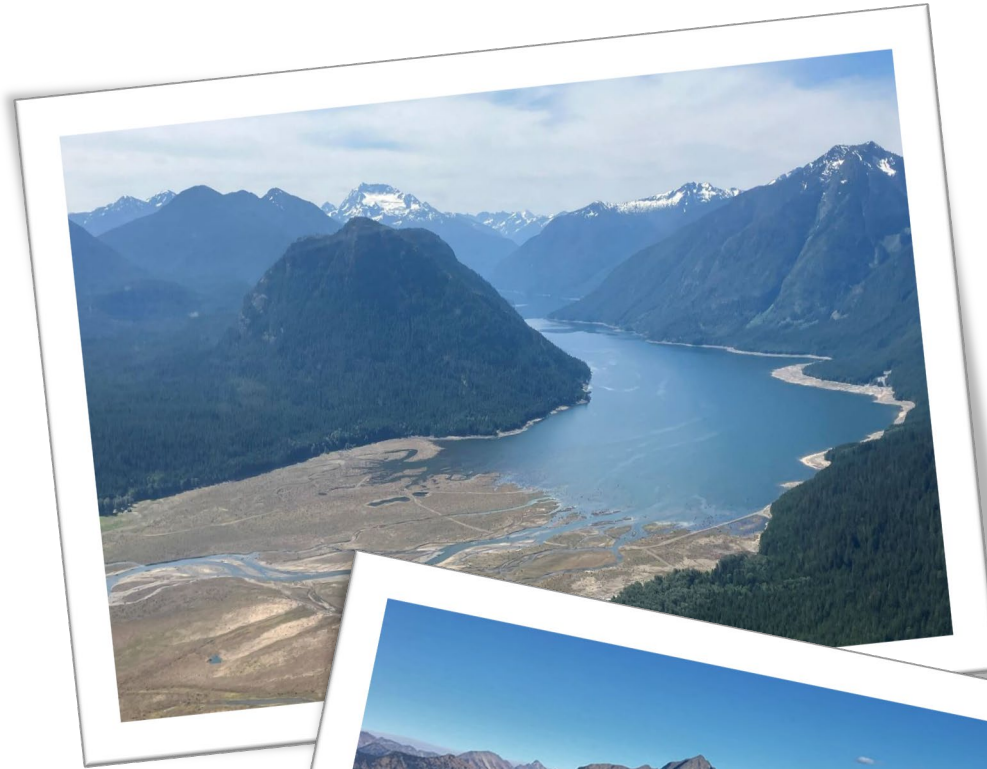




Annual Report FY2023-2024



Fiscal Year 2023-2024

INTRODUCTION

This report summarizes the activities of the Skagit Environmental Endowment Commission (the Commission) during Fiscal Year (FY) 2023-2024: year five (5) of the Commission's Strategic Plan (2019-2024) and is prepared in fulfillment of the provisions of Article II, Appendix D of the British Columbia–Seattle Agreement (March 30, 1984) regarding the High Ross Dam. Wildfires, lingering impacts of the 2021 atmospheric river flooding, and the effects of the global pandemic affected Commission activities for 2023-2024. Road access and facilities in the Ross Reservoir Lake Area were compromised on both sides of the border and limited the operational capacity for both Canadian and US land managers. Road access on the Canadian side is expected to be restored by April 2024.

BACKGROUND

The Commission and the Skagit Environmental Endowment Fund (the Fund) were established in 1984, through the Ross Lake/Seven Mile Reservoir Treaty between Canada and the United States (High Ross Treaty) and its associated Agreement (the Agreement). The Agreement establishes the Commission to oversee the management and dispersal of the Fund.

The 2022 extinguishment of mineral tenures held by Imperial Metal in the Silverdaisy Watershed (“Donut Hole”) was a collaborative purchase enabled by British Columbia and Washington State. The Commission contributed funding from the Fund. As a result, income from the Fund dropped and less funding is available for granting.

The Fund is managed by Vancouver-based Phillips, Hager, and North Investment Services, the institutional investment arm of Royal Bank of Canada Global Asset Management. Per terms of the Agreement, both Seattle City Light (City Light) and BC Hydro make annual supplemental payments to the Fund, based on power sales and production. The Fund resides and is managed outside of the consolidated revenue of either the BC provincial or Seattle City governments.

The primary purposes of the Fund, per the Agreement, are to:

1. conserve and protect wilderness and wildlife habitat;
2. enhance recreational opportunities in the Skagit Valley;
3. acquire mineral or timber rights consistent with conservation and recreational purposes;
4. conduct studies of need and feasibility of projects;
5. plan for and construct hiking trails, foot bridges, interpretive displays, and the like; and,
6. cause the removal of stumps and snags in Ross Lake and on the shoreline, consistent with wildlife habitat protection.

