CHARTER

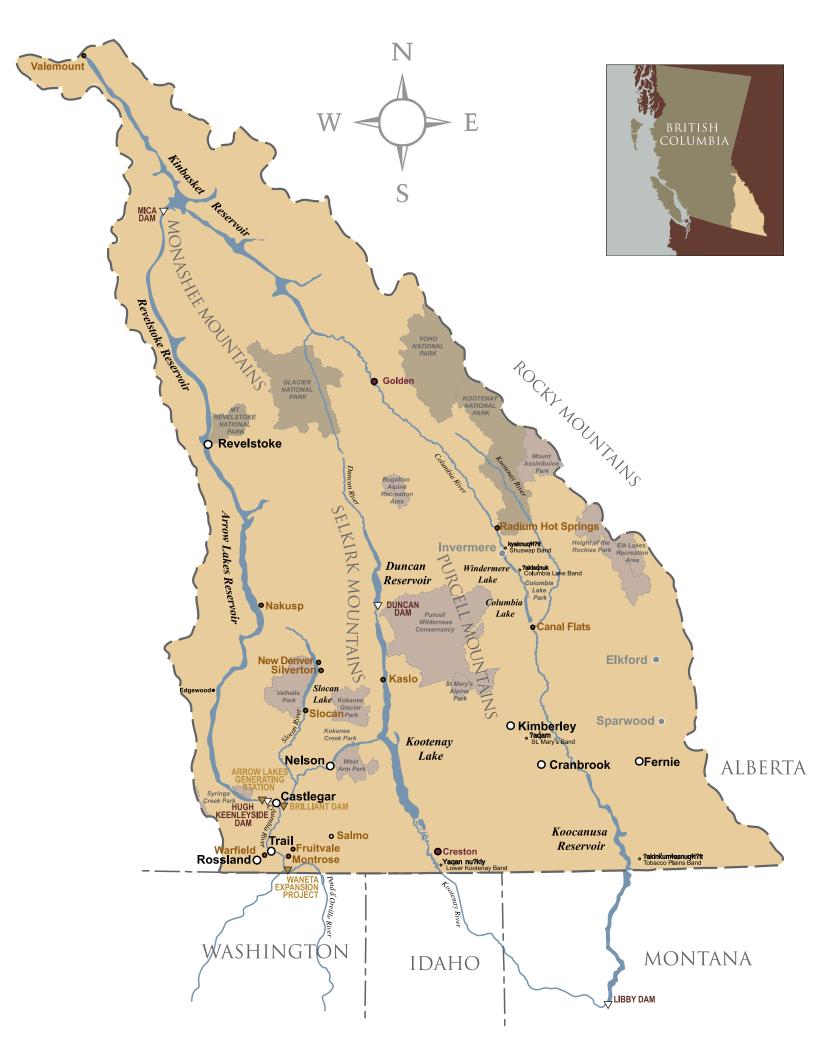
COLUMBIA BASIN TRUST

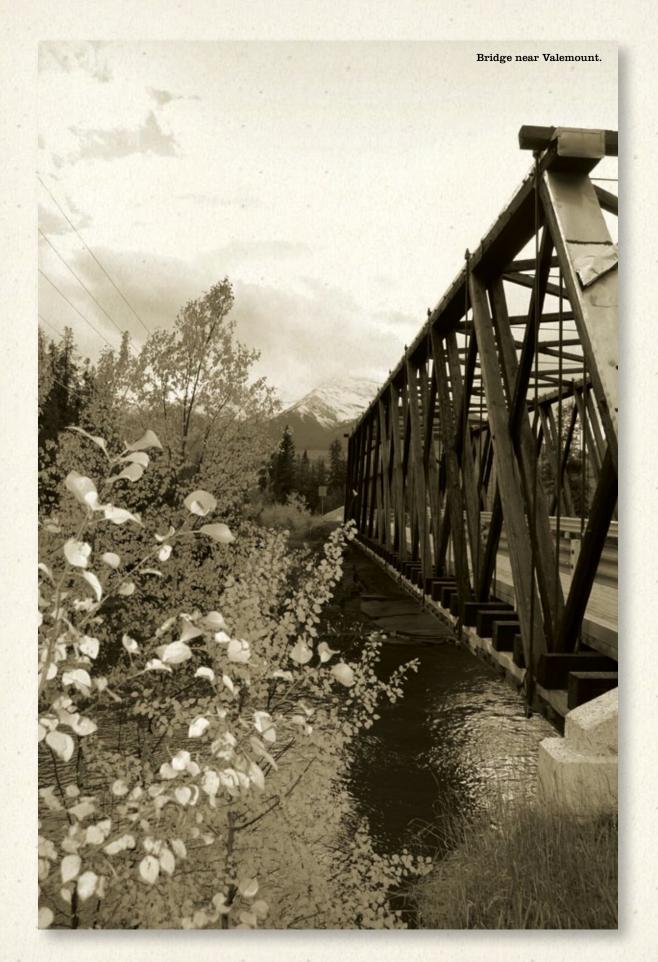
a legacy for the people





Columbia Basin Trust
supports efforts by the people
of the Basin to create a
legacy of social, economic and
environmental well-being
and to achieve greater
self-sufficiency for present
and future generations.





