

COLUMBIA BASIN TRUST

**BOARD OF DIRECTORS MEETING NO. 119
JANUARY 22/23, 2010**

MINUTES

Meeting No. 119 was held at the Best Western Terra Nova Hotel in Trail, BC.

Directors in attendance:

G. Merkel, Chair – Friday	B. Trewhella
G. Deck, Vice Chair	J. Miller
R. Miles	D. Birdstone
P. Peterson	K. Deane
E. Cutts	L. Parker
M. Berg	J. Townsend

G. Deck chaired the Saturday session of the Board meeting in the absence of G. Merkel.

Director absent:

G. Merkel, Chair – Saturday

Staff attending:

N. Muth	D. Hoodicoff - Friday
W. Penner	C. Lloyd - Friday
J. Strilaeff	L. Erven – telecon - Broadband
S. Curtis	M. Forster – Recording Secretary

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

The meeting was called to order at 10:10 am.

ADOPTION OF AGENDA

01/10 Moved, seconded and resolved that:

The Agenda No. 119 be and hereby is adopted as amended.

02/10 Moved, seconded and resolved that:

The Attachments to Agenda No. 119 be and hereby are received.

Attachments:

- Minutes: Board Meeting No. 118
- Action Item List No. 118
- Report from the Chair
- Report from the CEO
- Minutes: Executive Committee Meeting No. 75
- Minutes: Audit Committee Meeting No. 38

- Consolidated Financial Statements – December 31, 2009
- Five Year Treasury Board Forecasts
- Governance Calendar
- Committee and Board Performance Assessment
- Directors’ Remuneration
- Directors and Officers Indemnity
- DOB Expenditure Determination
- Proposed Corporate Budget FY2010/11
- Service Plan
- Strategic Planning and March 2010 Board Retreat
- Basin Awards Program
- Appointment of Officers
- Shareholder’s Letter of Expectations
- Delivery of Benefits Committee Update
- Information Memoranda
 - Creative Tools to Engage Citizens in Sustainability Planning Project
 - Community Lending Update
 - State of the Basin
 - Community Development Program Guidelines
- 2010/11 DOB Budget Request
- 2010/11 Multi Year Commitments
- Youth Review Update
- Arts & Heritage Strategic Directions
- Appointment to the Social Advisory Committee
- CDP Application - Nelson & District Chamber of Commerce, CPR Station
- Water Initiatives Committee Update

ADOPTION OF MINUTES

03/10 Moved, seconded and resolved that:

The minutes of Meeting No. 118 held November 27/28, 2009, be and hereby are adopted.

Action Item List No. 118

N. Muth reviewed the action item list and discussed the following item:

- Board Meeting No. 114 – May 29/30, 2009
 - CBT staff will work together with CPC staff to set up a joint CBT-CPC Board meeting in the near future.

N. Muth advised that this item will be removed from the action item list and may be revisited at a later date.

There were no resolutions arising.

REPORTS FROM OFFICERS AND STANDING COMMITTEES

Report from the Chair

The Chair reviewed his written report with the Board.

There were no resolutions arising.

Report from the CEO

The CEO reviewed his written report with the Board. He also informed the Board that staff are continuing to work on establishing a pension plan for CBT employees and that there will be changes made to whom CBT administrative assistants report to.

There were no resolutions arising.

Report from the Executive Committee

Minutes of Meetings

The Chair reported that an Executive Committee meeting was held earlier that week on January 19, 2010.

Report from the Audit Committee

Minutes of Meetings

The Committee Chair provided a verbal update on the Audit Committee Meeting that was held earlier that week on January 20, 2010.

Consolidated Financial Statements – December 31, 2009

C. Lloyd presented the Consolidated Financial Statements for the period ending December 31, 2009 which were earlier approved by the Audit Committee.

04/10 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, 2009.

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.

CORPORATE MATTERS

Governance Calendar

N. Muth reviewed the memorandum which was provided for informational purposes only. It was provided to the Executive Committee earlier in the week and served as a reminder of key governance tasks and responsibilities, including the timing of various Board, Committee and Director performance assessments.

There were no resolutions arising.

Committee and Board Performance Assessment

N. Muth reviewed the memorandum which was provided for informational purposes only. It sought feedback on draft surveys to be used by the Board and Board Committees in assessing their performance. Staff will proceed with implementation of the surveys, with timing of assessments as described in the governance calendar.

There were no resolutions arising.

