

**Columbia Basin Trust
10th Anniversary Symposium:
July 2005**

Summary Report

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Executive Summary

The Columbia Basin Trust (CBT) held its 10th anniversary symposium in July 2005 to:

- acknowledge and celebrate the accomplishments of the collective efforts of CBT and numerous partners to deliver economic, social and environmental benefits to residents and communities of the Columbia Basin;
- reflect on the lessons learned over the past ten years; and,
- consider options for the future of the organization as well as its policies relating to the Investment and Delivery of Benefits programs.

Following numerous presentations by representatives of CBT and some of its partners, approximately 240 delegates provided input to CBT's Board of Directors for consideration in their future decisions.

A common theme relating to all of CBT's activities was the need to improve communication and engagement with Basin residents as CBT has amassed a large legacy of accomplishments and accumulated many issues since the previous symposium seven years earlier. As a result, too much information was presented and participants were asked to give feedback on complex options for future direction that require more careful consideration than can be accomplished in one meeting. Thus, the CBT Board was asked to defer any significant course changes for the organization until they have further engaged residents of the Basin in assessing options. In particular, a motion was suggested and supported by Symposium participants, which asked that *"the CBT Board, in partnership with the Regional Districts and the Ktunaxa-Kinbasket Tribal Council, facilitate an independent review of exercising the Option Agreement and report back to the residents of the Basin through community meeting(s) to seek input before any decision is made."*

Ongoing communication is a necessary investment for CBT, not an expense to be minimized. It is necessary to bridge the current communication gap in order to improve credibility for the organization. In particular, recent efforts to achieve independence have suffered from a lack of clearly communicating what independence means in terms of potential benefits, costs and risks.

Relationship building is the core mandate of CBT and the opportunity to work via effective partnerships is the Basin's capacity. The original approach, as defined through earlier symposia and consultations, to work through partnerships with existing organizations continues to be seen as essential for all of CBT's activities, thus requiring ongoing attention and collaborative efforts by CBT. The basis for partnerships needs to be rooted in how collaborations can best serve the interests of communities, rather than a fear-based response to perceived external threats. A key partnership to be recognized and tended is with Columbia Power Corporation. Partner squabbles of the past have obscured the combined productivity of the two organizations and are best relegated to history.

The recent changes to the Board by the provincial government are strongly perceived to have been intrusive and detrimental to the organization. The CBT Board, local

governments and the provincial government need to fix this. The Regional Districts and the Ktunaxa-Kinbasket Tribal Council need to ensure their nominees address the skills and experience that are required to run a complex organization such as CBT, rather than merely nominating whom they know and feel comfortable with. As well, the overall functioning of the Board needs to be examined. In particular, participants expressed the need for the Board to focus on setting broad policy and direction to support the efforts of its staff and volunteers, as opposed to being more directly involved in operations.

There is a sense of confidence that the power projects are being well managed and will continue to effectively support CBT's mandate. It is necessary to clarify and communicate with residents regarding issues that might compromise the viability of future projects and revenue as there is a high expectation that the identified projects will be completed and provide a solid basis for the Delivery of Benefits program.

The earning of money by power or other investments is a means to an end, not the end itself. The focus of discussion should be about our purposes, including social, economic and environmental aspects. Thus, the investment policy needs to be an affirmation of those purposes as priorities. The potential future options regarding investment are complex and, therefore, would best be addressed as the singular focus of a separate future forum.

CBT was asked to revisit the role of sector committees and also consider a range of mechanisms for engaging the Basin's capacity in their decisions. It would be beneficial to have CBT be part of a coordinated effort to mobilize and engage developed capacity, partly to ensure that the now smaller CBT Board benefits from a wide range of input into its policies and decisions.

CBT's current role and practices as a funder is seen to mire the organization in divisive and fragmenting decisions and creates distance between the organization and the communities it is intended to serve. Rather, CBT might consider being a partner in planning and then fund, in partnership with other organizations, the outcomes of the planning initiatives. Other regional and community-based organizations want to be seen by CBT as partners in such initiatives rather than merely applicants for funding. This may challenge the status quo, including the staff's mandate and organizational structure.