INTRODUCTION

This *Charter* establishes the foundation for the work of Columbia Basin Trust (CBT). It is grounded in

the Columbia Basin Trust Act (the Act), the legislation that created CBT. It is also grounded in the wishes of citizens through the development of the original Columbia Basin Management Plan

THE CHARTER INCLUDES THE FOLLOWING ELEMENTS:

a brief historical overview;

- our mandate;
 - · our vision;
- our mission;
- our core values; and
- our approach to public involvement and accountability.

(CBMP). This was required by the Act and approved by the CBT Board of Directors in 1997 after extensive consultation with the people of the Basin.

The elements of this Charter, and their importance to Basin residents, are fundamental to CBT and serve to guide all of its

activities in the long term. These elements were articulated in the 1997 CBMP and the *Charter* preserves these elements.

HISTORICAL OVERVIEW

In 1964, the Columbia River Treaty (CRT) was ratified by the United States and Canada. This led to the construction of three storage dams in

the Columbia Basin (Duncan, Keenleyside and Mica) and one in Montana (Libby). These dams improved flood control and power production capacity in both countries.

CONSEQUENCES

Prior to signing the CRT, there was a lack of consultation with the people of the Basin. While there are many benefits derived from the CRT, they came at a cost to some areas in the Canadian portion of the Columbia Basin. Sections of highly productive and fertile low-elevation land were flooded, First Nations' traditional areas were lost, communities were displaced and valuable fish and wildlife habitat and species were destroyed. The communities that currently surround the reservoirs are continually affected by fluctuating reservoir levels, and local economies are hampered due to changes in land use and transportation patterns and the lost opportunities for use of the areas that were flooded.

UNIFYING A VOICE

The people of the Basin came together in the early 1990s to press the Province of British Columbia for recognition of the injustice of this situation. Local governments coordinated their efforts (at the regional district and tribal council levels and in partnership with elected officials) under the formation of the CRT Committee. The Committee had two main objectives for negotiating with the Province:

- that funds be allocated to the region, representing a fair share of the ongoing benefits that were being realized outside of the Basin (called downstream benefits) as a result of the CRT; and
- that a regional organization, governed by a board of Basin residents, be created to manage those funds.

COLLABORATIVE RECOGNITION

Negotiations were successful on both counts. In 1995, two documents, which would result in the creation of Columbia Basin Trust, came into effect.

The Columbia Basin Trust Act was enacted by the Province, in recognition of the facts that:

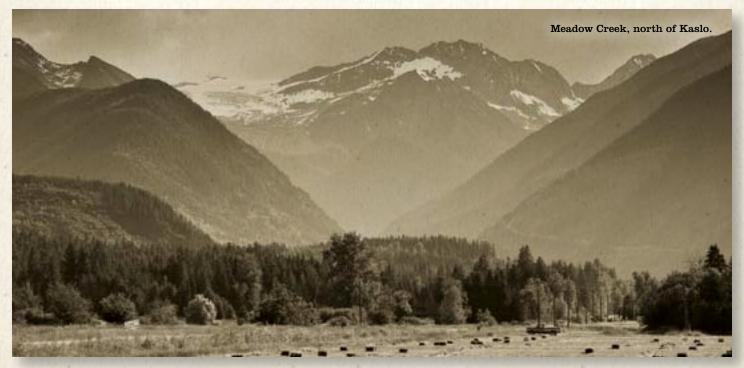
- the desires of the people of the Columbia Basin were not adequately considered in the original negotiations of the CRT;
- the government desires to include the people of the Columbia Basin in decisions that affect their lives and determine their future; and
- the government intends to work with the people of the Columbia Basin to ensure that benefits derived from the CRT help to create a prosperous economy with a healthy, renewed natural environment.

A binding agreement was also established, which resulted in the following funding for CBT:

- \$276 million to finance power project construction:
- \$45 million, which CBT used as an endowment; and
- \$2 million per year from 1995 to 2010 for operations.

The binding agreement also addressed other issues around power project development and CBT activities.

