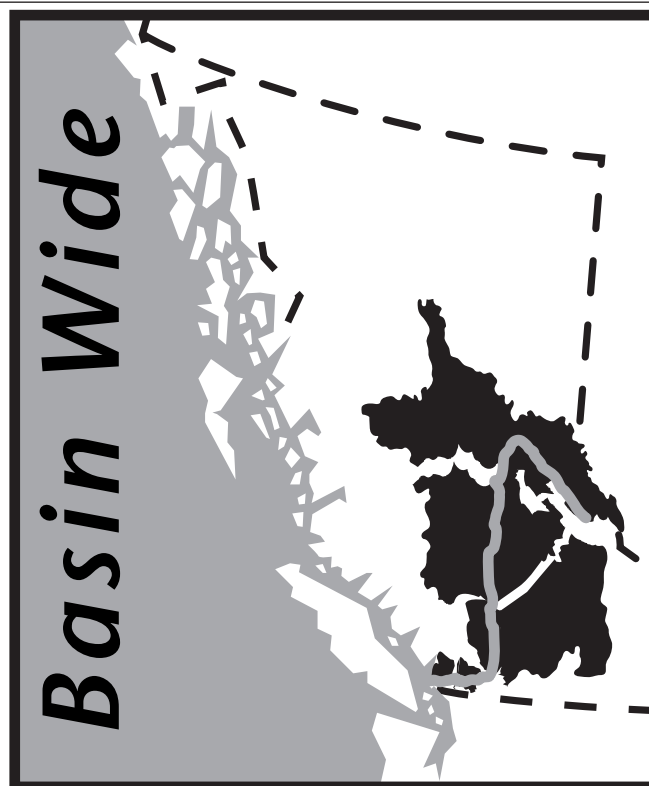
Steve Litke

Bob Purdy

Jim Vanderwal

Gail Wallin

Maureen Young



Highlights

2003 State of the Fraser Basin Conference

As part of the Fraser Basin Council's mandate to report on its activities and on progress towards sustainability of the Basin, the FBC holds a biennial State of the Fraser Basin Conference. The third conference, held in Richmond in January 2003, brought together over 350 delegates from community and environmental organizations, business and industry, and four orders of government to look at the state of the Fraser River Basin. The conference focused on new models of collaborative leadership – new ways of working together to achieve a sustainable future.

What became evident at the conference is that grappling effectively with such major issues such as preparing for the next great Fraser River flood, strengthening rural communities, building constructive aboriginal and non-aboriginal relationships, managing the impacts of climate change, restoring a healthy salmon fisheries and controlling invasive plant species requires new ways of thinking. Old "top down," status quo, single jurisdictional models of dealing with these complex issues are not up to the challenge. They simply don't work any more. New models of leadership are required that are collaborative, courageous, compelling and committed.

The three-day conference included an advance workshop for business, government and community groups to learn how to put sustainability into practice; the opening banquet with former Deputy Prime Minister Herb Gray and adventurer Bruce Kirkby; the release of the *Snapshot on Sustainability: State of the Fraser Basin Report*; Dr. Jack Blaney's "State of the Basin Address;" responses to the address by a panel of business, labour, First Nations and environmental leaders as well as the four orders of Canadian government; trade show displays; opportunities for networking; and extensive media coverage.

2003 Sustainability Indicator Report

A major highlight of the conference was the release of the *Snapshot on Sustainability: State of the Fraser Basin Report*. The report provides a "medical check-up" for the Fraser Basin and its communities, and gives a broad picture of where we stand today and how we can create a more sustainable future.

The groundbreaking report examines a wide range of environmental, social and economic indicators. These indicators help to measure trends in such topics as population, water and air quality, fish and wildlife, health, education, housing, aboriginal/non-aboriginal relations, income and employment, economic

diversity, corporate social responsibility, forestry, agriculture, energy and flood management.

FBC staff prepared the report with input from over 500 individuals and organizations, as well as guidance from an advisory committee regarding indicator options, data quality, availability and sources, and indicator trend analysis.

The FBC has received an overwhelmingly positive response to its sustainability report. Readers have commented on the quantity and quality of information, the sustainability analysis, the readability of the report and the collaborative process that was used to develop the document. The report has already been distributed to over 7,500 individuals, organizations and agencies.

Contact Project Coordinator Steve Litke for more information at 604-488-5358 or slitke@fraserbasin.bc.ca.

2002 Sustainability Awards

From a standing ovation for former Premier Mike Harcourt to an emotion filled speech by BC's Lieutenant-Governor Iona Campagnolo, the 2002 Sustainability Awards luncheon provided a memorable closing to a remarkable conference. The Awards recognize the achievements of dedicated people and organizations throughout the Fraser River Basin who have worked so hard on behalf of sustainability. Of the 100 organizations and individuals nominated for the awards this year, 22 organizations were short-listed in five categories.

For a complete list of finalists and winners in each category, go to our website: www.fraserbasin.bc.ca.

Aboriginal Title, Rights and Sustainability (ATRS)

One of the unique features of the FBC is that First Nations are original signatories to the *Charter for Sustainability* and have participated fully in the FBC Board and its activities since the FBC was established in 1997. Eight First Nations Directors, representing the eight language groups in the Basin, sit as equal partners with local, provincial and federal government representatives and other non-government Board members from the private sector and civil society.

The FBC is working to identify ways that it can more effectively apply the Charter's 11th Principle that states: "We recognize that aboriginal nations within the Fraser Basin assert aboriginal rights and title. These rights and title now being defined must be acknowledged and reconciled in a just and fair manner."

To this end, FBC is working with First Nations Board members to:

- Interpret the meaning of the 11th Principle in the Charter and its relevance to sustainability.
- Explore ways that the FBC can better demonstrate application of the 11th Principle in its current and future activities.
- Develop a reference document that constructively and objectively summarizes First Nations history in the Basin, relevant court decisions, current challenges and opportunities for applying the 11th Principle, and key lessons drawn from FBC's experience on improving cooperation between aboriginal and non-aboriginal people in the Fraser Basin.

Contact David Marshall, FBC Executive Director, for more information at 604-488-5357 or dmarshall@fraserbasin.bc.ca.

BC Climate Exchange

In spring 2002, the FBC was selected to host a Public Education and Outreach "Hub" for Climate Change in BC, subsequently renamed the BC Climate Exchange. The purpose of the initiative is to promote learning about climate change and support the work of business, government and community organizations engaged in public education and outreach on this important sustainability issue. Partners in this initiative include the federal Climate Change Action Fund and the BC Ministry of Water, Land and Air Protection.

Recently the FBC/BC Climate Exchange has been involved in a number of climate change activities, including:

- Hosting a number of public forums on Transportation Demand Management, workshops on Green Energy Opportunities and Challenges, and seminars for the Vancouver and Victoria chapters of the Planning Institute of BC.
- Production of the BC Climate Exchange Newsletter that highlights recent climate change events, programs and resources available.
- Production of a brochure and poster.

Contact Project Coordinator Jim Vanderwal for more information at 604-488-5359 or jvanderwal@fraserbasin.bc.ca.

Drinking Water Review Panel

In September 2001, FBC Executive Director David Marshall was appointed Chair of the Independent Drinking Water Review Panel. This panel was appointed by Water, Land and Air Protection Minister Joyce Murray to review the Drinking Water Protection Act and make recommendations to government on the completeness, effectiveness and efficiency of the Act. The nine-member panel, representing medical, environmental, industry and government interests, submitted its final report in February 2002. The Act passed in April of 2002.