Residents want to be fully capable of managing the water issues associated with the Columbia River Treaty prior to the opportunity for its renewal. However, the interests of Basin residents with respect to water management span a broad spectrum of issues. Thus, CBT's Water Initiatives Strategy needs to clearly articulate how CBT's efforts are focused on and building towards effective support for the re-negotiation of the Columbia River Treaty. In order to build on the successes to date, there is support for increasing the funding that is allocated to water initiatives relative to other benefits being delivered by CBT.

CBT is considered a key regional organization for the purpose of ensuring Basin residents are prepared to effectively participate in future discussions about the Columbia

River Treaty. Residents look to CBT to take a leadership role in facilitating such discussions, a role that can best be realized through a partnership approach with the many agencies and community organizations that have a mandate or interest in such issues.

In seeking to solve problems, it is also necessary to recognize and celebrate the successes that have been achieved. CBT is involved in innovative and effective programs that are delivering benefits to communities around the Basin.

Table of Contents

1. Introduction	1
2. Presentations.....	2
2.1 Opening Remarks from Invited Speakers	2
2.2 CBT: The Past, Present and Future Challenges and Opportunities	3
2.3 The Future of CBT: Challenges and Opportunities	4
2.3.1 <i>Presentation of Issues and Options by CBT</i>	4
2.3.2 <i>Perspectives from the Region</i>	6
2.4 Investment Program.....	8
2.4.1 <i>Non-Power Investments</i>	8
2.4.2 <i>Power Investments</i>	9
2.5 Delivery of Benefits.....	11
2.6 Water Initiatives Strategy	12
2.6.1 <i>Overview of CBT's Water Initiative Strategy</i>	12
2.6.2 <i>Sample of Activities and Partnerships</i>	13
3. Summary of Main Themes Raised by Symposium Participants.....	14
3.1 Communication	15
3.2 Relationships and Partnerships	16
3.3 The Proposed Option Agreement and Transfer of Assets.....	17
3.4 Structure and Function of CBT Board.....	17
3.5 Investment Program.....	18
3.6 Delivery of Benefits.....	19
3.7 Water Initiatives Strategy	19
4. Response to Input Received.....	20
4.1 Columbia Power Corporation	20
4.2 Regional Districts	21
4.3 Ktunaxa-Kinbasket Tribal Council.....	21
4.4 Columbia Basin Trust.....	22

Appendices

Appendix 1: Address to Symposium Delegates by the Honourable Bill Bennett, MLA for East Kootenay and Minister of State for Mining	23
Appendix 2: Address to Symposium Delegates by Corky Evans, MLA for Nelson/Creston.....	26
Appendix 3: The Future of an Effective CBT: Summary of Input Received	36
Appendix 4: Investment Program: Summary of Input Received.....	45
Appendix 5: Delivery of Benefits Program: Summary of Input Received	51
Appendix 6: Water Initiatives Strategy: Summary of Input Received	62

1. Introduction

The Columbia Basin Trust (CBT) held a 10th anniversary symposium in order to:

- acknowledge and celebrate the accomplishments of the collective efforts of CBT and numerous partners to deliver economic, social and environmental benefits to residents and communities of the Columbia Basin;
- reflect on the lessons learned over the past ten years; and,
- consider options for the future of the organization as well as its policies relating to the Investment and Delivery of Benefits programs.

The symposium, held at the College of the Rockies in Cranbrook, involved keynote speakers, panel presentations and question and answer sessions over a three day period, July 8-10, 2005. While the symposium began on Friday afternoon with a session focused on the Columbia Basin Trust Water Initiatives Strategy, the formal opening of the symposium occurred on the Friday evening.

In order to ensure the agenda reflected the interests of symposium participants and to assist presenters in preparing for the event, pre-symposium telephone interviews were conducted with a cross-section of registered participants. The interviews were used to determine the issues and questions that participants wanted to be addressed during the forum.