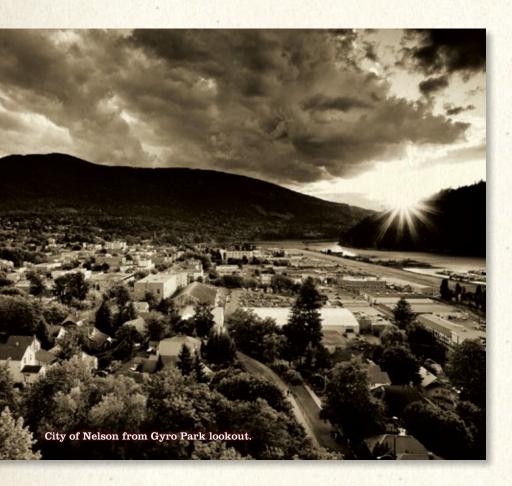
In addition, through the Water Act, the Province established a requirement for the comptroller of Water Rights to consider the Columbia Basin Management Plan when reviewing water licence applications in the Basin.



MANDATE

THE COLUMBIA BASIN TRUST ACT ESTABLISHES THE MANDATE OF COLUMBIA BASIN TRUST:

To manage Columbia Basin Trust's assets for the ongoing economic, environmental and social benefit of the region, without relieving governments of any obligations in the region.



In the 1997 *Columbia Basin Management Plan*, the following statements were also established as part of the CBT mandate:

- to include the people of the Basin in planning for the managing of the assets; and
- to work with others to coordinate activities related to the corporate purpose of CBT.

The Columbia Basin Trust Act describes the area CBT serves, as shown in the map on page 2. As defined by the Act, the area consists of all the watersheds that flow into the Columbia River in Canada.

To achieve its mandate, CBT's activities are divided into two core functions:

- 1. Invest capital and manage the assets of CBT; and
- 2. Spend the income earned from CBT's investments to deliver benefits to the Columbia Basin.

VISION

Columbia Basin Trust will work toward a long-term vision for the future of the Columbia Basin, where:

- 1. The Columbia Basin is a place where social, environmental and economic well-being is fostered.
- 2. Collaborative relationships and partnerships are established across the Basin. Communities work together in a spirit of mutual support and respect for each other's differences. Residents identify with a Basin culture and feel a sense of belonging to a Basin community. Residents are involved in community decision-making.
- 3. A healthy environment is the basis for social and economic activities. Residents are committed to long-term and enduring stewardship of the Basin's natural resources.
- 4. The economy of the Basin is diverse, resilient and energized. Communities are responsive to both the needs of the present and the future. Community enhancement initiatives are widely supported and residents share responsibility for their implementation. Practical and innovative investments in the Basin serve to increase the range of options for present and future generations.

WHERE WE WANT TO BE

Columbia Basin Trust will also be guided by a long-term vision of itself as a regional corporation, having:

- 1. a successful portfolio of investments in the Basin that help to stimulate the regional economy and that provide a reliable stream of income for use in CBT's Delivery of Benefits program;
- 2. a proven track record in delivering social, economic and environmental benefits to the Basin and its residents;
- 3. well-established and productive working relationships with others in the Basin whose activities relate to CBT's mandate:
- 4. consistent and widespread public support for CBT's activities based on meaningful public input and CBT's responsiveness to the needs of the Basin and its people.





PUBLIC INVOLVEMENT & ACCOUNTABILITY

OUR RELATIONSHIP WITH BASIN RESIDENTS

Columbia Basin Trust is accountable to the people responsible for its formation and those it works

with and for: Columbia Basin residents. This *Charter* reflects that accountability; it describes the foundation for all of CBT's work, and that foundation will not change without significant examination and consultation with Basin residents. This

accountability to Basin residents, and CBT's commitment to involving residents, is also reflected by the following:

- Advisory committees of Basin residents give advice on CBT's work in the Basin, including helping to set strategic priorities and policies;
- General consultations with Basin residents are held when significant plans or decisions are under consideration that could affect the future of CBT;
- Public meetings, like symposia, are hosted by CBT and open to all Basin residents; and
- Regular reports on CBT's activities are shared with all residents.





WE BELIEVE IN . . .

The following values guide how CBT works in the Basin, and how Board and staff at CBT work with one another:

RESPECT

CBT treats people with respect, welcoming varied perspectives and viewpoints, and honouring the history of the Basin and the origins of the organization.

ACCOUNTABILITY

CBT is responsible for all of its actions and the results of those actions.

TRANSPARENCY

CBT maintains a high level of openness, sharing meaningful and accurate information about its actions.

ENGAGEMENT

CBT recognizes that active involvement in communities is critical to its overall success.

EMPOWERMENT

CBT helps others make their own choices on issues that affect their future, and see those choices result in positive outcomes.

STEWARDSHIP

CBT manages all of its assets responsibly to ensure that both present and future generations of Basin residents benefit from those assets.



a legacy for the people

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