Contact David Marshall, FBC Executive Director, for more information at 604-488-5357 or dmarshall@fraserbasin.bc.ca. The final report is available on our website: www.fraserbasin.bc.ca

Flood Hazard Management

Two devastating floods inundated the Fraser Valley and other parts of the Fraser Basin in 1894 and 1948. Scientists predict that there is a one-in-three chance that a flood of similar magnitude will occur within the next 60 years.

A catastrophic flood would result in severe social, economic and environmental impacts. These include risk of injury and loss of life, billions of dollars in damage to private and public property, temporary loss of infrastructure and community services, disruption of business and trade, and numerous impacts to water quality as well as to fish and wildlife habitat.

The FBC provides the lead role in the Joint Program Committee (JPC) comprised of 36 federal, provincial and local government agencies working towards Integrated Flood Hazard Management. Highlights from the 2002/03 fiscal year included:

- Education and Outreach – FBC published and distributed maps, educational brochures, newsletter articles and web-based flood information on the FBC website.
- Participation in Flood Management Initiatives – FBC participated in flood management meetings, workshops and seminars and submitted consensus-based recommendations in relation to the Provincial Floodplain Management Program Review, the National Disaster Mitigation Strategy, the Lower Mainland Municipal Association and graduate research on floodproofing solutions.
- Indicators of Fraser River Flooding – FBC developed and published information regarding Fraser River flood vulnerability and management practices within the *Snapshot on Sustainability* report.

The FBC was recently awarded a \$1 million contract from the Ministry of Water, Land and Air Protection to develop a variety of flood hazard information tools, including flood hazard reference maps, a database and maps of existing dikes in BC, and floodplain maps for the lower Fraser River. The project will be undertaken in the 2003/04 fiscal year, and supports the objective of developing tools and resources for local governments and others to increase their capacity with respect to flood hazard management.

Contact Project Coordinator Steve Litke for more information at 604-488-5358 or slitke@fraserbasin.bc.ca.

Invasive Plant Strategy for British Columbia

Invasive plant species – also known as noxious weeds – are taking over large tracks of land throughout the province. Annual economic losses from invasive plants in BC are in the tens of millions of dollars each year. Without natural enemies to control their populations, these weeds have a competitive advantage over local native plants that makes them very difficult to control. Invasive plants adversely affect crop yields, reduce range productivity (as many weeds are non-palatable or injurious to domestic livestock), reduce wildlife forage and the land's recreational values, impact conifer regeneration efforts and even impact personal health.

Following the Board's field trip to the Cariboo-Chilcotin Region in June 2001, it recommended the FBC consider action to assist in the struggle to minimize the impact of invasive plants on the natural ecosystems and help to protect local economies and community viability. Working with a committee comprised of representatives from the Ministry of Agriculture, Food and Fisheries, Ministry of Forests, Cariboo Regional District, Grasslands Conservation Council of BC and Cariboo Cattlemen's Association, the FBC organized and co-hosted a symposium – "Weeds Know No Boundaries...working together to improve weed management for tomorrow."

Over 100 participants with diverse backgrounds from throughout the province attended and discussed the present and future concerns around invasive plants. Local and provincial governments, First Nations, industry, the agricultural community and citizens all agreed on the need to work more closely together to minimize the negative economic and social impacts of these invasive plant species. The symposium resulted in full endorsement for the development of a province-wide invasive plant management strategy and the establishment of a multi-party steering committee to guide its development.

Since the symposium, further public workshops have been held to seek specific input on the focus and content within the proposed strategy. Based on a workshop in February 2003, a multi-party Writing Group was established to begin compiling the draft document. This group includes representatives from provincial and local governments, First Nations, local weed committees and industry. The Writing Group aims to have a draft "Invasive Plant Strategy for British Columbia" distributed to all interested people and organizations by mid-summer. The Strategy is scheduled for completion in late 2003.

Contact Regional Coordinator Gail Wallin for more information at 250-392-1400 or gwallin@fraserbasin.bc.ca.

Sharing Lessons Learned

The FBC and its partners such as the Canadian Rural Partnership are working together to develop an action plan to address rural concerns, improve the delivery of services to rural communities and strengthen community capacity. In 2001, the FBC initiated a three-part program called "Sharing Lessons Learned" focused on strengthening smaller and rural communities. Phase One of the plan included the completion of an inventory of BC projects that focus on building economically vibrant, sustainable communities. Phase Two involved documenting 40 case studies that reflect the Lessons Learned from projects across BC where sustainability issues have been addressed in local communities. Both resources are available in print or electronic form at: www.fraserbasin.bc.ca.

Phase Three will conclude with a province-wide conference in Prince George in May, 2003. The objective will be to bring people together to share their experiences from local initiatives that can be transferred to other communities. The conference is expected to draw over 100 people from across BC and to create an action plan to ensure the ongoing transfer of knowledge and experience among rural communities.

Contact Regional Coordinator Gail Wallin for more information at 250-392-1400 or gwallin@fraserbasin.bc.ca.

Strengthening Communities

Strong and economically diversified communities are essential for the sustainability of the Fraser Basin. In BC, many rural communities face challenging economic transitions as traditional forestry, mining and fishing industries undergo profound restructuring. As a result, the FBC launched a new initiative called "Strengthening Communities."

In Phase One, the FBC worked with local communities to seek input on the potential role and projects for the FBC throughout the Basin. Meetings were held in a diverse range of pilot communities in each of the five FBC regions, including aboriginal communities. FBC staff and Directors met with local "movers and shakers" to gain their interest and support for the Strengthening Communities program, and to identify practical actions that could be undertaken to make a positive difference in their communities.

To date, pilot communities include Squamish (Greater Vancouver-Squamish-Pemberton Region); Mission to Kent (Fraser Valley); the Siska Indian Band and the towns of Boston Bar, Lytton and Spences Bridge (Thompson); 100 Mile House and Canim Lake (Cariboo-Chilcotin); and McBride and Fort St. James-Nak'azdli (Upper Fraser). Feedback from all communities has been very positive. The process to select specific projects in the region will take place in the summer and fall of 2003.

Contact Regional Coordinator Gail Wallin for more information at 250-392-1400 or gwallin@fraserbasin.bc.ca.

Sustainable Fish and Fisheries

For many years, British Columbians have been frustrated with the lack of an effective resolution of fish and fisheries issues. This is especially true in the Fraser River system. The suite of issues and challenges facing Fraser fish and fisheries is substantial and well known, but despite considerable work and much goodwill, efforts to ensure a sustainable future for this important resource have not been successful. The FBC believes that the major reason for this is that efforts to date have been neither fully inclusive nor fully collaborative.

Inclusive collaboration is fundamental to the future of Fraser fish and fisheries because it is the basis for identifying the common sense actions that we must take to reconcile social, economic and environmental aspirations. Yet there is currently no mechanism to promote effective collaboration among all those with an interest in the future of Fraser fish and fisheries. There are many examples of good work, but these activities are not well coordinated or directed toward a common purpose. There are also many examples of long-standing disagreements and uncertainty with no inclusive forum for resolving issues.

The purpose of the FBC's "Sustainable Fish and Fisheries" initiative is to find a way for key interests and governments to work together to restore and sustain the Fraser Basin's valuable fish and fisheries and meet the needs of people and ecosystems into the future. The initiative, also known as "Fraser Fish and Fisheries Together," will develop a coordinated and integrated approach to the sustainable management and use of Fraser fish and fisheries. The project will facilitate collaborative and inclusive dialogue and action on principles, policies and on-the-ground projects. Participants will develop, together, a shared vision and strategy that is practical and relevant to all governments and groups in their own activities. Participants will also apply a collaborative approach to realize tangible short-term results. Specific project activities will ensure the shared vision and strategy are practical and relevant.

The FBC is currently focused on securing government support for this initiative. Once this is accomplished, broader communities of interest and user groups will be engaged to share in the development of the project's goals and objectives.