Expenditures of the Fund are limited to projects located in, or related to, the Skagit River watershed upstream of Ross Dam in both Washington State and British Columbia. Annual expenditure levels are developed within established guidelines to protect the amount of the fund and averaging four percent of the Fund value, plus supplemental annual payments provided by BC Hydro and Seattle City Light.

FY 2023-2024 Financial Highlights

- Following a third-party review, the Commission engaged a new asset manager and expanded asset allocation to include private markets.
- Received an unqualified audit for FY 2022-2023.
- The Fund was valued at USD\$10,178,56 / CAD\$13,774,640 as of March 31, 2023, the end of the most recent fiscal year (See audited financial statements).
- The cumulative value of grants made from the Fund from 1984 to the end of the last fiscal year is USD\$12,947,947 /CAD\$16,308,219.

**Currency exchange rate is in the Commission's audited financial statement for the fiscal year.*

2023-2024 Commissioners and Staff

The Commission, created through treaty consists of sixteen members, four Commissioners appointed by the Mayor of Seattle and the Premier of British Columbia. Both also appoint up to four alternate Commissioners. Per the Agreement, the Commission is a non-profit entity.

A complete roster of the Commission and profiles of the Commissioners can be found on-line at <https://skagiteec.org/about/commissioners/>

Commissioners: *(A) indicates Alternate Commissioner

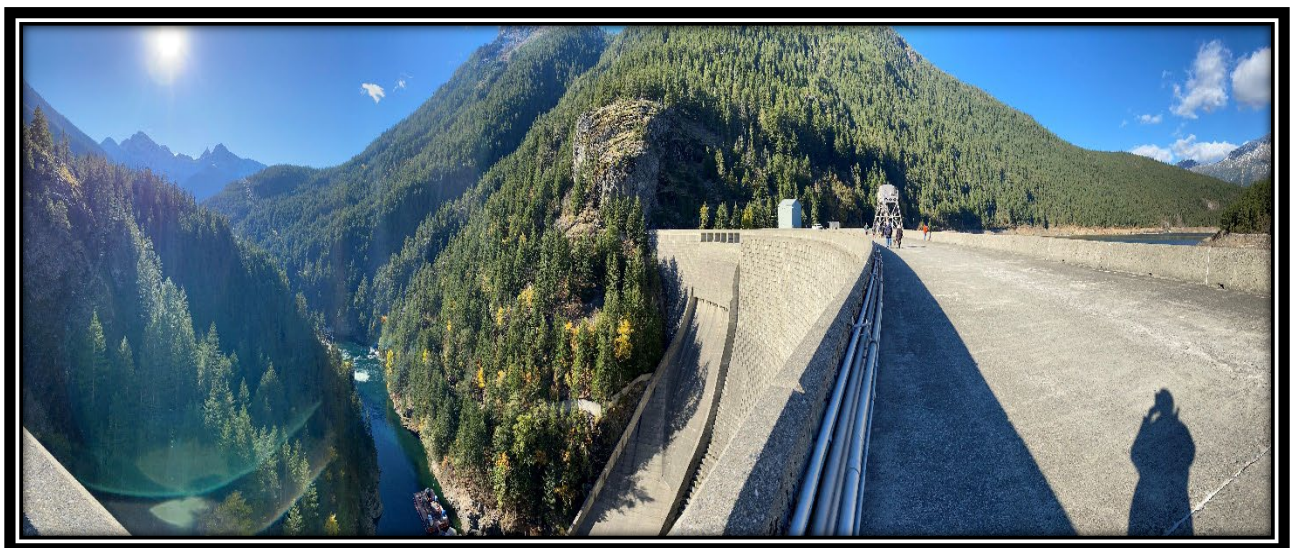
Canada: Shannon Bentley (Co-chair); Peter Chapman; Sue Hammell; Stephen Hui; Brodie Guy (A); Bob Chamberlain (A); Anna Warwick Sears (A); Karen Dunstan (A)

United States: Leo Bodensteiner (Co-Chair); Lynn Best; Matt Love; Rob Smith; Jon Riedel (A); Tim Reynon (A); Richard Brocksmith (A); Diana Bob (A)

Within the Agreement, Seattle City Light and the Province of BC provide staff support to the Commission, as needed. Danielle Courcelles, of the BC Ministry of Forests Lands and Natural Resource Operations served as the Canadian Secretary until June 2023, followed by Ann Eastman of the BC Ministry of Water, Land and Resource Stewardship. Kate Engel, Science Policy Manager, Seattle City Light, serves as the US Secretary. A contractor in BC is retained to provide communication services and committee coordination.

