

**COLUMBIA BASIN TRUST  
BOARD OF DIRECTORS MEETING NO. 136  
JANUARY 28/29, 2011  
MINUTES**

Confidential information such as business negotiations, personnel issues and legal advice may have been severed from these minutes.

Meeting No. 136 was held at the Hume Hotel in Nelson, BC.

**Directors in attendance:**

G. Merkel, Chair	
G. Deck – Friday	R. Oszust
M. Berg	B. Smith
R. Miles	D. Birdstone
B. Trehwella	K. Deane
P. Peterson	

**Directors absent:**

C. Gallinger  
J. Miller

**Staff attending:**

N. Muth	A. Wilkey - Friday
J. Strilaeff - Friday	A. Ambrosone – Saturday
C. Lloyd - Friday	C. Schafer - Saturday
K. Gosal – Friday	R. Wake - Saturday
S. Curtis	R. Allen - Saturday
M. Forster – Recording Secretary	L. Erven - Saturday

The Chair suspended the Order of Business. For continuity, these Minutes reflect the order of the Agenda.

The meeting was called to order at 1:10 pm.

**ADOPTION OF AGENDA**

**Attachments:**

- Minutes: Board Meeting No. 135
- Action Item List No. 132
- Report from the Chair
- Report from the CEO
- Minutes: Executive Committee Meeting Nos. 79 and 80
- Minutes: Audit Committee Meeting No. 42
- Consolidated Financial Statements – December 31, 2010
- Five Year Treasury Board Forecasts
- Appointment of Auditors
- 2011/12 Corporate Budget
- DOB Annual Expenditure Budget

- Corporate and DOB Performance Measures and Targets
- CBT Service Plan for 2011/12 – 2013/14
- Shareholder Letter of Expectations
- 2010 Columbia Basin Symposium
- Minutes: Investment Committee Meeting No. 42
- Delivery of Benefits Committee Update
  - Multi-year Funding
  - Program Evaluations
  - Policy/Strategic Discussion on DOB Spending
- Project Approvals
  - Elkford Community Centre
  - Grassland and Rangeland Enhancement Fund
  - Koocanusa Boat Launch
  - Land Conversation – Silvertip Property
- DOB Budget Request 2011/12
- Reappointment to Social Advisory Committee
- Child Care Project Guidelines for the Community Development Program
- Update on CBT's Exploration of Broadband
- Water Initiatives Committee Update
- CRT Review: 2011 Public Education and Engagement Process

**1/11 Moved, seconded and resolved that:**  
The Agenda No.136 be and hereby is adopted as amended.

**2/11 Moved, seconded and resolved that:**  
The attachments to Agenda No. 136 be and hereby are received.

### **ADOPTION OF MINUTES**

**3/11 Moved, seconded and resolved that:**  
The minutes of Meeting No. 135 held on November 26/27, 2010, be and hereby are adopted.

### **Action Item List No. 132**

Action Item List No. 132 was provided for informational purposes only.

There were no resolutions arising.

### **REPORTS FROM OFFICERS AND STANDING COMMITTEES**

#### **Report from the Chair**

The Chair reviewed his written and verbal report with the Board.

There were no resolutions arising.

#### **Report from the CEO**

The CEO reviewed his written report with the Board.

There were no resolutions arising.

## **Report from the Executive Committee**

### **Minutes of Meetings**

The minutes of Meeting No. 79 held on November 26, 2010 and Meeting No. 80 held on January 14, 2011 were provided for informational purposes only. The Committee Chair also provided the Board with a verbal update on a recent meeting held on January 25, 2011. The Committee Chair invited the Board members to provide any names of potential future Directors to the CBT Board to N. Muth and M. Forster.

## **Report from the Audit Committee**

### **Minutes of Meetings**

The minutes of Meeting No. 42 held on November 18, 2010 were provided for informational purposes only. The Committee Chair also provided the Board with a verbal update on a recent meeting held on January 25, 2011. He suggested that a workshop on financial statement interpretation be held in conjunction with the next Board planning session and that this workshop be provided to the Board members on an annual basis.

## **Consolidated Financial Statements – December 31, 2010**

C. Lloyd presented the Consolidated Financial Statements for the period ending December 31, 2010 which were earlier approved by the Audit Committee.

### **4/11 Moved, seconded and resolved that:**

As recommended by the Audit Committee, the Board hereby approves the Consolidated Financial Statements for the period ending December 31, 2010.

## **Five Year Treasury Board Forecasts**

The memorandum was provided for informational purposes only. CBT is required to submit five year financial forecasts to Treasury Board on a quarterly basis. The forecast was reviewed and approved for submission by the Board Chair.

There were no resolutions arising.