For more information on FBC's Sustainable Fish and Fisheries initiative, contact Executive Director David Marshall at 604-488-5357 or Project Coordinator Jessica Bratty at 604-488-5350.

Regional Highlights 2002-2003

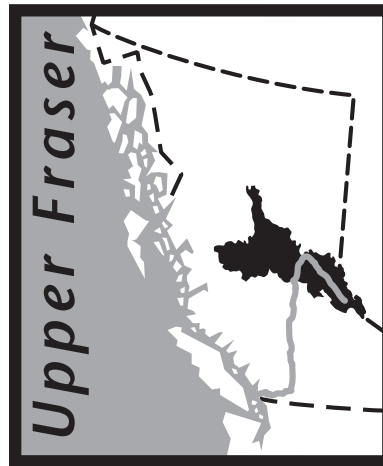
Upper Fraser Region

Directors

Ron Hawkins
Colin Kinsley
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Staff

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Feature Programs

Nechako Watershed Council (NWC)

FOR THE PAST 50 years, concerns about the development of the Nechako River to generate hydroelectricity for Alcan's smelter in Kitimat have generated tremendous controversy over the management of the Nechako, a major tributary of the Fraser. The situation resulted in decades of entrenched positions and strained relationships amongst those involved. In recent years, however, a different approach and changed attitudes have led to a collaborative effort.

In June 1998, the FBC helped establish the Nechako Watershed Council (NWC), a multi-interest group with First Nations, business, community and government representation. The NWC has accomplished much towards its goal of developing new water management strategies that incorporate solutions to the longstanding conflicts in the watershed.

During 2002/2003, the FBC continued to work with the NWC as it prepared a Cold Water Release Facility Workplan in cooperation with its provincial and corporate partners. As a result of these efforts, the provincial government and Alcan BC have each committed to providing \$100,000 per year for the next three years to implement Phase 1 of the CWRP Work Plan. With assistance from FBC, NWC members are also working on new flow regimes that would be possible to implement after the proposed CWRP has been constructed. Staff from the BC Water Management Branch and Alcan have provided data, analyses, and computer modeling to link reservoir levels, releases to Kemano and releases to the Nechako River. The ultimate goal is a range of flow regimes that accommodate a variety of ecological, social and economic needs.

Strengthening Communities

Upper Fraser Directors initiated discussions with two candidate communities: the McBride area and the adjacent communities of the Village of Fort St. James and Nak'azdli. Dialogue sessions were held in the spring of 2003 with community representatives to identify critical issues, key priorities and possible projects in each community. FBC will work with local and First Nations governments and the Community Futures Development Corporation (CFDC) to coordinate efforts and resources in the region. The process to select the specific projects will take place in the summer and fall of 2003.

The FBC was instrumental in establishing the Nechako Watershed Council (and) since then, has continued to provide valuable support to the NWC in its efforts in finding long-term solutions to issues identified in the Nechako Watershed.

—Henry Klassen, Chair, Nechako Watershed Council

Other Highlights

BC Rivers Day

The FBC worked with community volunteers and staff from various government agencies to organize the Prince George Rivers Day Music Festival, held in Fort George Park in late September 2002 to celebrate the annual BC Rivers Day. The event featured BC performers Gary Fjellgaard, Barney Bentall and Marcel Gagnon as well as educational displays and children's activities. The organizers estimated that well over 1000 residents attended the event.

Building Sustainable Economies – Upper Fraser Regional Forum

In April 2002, the FBC's Upper Fraser Region hosted a forum in Prince George – "Toward a Sustainable Economy for the Upper Fraser Region." The event provided an opportunity for local business and community leaders to explore how the principle of sustainability might be applied to the region's economy and businesses. Featured speaker, Rob Macintosh of the Pembina Institute for Appropriate Development and Green Planet Communications, outlined steps to sustainable economies and businesses. Panelists described their experiences as business owners and/or consultants applying sustainability principles to their operations on a daily basis.

Contact Regional Coordinator Joan Chess for copies of reference materials from the event.

Chilako Watershed Council (CWC)

The FBC has continued to support the efforts of rural residents and agency staff to improve the riparian area of the Chilako River and help address residents' concerns about flooding and erosion. Work undertaken by the CWC is intended to benefit fish habitat and populations, as well as farming operations. Since 2000, ten projects have been completed including riparian planting, fencing for alternate grazing strategies, off-stream livestock watering sites and stream bank restoration. As of March 31, 2003, the Chilako River Stewardship Project officially ended. However, the group will carry on under the Fraser/Nechako Riparian and Water Quality Program that is patterned on the Chilako experience, but encompasses the entire Prince George Agricultural District. The successful efforts of the CWC were recognized in January 2003 when the group won the FBC's Caring for Ecosystems Award.

Regional Fisheries Management Workshop

The Regional Coordinator attended the Regional Fisheries Management Workshop hosted by Lheidli T'enneh Nation and the provincial and federal governments in October 2002. The objective was to explore the possibility of a cooperative fisheries management arrangement at the regional level. Panelists representing First Nations, provincial and federal governments described the existing management programs for the Fraser River. Other speakers described regional fisheries management in the Yukon and Inuvialuit that involve several orders of government and communities. Participants also formed small groups to discuss questions such as who should be involved, and what geographic area and which fish species should be included. Many of the concepts explored complement the FBC's fish and fisheries initiative. Although numerous ideas were discussed and questions left unanswered, by the end of the workshop participants generally supported pursuing further development of the idea for the Upper Fraser area.

Regional and Community Support

The FBC supports and provides direction and services for many ongoing community, regional district and other activities and programs to advance sustainability in the Fraser Basin. The Upper Fraser Regional Coordinator:

- Liaises with the Omineca Peace Interagency Management Committee and attends the IAMC's quarterly meetings.
- Attends the annual meeting of the McGregor Model Forest Association's community advisory group.
- Gave a presentation on the FBC's approach to sustainability and its work in the Nechako Watershed at the 2002 Annual Conference of the Alberta Association of the Canadian Institute of Planners.

Regional Highlights 2002-2003

Cariboo-Chilcotin

Directors

Ervin Charleyboy

Robert Patterson

Steve Wallace, succeeded by Dave Hendrixson

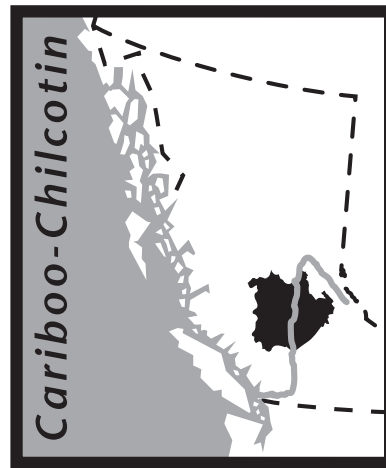
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Feature Programs

Invasive Plant Strategy for British Columbia

While the issue of invasive plant species impacts all regions of the Basin and the province, it is of particular concern to ranchers and farmers in the Cariboo-Chilcotin and Thompson regions. The Regional Coordinator has been the lead FBC staff member in the process to develop the Strategy. See: Basin Wide Highlights for more information on the "Invasive Plant Strategy for British Columbia."

Strengthening Communities

Cariboo-Chilcotin Directors have selected 100 Mile House and Canim Lake as the region's pilot communities for the initiative. 100 Mile House is a small rural area in the south of the region and the Canim Lake Indian Band is located nearby. Dialogue sessions were held in the spring of 2003. Community representatives provided input on how the FBC can effectively work with the local community to help build strong and stable communities, and identified critical issues, key priorities and possible projects in each community. FBC will work with the Community Futures Development Corporation (CFDC), local government and community groups to coordinate efforts and resources in the region. The process to select the specific projects will take place in the summer and fall of 2003.