Approximately 240 delegates and officials participated, including representatives from provincial, regional and local governments, First Nations governments, past and current delivery partners, past CBT Board members, along with interested parties throughout the Columbia Basin. The provincial government was represented by the MLA for East Kootenay and Minister of State for Mining, the Honourable Bill Bennett, as well as opposition MLAs Corky Evans, Nelson-Creston, and Katrine Conroy, West Kootenay-Boundary.

While CBT has undertaken to communicate and consult with residents on a number of initiatives over the past few years, the most recent Basin-wide symposium was seven years previous. As such, delegates worked to absorb and comment on the significant legacy that has amassed in the interim.

This summary has been prepared by Cathy Scott-May, an independent consultant, based on notes from plenary session speakers, as well as recordings and notes taken by CBT staff during the question and answer sessions.

The summary provides an overview of the presentations by keynote speakers. This is followed by an overview of presentations in the various sessions followed by a summation of the key themes and varied opinions that emerged during the questions and answers that followed each presentation.

It is important to note that the symposium sessions were not organized to develop full consensus statements or to reach formal decisions. While common themes emerged for many key subject areas and are outlined in this summary, differences in opinions are also noted. All of the input included in this summary is intended to support future decision-making by CBT's Board of Directors.

The background reports and speakers' presentation notes that were available at the symposium are available at www.cbt.org or by contacting Columbia Basin Trust at 1.800.505.8998. A more detailed account of the question and answer sessions is included as appendices to this report.

2. Presentations

2.1 Opening Remarks from Invited Speakers

Dr. Bruce Fraser, Chair of the Forest Practices Board, chaired and officially opened the symposium. Following an opening prayer by Robert Williams, Councillor for the St. Mary's Band, delegates were welcomed by Scott Manjak, Councillor for the City of Cranbrook.

The Honourable Bill Bennett, MLA for East Kootenay and Minister of State for Mining

The Honourable Bill Bennett confirmed the Province's support for CBT when he said, "I want to state unequivocally the Trust will be around as long as the Columbia River."

As it was in 1995, CBT is a regionally-based Crown corporation that has always been subject to government's requirements. The provincial government has applied more rigorous standards to all Crowns, not just the CBT. Taxpayers in BC want Crowns to be accountable, transparent and to be managed by boards with the necessary skills and experience.

The changes made under the *Columbia Basin Trust Amendment Act 2003* did not result in the Province "taking over" the Trust as some have alleged. The Board changes reflected the auditor general requirements as part of recognized accounting practices. The Board was made smaller and appointments are approved by government, but government has always been respectful of the choices made by regional districts and the Ktunaxa-Kinbasket people. The Board is still made up of 100% Basin residents and the Province recruits provincial nominees to meet skill requirements identified by CBT.

The Trust has had significant independence on how it spends its income and manages its non-power investments. This will continue. The regional programs that the Trust spends income on, are up to the Trust Board. The Trust is guided by its legislated mandate and the wishes of Basin residents through the Columbia Basin Management Plan. Government remains committed to maintaining the Trust's mandate, to invest in the economic, social and environmental well-being of Basin residents. As well, water

management is of great interest to all communities in the Basin. My government is continuing to honour the original financial agreement with CBT and CPC that supports all of these programs.

The early pioneers of the Trust, together with its Board members, staff and many volunteers are to be congratulated for what has been achieved thus far.

The full text of Mr. Bennett's speech is included in Appendix 1.

Melinda Eden, Chair, Northwest Power and Conservation Council

The Northwest Power and Conservation Council (the Council) strives to balance the often-conflicting objectives of power utilities with the needs of fish and wildlife. Its mandate is to also inform and involve citizens as past crucial decisions, which led to some significant mistakes, were made in private without public knowledge or involvement. Thus, the mandates of the Council and CBT are similar, though the latter is broader.

The complexity of the issues, combined with the array of agencies and interests mean that partnerships are essential for navigating through the thicket of policies, entities and legal responsibilities. In fact, the Council is obligated by law to form partnerships. As Ms. Eden summarized, "The challenges are many, time is short, there's never enough money to buy the things that could be traded to smooth negotiations, but we need to keep talking and we need to keep working on developing partnerships. With respect to our common resource - water - there simply is no reasonable alternative".