## **Appointment of External Auditors**

Director Bob Smith advised the Board of a possible conflict of interest regarding a relative who works on the external team. He left the meeting and returned after the discussion.

The Committee Chair reviewed a memorandum which discussed the proposed extension of the five year term of the current external audit contract and also sought the Board's approval of the external auditors.

### **5/11 Moved, seconded and resolved that:**

As recommended by the Audit Committee, the Board hereby approves that the contract with Yule Anderson, Chartered Accountants, for external audit services, be extended for one year to include fiscal year 2011/12.

## CORPORATE MATTERS

### Proposed 2011/12 Corporate Budget

C. Lloyd presented the proposed corporate budget for the fiscal year 2011/12 which was earlier approved by the Executive Committee.

#### 6/11 **Moved, seconded and resolved that:**

As recommended by the Executive Committee, the Board hereby approves the FY2011/12 corporate budget.

### Delivery of Benefits Annual Expenditure Budget

A memorandum was provided by CBT's Investment staff for informational purposes only as the Executive Committee had previously dealt with the matter. It recommended that \$17 million in new funding for DOB could be made available for the 2011/2012 operating year.

There were no resolutions arising.

### Corporate and Delivery of Benefits Performance Measures and Targets

A. Ambrosone reviewed a memorandum which sought the Board's approval of the 2011/12 – 2013/14 targets for Corporate Operations and Delivery of Benefits performance measures that appear in CBT's Service Plan. The DOB Committee was asked to review the Delivery of Benefits targets and the Executive Committee was asked to review the Corporate Operations targets prior to the Board's consideration. The following targets were proposed to the Board:

Measure	2011/12 Target	2012/13 Target	2013/14 Target
Maturity of Planning Practices	3	4	4
Maturity of Risk Management Practices	3	3	4
Budget Variance for Corporate Operations	5%	5%	5%
Assessment by Residents of CBT's effectiveness	N/A	78%	N/A
Assessment by Partners of CBT's Effectiveness	N/A	96%	N/A

#### 7/11 **Moved, seconded and resolved that:**

The Board hereby approves the 2011/12 – 2013/14 targets for Corporate Operations and Delivery of Benefits performance measures as outlined for the purposes of the Service Plan.

### CBT Service Plan for 2011/12 – 2013/14

A. Ambrosone provided a memorandum which sought the Board's approval of the CBT Service Plan for 2011/12 – 2013/14. She highlighted the major changes from last year's Plan. CBT's Communications staff will be revisiting the Service Plan's format to make it reader friendly for Basin residents.

#### 8/11 **Moved, seconded and resolved that:**

As recommended by the Executive Committee, the Board hereby approves the CBT Service Plan for 2011/12 – 2013/14 substantially as presented.

## Shareholder's Letter of Expectations

[REDACTED]

[REDACTED]

[REDACTED]

### 2010 Columbia Basin Symposium

S. Curtis provided a memorandum for informational purposes only. It provided follow-up information with respect to the 2010 Columbia Basin Symposium. Two summary reports were provided which summarized the results of the regional scenario planning workshop held at the Symposium and the summary for the entire event. These reports will be shared publicly on CBT's website.

There were no resolutions arising.

### INVESTMENT PROGRAM

#### Report from the Investment Committee

The minutes from Meeting No. 42 held on November 24, 2010 were provided for informational purposes only.

### DELIVERY OF BENEFITS

#### Report from the Delivery of Benefits Committee

The Committee Chair provided the Board with an update on the meeting held on Thursday, January 27, 2011.

### Community Development Program – Elkford Community Centre

A memorandum was provided that sought the Board's approval of a \$300,000 request for funding for Elkford Community Centre for the District of Elkford.

#### 10/11 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby approves to fund the District of Elkford, Elkford Community Centre for \$300,000 through the Community Development Program subject to all funds being in place to complete the project and the District of Elkford confirming with CBT the intended uses of the facility.

### Community Development Program – Grassland and Rangeland Enhancement Fund

A memorandum was provided that sought the Board's approval of a three year request from the Kootenay Livestock Association of \$550,000 for a Grassland and Rangeland Enhancement Fund to address grassland and rangeland issues and opportunities. Discussion ensued on possible incrementality issues regarding this grant application.

**11/11 Moved, seconded and resolved that:**

As recommended by the DOB Committee, the Board hereby endorses staff's recommendation to provide program funding as follows:

- Year 1 - \$150,000,
- Year 2 - \$200,000,
- Year 3 - \$200,000,

for the development of a Grassland and Rangeland Enhancement Fund;

**And further resolved that:**

Years 2 and 3 are subject to a review of year 1 of the program and whether it has met the program's objectives.