Other Highlights

Building Partnerships

The FBC facilitated a joint meeting between the Cariboo Regional District and the City of Williams Lake to build clear understanding and acceptance of their Memorandum of Understanding that provides direction on shared responsibilities for a wide range of services such as recreation and landfills.

Caribou Management

The population of the Eastern Mountain Caribou is recognized as needing special management to help ensure that the sub-species population is sustainable. To help increase public awareness of caribou and related management concerns, the FBC facilitated a broad-based panel to encourage public discussion and invite recommendations for protecting these animals. The panel brought together representatives from the forest industry, environmental groups, guide outfitters, snowmobilers and recreationists to identify possible volunteer actions. The panel identified what actions recreationists, community organizations, industry and governments can take to help ensure the viability of the local population. A key message was the need to work cooperatively together in planning and in the field to minimize negative impacts on the caribou herd.

Living By Water

The FBC, in partnership with the Cariboo Regional District, the City of Williams Lake, the Fisheries and Oceans Canada Stewardship Coordinator and Ducks Unlimited, hosted public information sessions for residents of Williams Lake and Chimney Lake on responsible and efficient management of lakeshore property. The partners used the "Living By Water" program as the foundation of these sessions. Building on the present experience, the goal is to improve shoreline management in the Williams Lake area. In addition, the FBC worked in Quesnel and 100 Mile House with potential partners to develop a strategy for public sessions in 2003 as a means to improve stewardship of water.

Networking Rural BC

Based on the past three years of work with rural communities in BC, there has been a clearly defined request to improve linkages and networks among rural communities and organizations. The FBC has compiled a preliminary directory of Basin and province-wide rural networks. Based on this directory and the Sharing Lessons Learned conference, FBC will work as a catalyst to initiate more formal networking among BC rural organizations.

Regional Visioning

At the request of the Cariboo Tribal Council, the Federal Treaty Office and the Regional Treaty Negotiating Team, the FBC planned and facilitated two regional visioning sessions. Each session aimed to have all participants identify what actions they could jointly take to help make the local area a better place for all. The first session looked at lands and resources and the second focused on wildlife. Over 70 people came together for each session to identify what local actions could create practical outcomes over the next three years. The actions generally focused on building partnerships between aboriginals and non-aboriginals. The next session will focus on fisheries; other sessions will follow-up on actions related to land and resources.

Sharing Lessons Learned

As rural BC experiences economic transition with changes in the traditional resource sectors, many communities have inspiring stories about how they have diversified their economies and taken advantage of new opportunities. As a follow-up to the 2002 conference at Silverstar, the Cariboo-Chilcotin Regional Coordinator organized the "Sharing Lessons Learned" forum held in Prince George in May 2003.

Regional and Community Support

The FBC supports and provides direction and services for many ongoing community, regional district and other activities and programs to advance sustainability in the Fraser Basin. The Cariboo-Chilcotin Regional Coordinator has:

- Worked with the provincial government's Inter-Agency Management Committee (IAMC) on sustainable development for the region.
- Participated actively with the BC Rural Team – a federal/provincial partnership focused on improving services to rural communities.
- Worked with the local Habitat Stewardship Conservation Program Stewardship Coordinator on local community events including Living By Water and the Williams Lake River's Walk.
- Worked with local citizens and the regional district on issues such as landfill, waste disposal and shoreline management.

Regional Highlights 2002-2003

Thompson

Directors

Deborah Abbott
Dorothy Argent, succeeded by Judy Guichon
Dennis Lapierre, succeeded by Ted Bacigalupo
Joe Post
Mike Retasket
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Feature Program

Shuswap Lake Library, Map and Database Project

To determine or assess the land's natural value when subdivisions are proposed, regional districts often can rely only on public hearings and anecdotal knowledge of its staff and other government agencies. In the case of the Columbia Shuswap Regional District (CSRD), local planners and citizens believed that these sources of information were inadequate.

When an opportunity arose through a partnership between the former BC Ministry of Environment, Lands and Parks and Fisheries and Oceans Canada to place a Habitat Steward with the FBC's Thompson Regional Office, the CSRD worked with FBC staff to research and compile extensive data and other relevant information on Shuswap and Mara Lakes. The challenges were in identifying information sources, designing a tool that would encourage all parties to share their information, and making it accessible to all. The task has been completed and the report and extensive data are now being used by a wide range of interests around Shuswap and Mara Lakes. The complete report is available on FBC's website and can be accessed and used interactively by any interested individual.

Can you just pass along how proud I have been to work with you on this project. I think it has done the CSRD...a lot of good and has shown what cooperative efforts can bring.

—Dennis Lapierre, former Chair, Columbia Shuswap Regional District

Other Highlights

Building A Stewardship Ethic

The FBC has worked closely with the Thompson Nicola Regional District (TNRD) to assist them in building a stewardship ethic. In 2000, the TNRD adopted a Regional Growth Strategy (RGS) to implement sustainable planning policies for the region. The TNRD focused on the South Thompson Settlement Strategy (STSS), specifically targeting the geographic area experiencing the most growth pressure.

The FBC has contributed to, and played an active role in, the STSS Intergovernmental Advisory Committee and the Working Committee. The FBC's work focused on public consultation and sharing information with, and gathering data from, various governmental agencies. The goals were to build relationships amongst the four orders of government, share information, and develop and implement policies. The FBC's contribution helped ensure that the STSS Policy Document (adopted by the TNRD Board of Directors in 2002) will be sustainable. The FBC has also contributed to a number of other short- and long-term stewardship planning projects with the TNRD.

In 2003, the TNRD undertook to rewrite their Lakeshore Development Guidelines to ensure they met the principles of the established growth management initiative. The FBC has assisted in gathering information and serving in an advisory capacity for this project.

Habitat Stewardship in the Thompson

New and emerging federal and provincial legislation, such as the Species at Risk Act, Local Government Act, Fish Protection Act, Growth Management Act and others, are placing greater responsibility on municipalities and regional districts across the province to adopt bylaws and zoning regulations. The FBC is working in

partnership with the TNRD and CSRD to gather information to aid in the development of new bylaws and zoning regulations required to conform to federal and provincial legislation.

The FBC put in place two stewardship coordinators in its Thompson regional office with joint funding from the Habitat Conservation Stewardship Program (HCSP) and the former BC Ministry of Environment, Lands and Parks. Fisheries and Oceans Canada designed the HCSP program to establish partnerships and expand the capacity of communities and community groups to better protect and steward fish habitat. These coordinators assist the CSRD and TNRD to gather information needed to adopt and implement new bylaws and zoning requirements.

The success of the two HSCP habitat stewards in the Thompson Region in working with all levels of government has encouraged the provincial and federal governments to continue the partnership developed under the HSCP. The Thompson Region continues to employ a habitat steward whose main function is to assist local governments and area citizens in developing sustainable practices within the region.

Partnerships with MSRM

FBC continues to partner with the Ministry of Sustainable Resource Management (MSRM) on various projects throughout the Region. FBC has assisted in the development of an information process for the Stat'leu'mx Nation to understand the Lillooet LRMP. FBC has also assisted in the planning for helicopter skiing and timber harvesting in the Blue River area, and in the development of monitoring reports for the various LRMP's in the region.

Shuswap Lake Water Quality

As the population and intensity of activity in the Shuswap Lake area increases, concerns have begun to emerge regarding the quality of water in Shuswap Lake. The Lake provides important fish habitat, is a source of drinking water and is an important recreational area. The FBC is working with local governments in the region to raise awareness of the extent and nature of water quality concerns, and facilitate the development of solutions involving all interested parties.