Bruce Sutherland, Vice-Chair, Northern Development Initiative Trust

The Province created the Northern Development Initiative (NDI) Trust in 2004 with a mandate to provide economic development opportunities for central and northern British Columbia. Thus its mandate is also similar but not as broad as that of CBT. However, the geographic area covered by NDI is larger than that of CBT. As a result, NDI utilizes four Regional Advisory Committees (RAC) that each manage a portion of the funds allocated by the Province. Two members of each RAC, combined with five provincial government appointees, constitute the Board of Directors and oversee a portion of the funds that are intended for cross-regional initiatives. NDI is in the process of receiving proposals for both public and private sector projects. Next steps include developing policies and procedures for project review and the creation of partnerships as they begin to allocate their funds.

2.2 CBT: The Past, Present and Future Challenges and Opportunities

Josh Smienk provided an historic overview of CBT and Garry Merkel, Vice-Chair, CBT Board of Directors, outlined the present and future challenges and opportunities.

While CBT is celebrating its 10th anniversary this year, efforts to ensure Basin residents and communities received a portion of the downstream benefits resulting from the Columbia River Treaty began farther back in time. The first symposium was held in the spring of 1993 and was organized jointly by the Columbia River Treaty Committee and the provincial government as a means to open a constructive dialogue between government and the people on a plan for future development for the Columbia-Kootenay region. Through subsequent consultations, key issues and opportunities were identified, which led to the passage of the Columbia Basin Trust Act. This resulted in the organization becoming a special purpose Crown corporation with specific legislation to define and guide us. CBT is a grassroots organization that has continued to consult with residents of the Basin to develop the vision and guiding principles set out in our Management Plan. Through the years, CBT has worked with our joint venture partner, Columbia Power Corporation (CPC), to plan and construct power projects, as well as invest in a wide range of other Basin initiatives. We have utilized the resultant revenues to bring economic, social and environmental benefits to Basin communities and residents. Our asset base is continuing to grow.

The key opportunities that CBT seeks to build on include:

- we are a caring organization that respects diverse opinions;
- the ecology of the Columbia Basin is world class
- we are a region that has access to relatively inexpensive power
- we have water and the opportunity to be directly involved in its management;
- we want to engage and retain our youth;
- a treaty with First Nations in the Basin will happen soon; and,
- residents want to participate in shaping the next Columbia River Treaty.

The key challenges that CBT recognizes includes:

- do we have the necessary vision and social fabric to do what is required?
- continually working to put our principles into practice;
- communication must be effective and meaningful;
- there are outside pressures on CBT, including from governments;
- there has been infighting with our partners;
- we need to be able to survive mistakes and learn from them;
- we need to build connections that are more than superficial; and,
- we must be responsive and able to adapt to change.

2.3 The Future of CBT: Challenges and Opportunities

2.3.1 Presentation of Issues and Options by CBT

Josh Smienk and Garry Merkel jointly presented the initial context of CBT's formation and how that context has changed in the subsequent 10 years, thus raising the need to discuss possible options for the future of the organization.

The CBT Act captured the desire to return benefits to the region affected by the Treaty, to include residents in decision making and to cooperate with government, while recognizing that CBT would not be an agent of the provincial government. In other words, CBT does not speak on behalf of government. Rather we speak on behalf of Basin residents. The financial agreement, which provided the basis for our partnerships with CPC and the provincial government, was not intended to create a reporting relationship with government. However, government could not afford to write-off the value of CBT at the time we were created. Thus there was a proposal to provide the first half of the funding to CPC over the initial five years with the remaining funds allocated to CBT over the second five year period so that it would lessen the impact to government financial statements. Yet to date, CBT remains a Crown asset and, therefore, a Crown corporation.

Subsequently, all provincial Crown corporations have been subject to more stringent reporting requirements and changes to how people are appointed to Boards of Directors. CBT's Board of Directors was reduced from 18 to 12 people and, as a result, the Board lost some of the diversity of opinions that exist within the Basin. All Board members are now formally appointed by the Province, where previously only one-third were, with the remaining two-thirds appointed by local governments. This has generally not changed how the Board functions. These changes resulted from the Province adopting generally accepted accounting practices to ensure that government had control over its identified assets.