**Koocanusa Boat Launch**

Chair Garry Merkel had advised the Board of a possible conflict of interest in this matter where he has been designated to represent the Ktunaxa with respect to the potential construction of a boat launch on the Koocanusa reservoir. He left the meeting and returned after the discussion.

A memorandum was provided for informational purposes only. It advised the Board of a potential Community Development Program application that may need to be considered by the DOB Committee and Board prior to the Board's March 2011 Board meeting. CBT had agreed to become part of an initiative to develop a boat launch on the Koocanusa Reservoir. CBT has not yet determined what level of funding it is prepared to commit to the boat launch.

There were no resolutions arising.

**Land Conservation – Silvertip Property**

A memorandum was provided that sought the Board's approval to provide funding support for the Silvertip Ranch acquisition under the Land Conservation Initiative for \$335,000.

**12/11 Moved, seconded and resolved that:**

As recommended by the DOB Committee, the Board hereby approves to provide funding support for the Silvertip Ranch acquisition under the Land Conservation Initiative for \$335,000.

Directors R. Miles and D. Birdstone opposed the motion and requested that their opposition be recorded in the minutes.

**Delivery of Benefits Budget Request 2011/12**

A memorandum was provided that sought the Board's approval of the proposed Delivery of Benefits budget for 2011/12 as recommended by the DOB Committee.

**13/11 Moved, seconded and resolved that:**

As recommended by the DOB Committee, the Board hereby approves the Delivery of Benefits budget for 2011/12 as presented;

**And further resolved that:**

- a) the Delivery of Benefits Committee be given authority to:
  - i. approve commitments from the unallocated portion of the 2011/12 Delivery of Benefits budget to a maximum of \$2 million, and
  - ii. approve transfers from one program to another program in the Delivery of Benefits budget,provided that the Committee report back to the Board any decisions in this regard;
  
- b) the Chief Executive Officer be given the authority to:
  - i. approve commitments from the unallocated portion of the 2011/12 Delivery of Benefits budget to a maximum of \$250,000,
  - ii. approve transfers from one program to another program in the Delivery of Benefits budget to a maximum of \$100,000, and
  - iii. transfer funds from historic programs to current programs within the Delivery of Benefits,provided that the CEO report back to the DOB Committee any decisions in this regard.

**Reappointment to the Social Advisory Committee**

A memorandum was provided that sought the Board's approval of the reappointment of Mary Lynn Lewis to the Social Advisory Committee for a two year term expiring January 31, 2013.

**14/11 Moved, seconded and resolved that:**

As recommended by the DOB Committee, the Board hereby approves the reappointment of Mary Lynn Lewis to the Social Advisory Committee for a two year term expiring January 31, 2013.

**Child Care Project Guidelines for the Community Development Program**

A memorandum was provided for informational purposes only. It presented draft guidelines for funding requests for child care projects through the Community Development Program.

There were no resolutions arising.

**Update on CBT's Exploration of Broadband**

Vice Chair Greg Deck, who previously advised the Board of a conflict of interest regarding this issue, was not present for this discussion.
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A memorandum was provided for informational purposes only. It provided an overview of the current state of broadband in the Basin, a review of CBT's historical involvement with Columbia Mountain Open Network and community broadband initiatives, and possible directions for further involvement. As staff may be seeking significant direction from the Board at the Board's March 2011 board meeting, the memorandum also served to provide background information.

There were no resolutions arising.

## **WATER INITIATIVES**

### **Report from the Water Initiatives Committee**

A memorandum was provided that sought the Board's endorsement in signing a Memorandum of Understanding ("MOU") between CBT and Northwest Power and Conservation Council ("NWPCC"). The MOU would formalize and reaffirm the relationship between CBT and NWPCC. The memorandum also provided an overview of highlights from the work of the Water Initiatives Committee.

#### **15/11 Moved, seconded and resolved that:**

The Board hereby endorses the signing of the Columbia Basin Trust/Northwest Power and Conservation Council Memorandum of Understanding substantially in the form as presented.

### **CRT Review: 2011 Public Education and Engagement Process**

A memorandum was provided for informational purposes only. It introduced a draft version of a summary document that outlined CBT's proposed approach to undertake a Basin wide public education and engagement process in 2011.

There were no resolutions arising.

## **CORRESPONDENCE**

### **Read File**

There were no resolutions arising.

## **NEW BUSINESS**

### **Verbal Reports from Directors**

There were no resolutions arising.

## **IN CAMERA**

### **Board Round Table**

There were no resolutions arising.

## **CONCLUSION**

#### **16/11 Moved, seconded and resolved that:**

The meeting be concluded at 1:30 pm.

### **Certified Correct:**

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**G. Merkel, Chair**

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**M. Forster, Recording Secretary**