The FBC coordinated the development of a summary report of water quality test sites in Shuswap Lake. In addition, the FBC produced a report for the general public on the water quality of Shuswap Lake entitled *How is Our Lake Doing?*. The document was widely distributed in the local area to increase awareness of issues affecting the lake.

South Thompson Settlement Strategy

To maintain the Basin's rivers in as natural state as possible, growth management is crucial. The South Thompson region is undergoing the greatest pressure for growth. The Thompson Nicola Regional District (TNRD) recognized this and asked the FBC for help in gathering background information and consulting the public on ideas to accommodate the growth, while protecting the natural values of the area. The process took several years, but has culminated in the development of the South Thompson

Settlement Strategy (STSS) that was proclaimed into law in the fall of 2002.

Strengthening Communities

The towns of Boston Bar, Lytton and Spences Bridge, led by the Siska Indian Band, have begun a process to create a "Learning Communities" initiative within the Fraser Canyon. The initiative will involve all the communities between Spuzzum and the Ashcroft Indian Band, and may be expanded to include the Nicola system and Lillooet.

The Learning Communities initiative is focused on acquiring Internet broadband access that is key to operating in today's world, as dial-up access is far too slow to obtain even the simplest of documents. FBC will work with the local committee to coordinate efforts and resources in the region. The process to select the specific projects will take place in the summer and fall of 2003.

Regional and Community Support

The FBC supports and provides direction/services for many ongoing community, regional district and other activities and programs to advance sustainability in the Fraser Basin. The Thompson Regional Coordinator and staff:

- Supported the village of Lillooet with its infrastructure application for sewer upgrades.
- Supported Fisheries and Oceans Canada in developing and measuring transects and low flow monitoring on nine streams within the region.
- Supported the TNRD in their open house program to gather input from local residents on proposed by-laws for the Growth Management Program on the South Thompson.
- Met with residents of numerous smaller communities in the Thompson region to update them on the proposed TNRD lakeshore guidelines and gather their advice.
- Served on the City of Kamloops technical advisory committee for the Liquid Waste Management Plan (LWMP).
- Attended LRMP, LRUP, and LWMP processes to suggest sustainable actions to be incorporated in their planning processes.
- Continued dialogue with members of the IAMC as well as their supporting staff.
- Facilitated meetings for the Sustainable Fish and Fisheries initiative between the Province, Fisheries and Oceans Canada and the Chief of the Cayoose Creek Indian Band.
- Served on the Technical Advisory Committee for the TNRD's Growth Management program.
- Chaired the Committee on Watershed Sustainability that included the BC Cattlemen's Association, Grasslands Council, DFO, WALP, MAFF and the FBC.

Regional Highlights 2002-2003

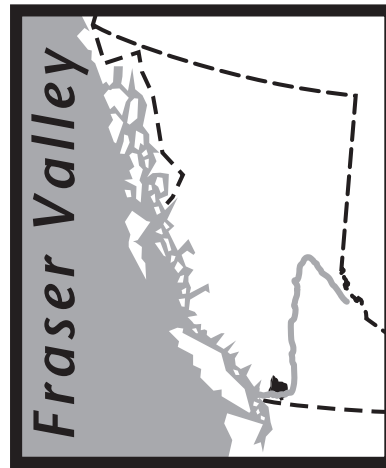
Fraser Valley

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George Ferguson, succeeded by Sylvia Pranger
Duncan Jeffries
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Feature Programs

Fraser River Management Plan (FRMP): Hope to Mission

Significant amounts of gravel are deposited each year in the “gravel reach” of the lower Fraser River during the spring runoff. Gravel movement and build-up in some areas of the river reduces the ability of local communities to protect themselves from floods; it also affects commercial navigation in the river. In addition, the removal or movement of in-river gravel has implications for fish habitat as well as in-river infrastructure such as bridges, pipelines and bank protection.

The FBC has been working closely with a group of representatives from First Nations, federal, provincial and local governments to address river management issues in the Fraser River gravel reach (Chilliwack and Agassiz area), with gravel removals for flood protection being one issue of concern.

Some challenges were faced recently when decisions by the federal and provincial governments allowing gravel removal were disputed by the Cheam First Nation due to concerns around accommodation of their aboriginal rights and title. To address these concerns, the Cheam First Nation and Land and Water BC recently reached a short-term agreement that allowed some gravel to be removed in spring 2003. Land and Water BC set aside funds equivalent to the gravel royalties in a fund for First Nations that have asserted aboriginal rights and/or title interests in the gravel removal areas. This fund will be used to support First Nations capacity building and flood management projects.

Due to these challenges, not as much gravel was removed for flood hazard purposes as had been planned. Hopefully, the relationships that have begun to be built will facilitate more significant progress towards the goals everyone agrees on, such as improving traditional fishing sites and fish habitat and reducing the flood risk. Work is now beginning on a five-year gravel management plan to define the timing, quantity and location of gravel removal from the river

for flood protection, while maintaining, protecting and/or enhancing traditional fishing sites and fish habitat.

Contact Project Coordinator Jim Vanderwal for more information at 604-488-5359 or jvanderwal@fraserbasin.bc.ca.

A management plan that addresses habitat concerns, flood hazard management and commercial gravel extraction needs to be put in place. The (Fraser Basin) Council is well positioned to undertake a key role in facilitating inclusive planning discussions and consultations.

—Charles Littledale, former Regional Manager, BC Assets and Land Corporation

Strengthening Communities

Fraser Valley Directors have identified projects in two communities.

FBC dialogue sessions in Mission focused on restorative justice principles. In order to prevent crime, action must take place at the community level. It is the people who live, work and play in a community who best understand their area's assets, problems, needs and capacities. By invitation, the FBC has facilitated sessions with citizen groups and decision makers to explore ways to address conflicts in the community. With the City of Mission as lead, the result is a series of agencies, groups and citizens engaged in non-punitive, cost effective ways of preventing crime. New directions include early interventions with children, families and marginalized populations using restorative justice principles. The process to select specific projects in the region will take place in the summer and fall of 2003.

Strengthening agriculture was the focus of sessions with the District of Kent City Council and the Kent Agricultural Advisory Committee. Small lot agriculture is a sector with the most potential for economic, social and environmental change that benefits the larger community. The aim is to strengthen the local market opportunities to stimulate small lot agriculture, economic activity and community development. FBC will work with agriculture groups and producers to identify ways to strengthen agriculture in Kent and Seabird Island First Nation.

The Fraser Basin Council is providing a very valuable service by bringing together diverse interests to proactively address difficult issues.

—Mayor Sylvia Pranger, District of Kent

Other Highlights

Business Environmental Pledge Programme (BEPP)

Abbotsford's BEPP initiative was based on a model used in Whatcom County in the State of Washington. The primary goal of BEPP is to improve the health of the internationally significant Abbotsford-Sumas Aquifer. Abbotsford businesses, together with the City of Abbotsford and the Chamber of Commerce, have formed the BEPP Committee to develop and implement the Programme. Together with Community Futures of the South Fraser, the FBC is facilitating the implementation of BEPP.

The concept is for businesses to "pledge" to undertake actions that benefit the ecosystem. Pledged businesses are recognized in a number of ways, including regular exposure in local media. Currently 45 businesses from many different sectors are undertaking environmental actions. The goal is to help create changes in business management practices that benefit the ecosystem while also demonstrating economic viability, and to develop a model of cooperation on sustainability-related activities in the Fraser Valley that can be exported to other communities in the Basin.

BEPP is a model of how the business community can take part in ensuring that our environmental legacy is secured.