Directors' Remuneration

N. Muth reviewed the memorandum which sought the Executive Committee's endorsement of a revision to the policy for Directors' fees and expenses. The revised policy provides clarity on what meeting expenses can be claimed and it specifies that Directors may receive remuneration for certain events if they are pre-approved by the Chair.

05/10 Moved, seconded and resolved that:

As endorsed by the Executive Committee, the Board hereby approves the policy and guideline on Directors' Fees and Expenses approved on March 13, 2009 is rescinded, and the revised policy and guideline dated January 22, 2010 on Directors' Fees and Expenses is adopted with the addition of section 1.5 to read:

"Directors may request that the Board review decisions made by the Chair under item 1.4."

Directors and Officers Indemnity

N. Muth reviewed the memorandum which outlined a new Indemnity Policy with an attached Indemnification Agreement for review and, if agreed, sought the Board's approval. During the process of developing new governance policies and rescinding previous policies, the indemnity policy was rescinded on March 13, 2009. The intent was to replace it with a new policy. The new Indemnity Policy and Indemnification Agreement have been approved by the Risk Management Branch.

06/10 Moved, seconded and resolved that:

As recommended by the Executive Committee, the Board hereby approves the Indemnity Policy and Indemnification Agreement.

Delivery of Benefits Expenditure Determination

J. Strilaeff reviewed the memorandum which sought the Board's recommendation of a DOB budget ceiling for the 2010/2011 operating year based on an annual review by the Investment department of projected financial performance.

07/10 Moved, seconded and resolved that:

Based on the Investment department's annual review of the projected financial performance, the Board hereby recommends a DOB budget ceiling of \$15 million for FY2010/2011.

Proposed Corporate Budget FY2010/11

C. Lloyd presented the proposed corporate budget for the fiscal year 2010/11 which was earlier approved by the Executive Committee.

08/10 Moved, seconded and resolved that:

As recommended by the Executive Committee, the Board hereby approves the FY2010/11 corporate budget.

2010/11 – 2012/13 Service Plan

S. Curtis reviewed the memorandum which sought the Board's approval of the 2010/11 – 2012/13 Service Plan.

09/10 Moved, seconded and resolved that:

The Board hereby approves the 2010/11 – 2012/13 Service Plan, substantially as presented and authority is hereby delegated to the Executive Committee to approve any additional material changes to the Plan.

Strategic Planning and March 2010 Board Retreat

S. Curtis reviewed the memorandum which was provided for informational purposes only. It proposed an approach and outline to the March 2010 Board retreat.

There were no resolutions arising.

Basin Awards Program

The Chair reviewed a discussion paper which was provided for informational purposes only. It described a concept for an awards program that recognizes community, organizational and individual achievements in areas that Basin communities believe are important to aspire to.

There were no resolutions arising.

Appointment of Officers

N. Muth reviewed the memorandum which sought the Board's approval of officers for CBT. This was earlier approved by the Executive Committee.

10/10 Moved, seconded and resolved that:

As recommended by the Executive Committee, the Board hereby resolves that:

- i) the following positions are designated as officers of Columbia Basin Trust:
 - a) Vice President, Investments
 - b) Vice President, Community Partnerships
 - c) Director, Finance and Operations, and
- ii) the positions previously entitled Senior Vice President, Transition Management and Vice President, Finance and Operations, & Chief Financial Officer are no longer officers of Columbia Basin Trust

11/10 And further resolved that:

All of the officers of Columbia Basin Trust as at January 22, 2010 are:

- Neil Muth, President and Chief Executive Officer
- Johnny Strilaeff, Vice President, Investments
- Wally Penner, Vice President, Community Partnerships
- Christine Lloyd, Director, Finance and Operations

Shareholder's Letter of Expectations

S. Curtis reviewed the memorandum which provided an update on recent changes made to the Shareholder's Letter of Expectations and also sought the Board's feedback on the additions to the letter.

12/10 Moved, seconded and resolved that:

The Board hereby approves the Shareholder's Letter of Expectations and recommends that the Chair sign the letter as presented at the Board meeting.

INVESTMENT PROGRAM

Report from the Investment Committee

There was nothing to report as no meetings were held since the November 2009 Board meeting.

Waneta Expansion Project Update

[REDACTED]

[REDACTED]

[REDACTED]



DELIVERY OF BENEFITS

Report from the Delivery of Benefits Committee

The Committee Chair provided a verbal update on current DOB Committee activities and the meeting held on January 28, 2010.