MEETINGS AND RETREAT

The Commission met in March, June, September, and October of 2023. The October meeting was the Commissions' annual retreat held over two days in Newhalem, WA which included a field trip to the High Ross Dam, initiation of the five-year strategic plan (2024-2028) and a business meeting.



Ross Dam looking downstream October, 2023

2023-2024 Committees

Seven standing committees made up of members of the Commission help it oversee projects and initiatives relevant to the strategic plan.

Standing Committees

- Watershed Integrity
- Indigenous Peoples Engagement
- Ecosystem Science
- Education
- Recreation
- Communications
- Finance and Audit

2023-2024 Activities and Partnerships

Effects of the global pandemic, the 2021 atmospheric river flooding that impacted the Pacific Northwest, and regional fires throughout the Upper Skagit Valley continued to affect the Commission's work. Some program area's activities were limited or needed to be revised.

2023-2024 was the final year of a five-year Strategic Plan. The key areas of program focus include Watershed Integrity, Recreation, Ecosystem Science, Communications, Education and Indigenous Relations.

Work over the year was accomplished primarily through contracts or partner agreements with the agencies and groups listed below:

- Hope Mountain Centre for Outdoor Learning
- BC Parks, Ministry of Environment and Climate Change Strategy
- Fraser Valley Conservancy
- Nlaka'pamux Nation Tribal Council
- North Cascades Institute
- North Cascades National Park Service Complex
- Student Conservation Association

Highlights of Activities:

Hope Mountain Centre for Outdoor Learning (HMCOL)

- The HMCOL educational program delivery was affected by the road closure to Hozomeen, so it focused on activities at Manning Provincial Park and the Sunshine Valley.
- Interpreters reached 1449 participants, plus more than 7800 contacts between presentations along the trail or elsewhere.
- HMCOL delivered 44-day programs and 133 evening programs, plus making available 31 touch tables, 43 wildflower walks and three special events for park and area visitors.

BC Parks

- The Silver Skagit Road remained closed to the border in 2023, so no programs were delivered in the Hozomeen area; however, the BC Parks interpreter visited schools in May and June in the Hope and Chilliwack areas - 12 schools, 52 classes, working with 1228 students and teachers.
- The BC Parks interpreter participated in several events in Manning Provincial Park with wildlife props, meeting 627 visitors of all ages and presenting three evening programs on the importance of protecting the watersheds of the North Cascades.
- The BC Parks interpreter set up information displays and talks at Silver Lake Provincial Park, the gateway route to the upper Skagit area.
- With the North Cascades Institute, the BC Park interpreter co-presented an online program "*Beyond Borders: Transboundary Conservation in an Interconnected World*" in October 2023.

North Cascades Institute

- In the spring of 2023, 1770 regional 5th graders from 34 schools participated in Mountain School, the overnight environmental education program at the Environmental Learning Center in the North Cascades National Park Complex.
- Over the summer, two Youth Leadership Adventure trips were completed for youth including canoeing on Ross Lake Reservoir; however, the Sourdough wildfire forced the cancellation of the fall Mountain School programs and a Youth Leadership Adventure trip.



North Cascades Institute Youth Leadership Adventure Trip - Canoeing on Ross Lake Reservoir

National Park Service

- The ongoing road closure to Hozomeen prevented the National Park Service from providing a resident interpretive ranger and delivering visitor programs. The road is expected to re-open in April 2024.
- Water quality, water temperature monitoring and invasive plant management for the Ross Lake Reservoir were conducted.
- Fisher restoration projects within the Skagit River watershed continued, including support for initial releases and monitoring of released fishers.

Nlaka'pamux Nation Tribal Council

- The cultural survey project, *Locating the Nlaka'pamux Skagit Trail Upper Skagit River Valley*, examined the old Nlaka'pamux trail system north of the Canada/US border along the east bank of the Skagit River.
- Initially delayed by the 2021 atmospheric river, cultural surveyors and Nlaka'pamux Elders walked the trails in 2023. They professed a sense of

safety and familiarity and most of all, a profound experience of walking in the steps of the ancestors who had stewarded this land for centuries.



Trail Marker Trees (TMTs) – Here these point to the location of Silver Skagit Road to what is now the Hozomeen Mountain campground and Ross Reservoir that was likely constructed over older indigenous trails and sites: TMTs will direct indigenous people to sites where the ancestors had hunted, gathered, made tools, had ceremony and stayed, for long and short periods, winter and summer.

Student Conservation Association Council (SCA)

- Work in Summer 2023 included environmental education days with an introduction to camping and included setting up equipment and gear. For many youth members, SCA summer crews provide a first-ever opportunity to camp.
- The SCA programs build conservation work skills including safe and proper use of equipment; identification and removal of invasive species; trail restoration, improvement and maintenance.
- Camps were initially set up in the North Cascades; however, the Sourdough fire forced SCA to move south for the season.