—Fiona Harris, Advertising Manager, Abbotsford News

Canadian National Energy Board (NEB) Hearings

Now in the third year of the quasi-judicial process, the National Energy Board is undertaking to hear the Environmental Effects Motion regarding the proposed gas-fired, 660 kilowatt power generating plant in Sumas Washington, known as Sumas Energy 2 or SE2. Citizens, businesses, agencies and governments have expressed concerns about the amount of water to be used at the

plant, the effects of power lines running through communities and potential pollution. The FBC was asked to provide basic information and to help district residents, including local First Nations, understand how to access the process.

Celebration of Community

The purpose of this initiative is to make citizens aware of services and volunteer opportunities in their community and encourage them to get involved. The Celebration takes place in Mission on the 3rd Saturday in September to combine BC River's Day with other social, economic and environmental initiatives. Organized by the FBC, Mission Parks and Recreation, Mission Association For Community Living and Fraser River Heritage Park Society, it is a cost-free day for citizens to meet over 100 groups, agencies or clubs. Sponsors supply food and entertainment. Evaluations indicate that this annual event has increased rates of volunteerism and citizen engagement.

Sustainability and Agriculture

Since the completion of the Nutrient Management Planning Strategy in May 2001, FBC has facilitated dialogue on many agricultural issues. For example, FBC has provided information and organized tours for local and national groups regarding the rural/urban interface challenges and opportunities, enhanced communications between agriculture and urban communities, and taken part in major agricultural conferences.

Regional and Community Support

The FBC supports and provides direction and services for many ongoing community, regional district and other activities and programs to advance sustainability in the Fraser Basin. The Fraser Valley Regional Coordinator:

- Supported Fraser Valley Regional District interests in both solid waste management and wildlife protection.
- Provided input to the development of the FVRD Regional Growth Strategy.
- Chaired the Sto:lo Agriculture Conference.
- Assisted many local watershed stewardship groups.
- Liaised with many agriculture groups, First Nations and industry associations.
- Facilitated sessions with many citizen groups to understand process and goal setting.
- Worked with many community organizations developing ideas and accessing resources.
- Took part in the Abbotsford Air Quality Initiatives Group.
- Worked with Genstar Development Corporation regarding sustainability components in their development proposals.
- Networked with fish habitat interests such as the Aboriginal Fisheries and Sto:lo Nation Environmental Conference.
- Explored economic and environmental actions in regards to transportation.

Regional Highlights 2002-2003

Greater Vancouver-Squamish-Pemberton

Directors

Nolan Charles

Cheeying Ho

Ben Marr, succeeded by David van Seters

Barbara Sharp

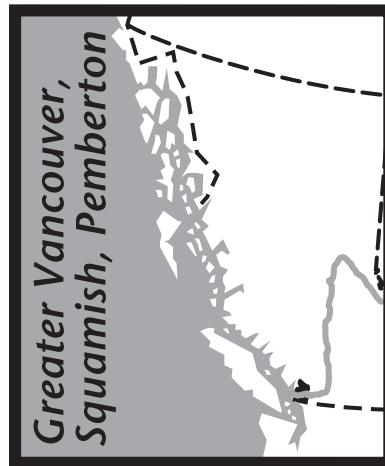
Pam Tattersfield, succeeded by Hugh O'Reilly

Staff

Regional Coordinator: Bob Purdy

Telephone: 604-488-5355

Email: bpurdy@fraserbasin.bc.ca



Feature Programs

Sustainable Region Initiative

The Sustainable Region Initiative (SRI) is a comprehensive approach to realigning current projects and practices and longer-term plans and strategies to ensure a sustainable future for the Greater Vancouver region and its citizens. Although initiated by the Greater Vancouver Regional District (GVRD), a broad range of interests, including other orders of government, non-government organizations, business, academia and individual citizens, will play roles in the design and implementation of the SRI. In this regard, the SRI embraces the inclusive governance model embodied by the FBC; a model that recognizes that unprecedented collaboration across organizations and individuals reflecting environmental, economic and social perspectives is essential in order for sustainability to be achieved on the ground.

In addition to participation in SRI-related public events, the FBC contributes to the SRI as a member of the SRI Partners Committee to help ensure that the SRI is broad-based, and fully integrates consideration of the three dimensions of sustainability. The FBC has assembled a group of experienced local leaders to provide advice to senior GVRD staff as the SRI is developed, and has also helped develop strategies and recommended actions as a member of the SRI Governance and Finance Task Group.

Contact Regional Coordinator Bob Purdy for more information on the SRI, or check out the GVRD website: <http://www.gvrd.bc.ca/sustainable/index/asp>.

Collaborative leadership is a hot topic in management circles these days and is central to the approach to governance being explored in the GVRD's Sustainable Region Initiative (SRI). That is why it has been so useful to have the Fraser Basin Council as one of the initial four partners in the first phase of the SRI. The Council has blazed new paths in building partnerships for governance for sustainability, paths that we must all follow.

Council staff have helped shape the SRI process through advisory committees, conferences, partnership building and participation in strategic planning sessions. They have been critical to the early success of the Initiative and their pledge of continued involvement is one of the reasons we are so optimistic about its future success.

—Johnny Carline, Chief Administrative Officer, GVRD

Strengthening Communities

In recent years, the community of Squamish has been impacted by declines in the forest industry and the reduced presence of BC Rail. Squamish community leaders have indicated that the downtown waterfront – if planned properly – will play a pivotal role in creating a stronger, more resilient and stable future for Squamish, a future that supports its industrial base while embracing new opportunities as the “outdoor recreation capital of Canada.”

In spring 2003, the FBC convened a Strengthening Communities dialogue session to identify key issues, existing strengths and emerging opportunities in Squamish and seek input on ways the FBC can potentially help Squamish to capitalize on

emerging opportunities. There was broad consensus that the FBC play a role by facilitating stakeholder consultation on potential futures for downtown waterfront development that are consistent with sustainability principles. Following the conclusion of fiscal year 2002/03, the FBC's Strengthening Communities Task Group approved inclusion of the Squamish downtown waterfront consultation project in the 2003/04 Strengthening Communities workplan.

Regional Debris Management

The FBC continues to play a leadership role in addressing funding uncertainty and air quality issues associated with the Fraser River debris trap, a critical waterborne debris facility situated near Hope. In 2003, for the fifth year in a row, the FBC has helped ensure that funds were in place to operate the debris trap during the Fraser River spring freshet. Had the trap failed to operate during these years, enough woody material to fill up to 13 Canadian football fields to a depth of three meters could have flowed downstream each year, resulting in millions of dollars of damage to vessels and infrastructure, destruction of sensitive fish habitat, interference with navigation, loss of recreational enjoyment of waterways and beaches, and possibly, even loss of life.

Through an agreement between NorskeCanada and the debris trap contractor, open burning has been largely eliminated as a debris disposal method, improving air quality in the Fraser Valley.

In late 2002, the federal and provincial governments expressed their support for a multi-year Business Plan for operating the debris trap prepared with the FBC's assistance by the Interim Operating Committee (IOC) of the Debris Management Partners Group. The plan includes a number of strategic research programs and partnership-building efforts focused on finding economically, environmentally and socially acceptable methods of processing captured wood debris. In order for this Plan to be realized, a multi-year debris trap funding agreement needs to be established between senior governments and the coastal forest industry.

I would like to acknowledge the Fraser Basin Council's on-going leadership and effectiveness in dealing with this important issue.

—Dr. Jon O'Riordan, Deputy Minister, BC Ministry of Sustainable Resource Management, on behalf of the Honourable Stan Hagen, Minister

Other Highlights

Britannia Mine Reclamation and Remediation

The Britannia Mine, which operated from 1902 to 1974, has been described by Environment Canada as "the largest single point source metal contamination problem in North America." Acid Rock Drainage (ARD) effluent from the mine severely impacts marine life in Howe Sound, including some 4.5 million salmon that migrate up the eastern side of Howe Sound each year. ARD, combined with contaminated soil and sediments at the site of the former mine, has for many years posed a significant obstacle to the long-term economic and social development of the Britannia area.