Delivery of Benefits Budget Request 2010/11

The Committee Chair reviewed the memorandum which sought the Board's approval of the DOB budget for 2010/11 as recommended by the DOB Committee. Discussion ensued on the accounting treatment of carry forward amounts from year to year in the DOB budget.

16/10 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby approves the Delivery of Benefits 2010/11 budget as presented.

17/10 And further resolved that:

As recommended by the DOB Committee, the Board hereby approves that:

- a) the Delivery of Benefits Committee be given authority to:
 - i. approve commitments from the unallocated portion of the 2010/11 Delivery of Benefits budget, and
 - ii. approves 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 2010/11 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.

Multi-Year Funding Request

A memorandum was reviewed which sought the Board's approval of multi-year funding for several of CBT's current projects.

18/10 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby approves multi-year funding for the following programs:

Current Program	2010/11 Funding	2011/12 Funding	2012/13 Funding	2013/14 Funding
Basin Business Advocates Program	\$250,000	\$250,000	\$250,000	n/a
Columbia Kootenay Cultural Alliance	\$550,000	\$555,000	\$570,000	n/a

19/10 And further resolved that:

With respect to the Columbia Kootenay Cultural Alliance, funding for 2011/12 and 2012/13 are subject to CBT management and CKCA reaching an agreement on a set of objectives and measurements for the program.

Youth Review Update

A memorandum was reviewed that sought the Board's endorsement of adding a community focus in the Youth Initiatives mandate. The Youth Initiatives mandate, structure, guiding principles and established programs are currently under review by a staff committee.

20/10 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby endorses staff's intention to add a community focus to the mandate of Youth Initiatives.

Arts and Heritage Strategic Directions

A memorandum was reviewed that sought the Board's approval for the purposes of seeking feedback on a draft document that indicates CBT's high level directions for supporting the arts and heritage sector.

21/10 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby approves the draft arts and heritage directions document, substantially as presented, for the purposes of seeking feedback.

Appointment to the Social Advisory Committee

A memorandum was reviewed which sought the Board's approval of the appointment of Tom Moen to the Social Advisory Committee for a three year term, expiring January 31, 2012.

22/10 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby approves appointment of Tom Moen to the Social Advisory Committee for a three year term, expiring January 31, 2012.

CDP Application – Nelson & District Chamber of Commerce, CPR Station

A memorandum was reviewed which sought the Board's approval of a grant to the Nelson and District Chamber of Commerce ("NDCC") that will enable the NDCC to renovate the Canadian Pacific Rail Station building in Nelson into a Visitor Gateway and Transit Hub.

23/10 Moved, seconded and resolved that:

As recommended by the DOB Committee, the Board hereby approves the application for the Regional Visitor Gateway – CPR Station renovation project for \$300,000.

Broadband and Columbia Mountain Open Network ("CMON")

The Chair provided the Board members with background information regarding a presentation on fibre optic networks to be made by Director Greg Deck. Director Deck is a principal of NanoFibre Networks, a company that may benefit, directly or indirectly, through support of CMON (a company that may seek financial support from CBT in the future) fibre optic network. In order for Director Deck to provide high level information on certain technical and commercial considerations, the Chair entertained the following motion:

24/10 "RESOLVED that the Board waive the requirements of Section 5.1 and 5.2 of the Code of Conduct as they apply to Director Deck to allow him to:

- a) be present for discussions of fibre optic networks, the CMON initiative and related materials, unless and until he is requested to leave by any member of the Board; and
- b) participate in discussions of the Board relating to the merits of providing financial support for an investment in CMON or in any other initiative which might directly or indirectly benefit NanoFibre Networks, and attempt to influence decision-making on any question relating to the matter unless and until any member of the Board objects.

Provided that this waiver will not extend to waive the prohibition on voting in respect of any matter in which Director Deck has a direct or indirect interest."

On a Motion duly made and seconded, the Board resolved to adopt the motion without amendment.

Following this resolution, Director Deck provided the Board with high level information of issues related to fibre optic networks in the region and technical and commercial issues.

WATER INITIATIVES

Report from the Water Initiatives Committee

The memorandum was provided for informational purposes only.

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

25/10 Moved, seconded and resolved that:
The meeting be concluded at 10:30 am.

Certified Correct:

G. Merkel, Chair

M. Forster, Recording Secretary

Next Board Meeting: March 19, 2010