Due to the efforts of the FBC, the leadership demonstrated by its federal, provincial and local government partners, and the sustained focus on the issue by citizens and non-government organizations, a solution is now in sight at Britannia. Since 1998, the FBC has acted as catalyst, facilitator and conflict resolution agent to encourage cooperation among all orders of government, the private sector and the community toward a sustainable solution at Britannia. Remediation activities are now underway, with the construction of an ARD treatment plant scheduled for late 2004 and removal of contaminated soils planned in late summer 2003. During the 2002/03 fiscal year, the FBC continued to assist Britannia Beach residents to build capacity to pursue long-term tenure arrangements, and contributed towards a report released in summer 2003 by the NAFTA Council for Environmental Cooperation. With clean-up activities underway, a sustainable future for the town of Britannia Beach and the surrounding area can now be realized.

The Fraser-Basin Council has had unprecedented success at involving the regulatory agencies on this project and in facilitating a public review process that has brought us closer than ever before to solving this environmental nightmare."

—Susan Gimse, former Chair, Squamish Lillooet Regional District (SLRD)

Cities PLUS – Greater Vancouver 100 Years Hence

As part of an international competition, Greater Vancouver represented Canada in developing a 100-year plan for a sustainable region. Cities Planning for Long-Term Urban Sustainability (Cities PLUS) is supported by a broad range of private and public sector partners, including the GVRD, Liu Centre for the Study of Global Issues, Duke Energy and BC Gas. The FBC participated in a number of Cities PLUS events and assisted the initiative with the development of a foundation paper that examined regional sustainability governance challenges and potential solutions. Subsequent to 2002/03 fiscal year, on June 4, 2003, Canada, represented by the Cities PLUS team, was awarded the grand prize at the World Gas Conference in Tokyo.

Fraser River Estuary Management Program

The Burrard Inlet Environmental Action Program (BIEAP) and Fraser River Estuary Management Program (FREMP) are inter-governmental partnerships established to coordinate the environmental management of two significant aquatic ecosystems in the Lower Mainland of British Columbia – Burrard Inlet and the Fraser River Estuary. The FBC has a Memorandum of Understanding with BIEAP/FREMP that provides a framework for complementary actions in support of the sustainability of these ecosystems. During the year, the FBC assisted FREMP with its update to its Estuary Management Plan. In addition, the FBC participated in the development of the Consolidated Environmental Management Plan for Burrard Inlet, which was finalized and released by BIEAP in April, 2002.

Lower Mainland Water-Based Transportation Needs

The FBC worked with the Greater Vancouver Gateway Council's (GVGC) Major Commercial Transportation Strategy Waterborne Working Group to examine the need for new water-based transportation nodes to help alleviate congestion on major road networks in the Lower Mainland. With the support of Transport Canada, the FBC led a project to determine whether Geographic Information System (GIS) data could be harnessed to improve awareness of the environmental, economic and social issues and opportunities associated with potential transportation nodes. Although GIS technology can be used for such a purpose, the project highlighted the need for enhanced interagency cooperation to improve the quality and consistency of GIS data across jurisdictions.

Regional and Community Support

The FBC supports and provides direction and services for many ongoing community, regional district and other activities and programs to advance sustainability in the Fraser Basin. The Greater Vancouver-Squamish-Pemberton Regional Coordinator:

- Convened the Changing Face of the Fraser River Estuary Symposium (April 18, 2002) and subsequent release of the proceedings. The event, hosted by the FBC in partnership with the GVRD and FREMP, raised awareness of biophysical changes occurring in the Estuary and encouraged collaborative efforts to ensure that such knowledge informed decision-making.
- Convened the Building Sustainable Enterprises workshop (April 25-26, 2002), in partnership with Environment Canada, Industry Canada and others, to educate businesses about leading edge tools and approaches to improve economic performance through eco-design, supply chain management, environmental management and other best practices.
- Participated on the Steering Committee of the EcoEfficiency Partnership, a multi-agency initiative to help small and medium-sized enterprises improve their profitability through reducing energy use, material consumption and waste/emissions production.
- Provided facilitation support, in partnership with the BC Ministry of Sustainable Resource Management, to the Governance for Sustainability Workshop, held June 3-4, 2002 in Whistler.
- Raised awareness of the FBC's innovative governance model through presentations at, for example, the National Round Table On The Environment and The Economy annual meeting, the Union of BC Municipalities Convention, and two environmental law conferences.
- Moderated a City of Vancouver all-candidate's meeting during the 2002 municipal election.
- Determined planning agency interest in a new process to examine cumulative effects of incremental development in the Marpole Basin, in response to a request by the Save Our Parkland Association.
- Provided advisory support to individuals and groups seeking to reduce conflict and enhance cross-sectoral collaboration in their organizations and communities.



Fraser Basin Council

Financial Statements of Fraser Basin Council Society

Years ended March 31, 2003 and 2002

FRASER BASIN COUNCIL SOCIETY

AUDITORS' REPORT TO THE MEMBERS

We have audited the statement of financial position of Fraser Basin Council Society as at March 31, 2003 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding fiscal year.



Chartered Accountants
Vancouver, Canada
May 30, 2003

FRASER BASIN COUNCIL SOCIETY

Statements of Financial Position

March 31, 2003 and 2002

	2003	2002
Assets		
Current assets:		
Cash and cash equivalents	\$ 220,677	\$ —
Restricted cash (note 3)	1,199,774	537,631
Project and other receivables (note 5)	258,983	595,257
Prepaid expenses	9,771	11,544
	1,689,205	1,144,432
Capital assets (note 6)	4,604	15,168
	\$ 1,693,809	\$ 1,159,600
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 80,189	\$ 116,999
Deferred revenue (note 7)	167,891	219,633
Current portion of obligation under capital leases (note 8)	205	6,130
Funds held in trust (note 4)	938,810	476,799
	1,187,095	819,561
Obligation under capital leases (note 8)	—	205
Net assets:		
Invested in capital assets	4,399	8,833
Sustainability Fund	260,964	208,520
Unrestricted	241,351	122,481
	506,714	339,834
	\$ 1,693,809	\$ 1,159,600

Commitments (note 9)

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

FRASER BASIN COUNCIL SOCIETY

Statements of Operations

Years ended March 31, 2003 and 2002

	2003	2002
Revenue:		
Government contributions:		
Federal	\$ 350,000	\$ 350,000
Provincial	350,000	350,000
Municipal	328,335	330,461
Project revenue	721,701	914,228
State of the Fraser Basin Conference	227,757	—
Interest	28,116	25,930
Donations	2,444	3,915
Other	1,961	1,886
	2,010,314	1,976,420
Expenses:		
Projects:		
Basinwide	572,985	826,580
Regional	496,803	482,135
State of the Fraser Basis Conference	133,228	—
Communications	135,861	84,400
Board operations	135,104	115,706
Administration	332,126	402,935
Amortization of capital assets	10,564	15,975
Goods and Services Tax	26,763	30,087
	1,843,434	1,957,818
Excess of revenue over expenses	\$ 166,880	\$ 18,602

See accompanying notes to financial statements.

FRASER BASIN COUNCIL SOCIETY

Statements of Changes in Net Assets

Years ended March 31, 2003 and 2002

	Invested in capital assets	Sustainability Fund	Unrestricted	Total	
				2003	2002
Balance, beginning of year	\$8,833	\$208,520	\$122,481	\$339,834	\$321,232
Excess of revenue over expenditures	(10,564)	—	177,444	166,880	18,602
Repayment of capital lease obligation	6,130	—	(6,130)		—
Transfers	—	52,444	(52,444)	—	—
Balance, end of year	\$4,399	\$260,964	\$241,351	\$506,714	\$339,834

See accompanying notes to financial statements.

FRASER BASIN COUNCIL SOCIETY

Statements of Cash Flows

Years ended March 31, 2003 and 2002

	2003	2002
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 166,880	\$ 18,602
Amortization of capital assets	10,564	15,975
Decrease (increase) in non-cash working capital:		
Project and other receivables	336,274	(34,305)
Prepaid expenses	1,773	(3,956)
Accounts payable and accrued liabilities	(36,810)	38,261
Deferred revenue	(51,742)	(296,090)
Funds held in trust	462,011	38,693
	888,950	(222,820)
Investments and financing:		
Purchase of capital assets	-	(11,766)
Repayment of capital lease obligation	(6,130)	(9,626)
Restricted cash	(662,143)	(99,525)
	(668,273)	(120,917)
Increase (decrease) in cash and cash equivalents	220,677	(343,737)
Cash and cash equivalents, beginning of year	—	343,737
Cash and cash equivalents, end of year	\$ 220,677	\$ —

Cash and cash equivalents are defined as cash and short-term investments with maturities less than ninety days from inception, excluding restricted cash.

See accompanying notes to financial statements.

FRASER BASIN COUNCIL SOCIETY

Notes to Financial Statements

Years ended March 31, 2003 and 2002

1. Operations:

The Fraser Basin Council Society (the "Society") is incorporated under the Society Act of British Columbia. Its mandate is to advance sustainability of the Fraser Basin and monitor implementation of the Charter for Sustainability. The Charter for Sustainability is designed to maintain and enhance social, economic and environmental sustainability of the Fraser Basin. The Society is the successor to the Fraser Basin Management Program, which operated pursuant to a five year government agreement between the years 1992 to 1997. The Society qualifies as a registered charity under the Income Tax Act and, accordingly, is exempt from federal and provincial income and capital taxes.

2. Significant accounting policies:

(a) Basis of presentation:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations as prescribed by the Canadian Institute of Chartered Accountants.

(b) Revenue recognition:

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Investment income is not restricted and is recognized as revenue when earned.

(c) Sustainability Fund:

Transfers to the Sustainability Fund from unrestricted net assets are restricted through Board approval. The Society intends to create an endowment fund to generate income for future operations. The funds restricted by the Board are currently available for use under certain circumstances as determined by the Board.

(d) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Amortization is computed over the assets' estimated useful lives on the following bases and at the following annual rates:

Asset	Basis	Rate
Computer equipment	Straight-line	3 years
Office equipment	Straight-line	5 years

(e) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may ultimately differ from these estimates.

(f) Comparative figures:

Certain comparative figures for 2002 have been reclassified to conform with the financial presentation adopted in the current year.

3. Restricted cash:

Restricted cash represents the internally restricted sustainability fund and funds held in trust.

FRASER BASIN COUNCIL SOCIETY

Notes to Financial Statements

Years ended March 31, 2003 and 2002

4. Funds held in trust:

Funds held in trust represent the excess of funding received from the government and private sources over disbursements made in respect of specific projects. The Society acts as an agent only to collect funds and make disbursements with respect to these projects, and accordingly, related revenue and expenditures have not been included in the financial statements of the Society. During the year, the Society's trust funds had the following activity:

	2002	Funds received	Disbursements	2003
Cheslatta Watershed Study	\$ 14,618	\$ —	\$ (13,880)	\$ 738
Lessons Learned Forum	—	5,000	(1,588)	3,412
Log Debris Management	456,974	270,000	(367,637)	359,337
Noxious Weeds Trust	5,207	9,759	(20,728)	(5,762)
Sea to Sky LRMP Trust	—	235,000	(23,500)	211,500
Thompson LRMP Trust	—	500,080	(130,495)	369,585
	\$ 476,799	\$1,019,839	\$ (557,828)	\$ 938,810

5. Project and other receivables:

	2003	2002
Federal agencies:		
Agriculture and Food Canada	\$ —	\$ 94,305
Department of Fisheries and Oceans	33,500	103,086
Environment Canada	26,016	25,000
Health Canada	50,000	50,000
Heritage Canada	10,000	—
Industry Canada	2,500	—
National Defense Canada	30,000	—
Natural Resources Canada	—	3,825
Transport Canada	—	24,890
Western Diversification Office	60,840	180,000
Provincial agencies:		
Province of British Columbia	8,894	43,750
Ministry of Community, Aboriginal and Women's Services	—	7,500
Ministry of Health	—	48,030
Ministry of Public Safety and Solicitor General	20,000	—
Municipalities and Regional Districts	5,500	2,801
Other	11,733	12,070
	\$ 258,983	\$ 595,257

FRASER BASIN COUNCIL SOCIETY

Notes to Financial Statements

Years ended March 31, 2003 and 2002

6. Capital assets:

			2003	2002
	Cost	Accumulated amortization	Net book value	Net book value
Computer and office equipment	\$ 53,316	\$ 48,712	\$ 4,604	\$ 15,168

7. Deferred revenue:

The changes in deferred revenue related to expenses of future periods are as follows:

	2003	2002
Balance, beginning of year	\$ 219,633	\$ 515,723
Amounts received during the year related to future periods	151,891	154,352
Amount recognized as revenue in the year	(203,633)	(450,442)
Balance, end of year	\$ 167,891	\$ 219,633

Deferred revenue is to be used for operations and specified programs that are expected to be completed in fiscal 2003. Specified programs include research and co-ordination initiatives related to Gravel Management, Britannia Mine, Thompson Stewardship, Airshed Management, Climate Change, State of the Fraser Basin Conference, Rural Development Database, and Fisheries Strategy.

8. Obligation under capital leases:

The Society has entered into a capital lease for computer hardware and peripherals. The lease is for a period of 36 months expiring in fiscal 2004 at an implicit interest rate of 16.0% and will result in automatic title transfer at no additional cost to the Society at the end of the lease term.

9. Commitments:

The Society is obligated to make monthly rental payments of \$5,500 for office space under a five-year lease expiring June 30, 2006. The landlord has carried out improvements to the premises costing \$200,000 to accommodate the needs of the Society and it is a condition of the lease that the Society is liable to repay this \$200,000 should they vacate these premises prior to expiry of the lease term.

10. Investment income:

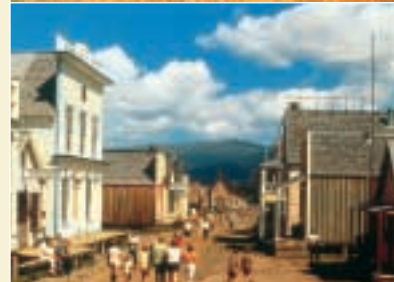
Investment income recorded in the statements of operations is calculated as follows:

	2003	2002
Income earned on unrestricted resources	\$ 24,656	\$ 22,375
Income earned on restricted net assets	3,460	3,555
	\$ 28,116	\$ 25,930

11. Subsequent event:

On April 24, 2003 the Council entered into a conditional funding agreement with the Ministry of Water, Land and Air Protection to administer \$1,000,000 in support of a flood hazard management program located in the Fraser Basin. Completion of the transaction is conditional on the funds being spent only on the project, with any unspent funds being returned to the Ministry, and that total funds obtained for the project do not exceed 100% of the project costs. The project is expected to begin as of April 1, 2003 with completion scheduled for March 31, 2004.

The Fraser River Basin



Fraser Basin Council

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