All Crown corporations participated in government's 2001 Core Services Review. CBT approached the Core Review process positively and with a desire to finally achieve independence from government, which was recognized in principle by the Minister. One consequence of the process was that we were focused on our interactions with Victoria, at the expense of our connections with Basin residents. The process also created uncertainty within the joint-venture partnership with CPC and contributed to a deterioration in that relationship. There are also differences in opinions regarding the power projects, with CBT voicing a regional perspective that can, at times, differ from a Victoria perspective. CBT created an energy subsidiary to address the challenge of accountability to both Basin communities and the Province.

Our continued interest in seeking independence led CBT to investigate selling our share of the power assets as that would have seen some of the funds transferred off of the Province's books. During community meetings held around the Basin, residents spoke strongly against selling the power assets and so this option is no longer being considered.

In the midst of this changing context, CBT Energy was audited by the Office of the Comptroller General. No actual conflict of interest was found, although improvements to practices have subsequently been adopted as CBTE was following industry practices rather than provincial government guidelines.

Recent efforts to improve our relationship with CPC have been quite successful due to government's appointment of an independent CPC Board. As of January 2005, the Minister announced that no changes to the original partnership would occur. In the spring

of 2005, our relationship with the Province was changed as we now report to the Ministry of Economic Development with CPC remaining under the Ministry of Energy and Mines. In June 2005, CBT notified the new Minister of its interest to explore an existing agreement that gives CBT the right to purchase the shares in the power projects owned by CPC, thus assuming full ownership of the assets. This would result in greater regional control of not only management of the assets but also associated water issues. The original expiry date of the Option Agreement was July 31, 2005, however the Minister has extended it to November 30, 2005.

CBT is also working hard to reconnect with Basin residents, with this symposium representing a major step in that direction. In an effort to protect the underlying premise of CBT as a long-term legacy for future generations, CBT presented the following options for the future of the organization for consideration by symposium participants and all Basin residents:

1. **Strengthen partnerships** – within the Basin, with CPC and all levels of government.
2. **Seek greater independence** through a transfer of some CBT assets to a regional organization.
3. **Seek greater control of the power assets** by exercising the Option Agreement to purchase CPC's share.
4. **Some combination** of the above.
5. **Other** options as defined by symposium participants.

2.3.2 Perspectives from the Region

Regional Districts

Gary Wright, Chair of the Regional District of Central Kootenay, spoke on behalf of the five regional districts that share overlapping jurisdictions with CBT. Mr. Wright addressed the selection process used by Regional Districts in appointing and now nominating people to the CBT Board as well as broader questions of accountability.

Regional Districts are not required to nominate their own directors; however they do so because these are people who they know and trust. Additionally, the directors are elected and, therefore, are accountable to the constituency. Some Regional Districts have chosen to appoint or nominate the same person, in some cases for the entire 10 year history of CBT. This has provided consistency and accountability. In making their selections, Regional Districts consider who can be most effective in the job. Regional Districts are directly involved in delivering CBT's Basin Community Initiatives and Affected Areas programs. Regional Districts use an open and public process to ensure accountability.

Ktunaxa-Kinbasket Tribal Council

Rosemary Nicholas, CEO of the Ktunaxa-Kinbasket Tribal Council explained that the Tribal Council represents the Ktunaxa Bands located within the Canadian portion of the Ktunaxa Traditional Territory. As the land must sustain future generations of Ktunaxa people far into the future, it is necessary to ensure that it remains in good condition. The Ktunaxa identity comes from the land that we occupy. The Columbia River is a major part of who the Ktunaxa people are. In 1990, the Ktunaxa-Kinbasket Tribal Council joined forces with other concerned residents of the Columbia Basin to bring to the forefront the negative impacts of the Columbia River Treaty. The Trust has now been in place for about ten years. We, the Ktunaxa Nation, haven't seen a lot of direct benefit from the Trust and certainly nowhere near what we lost, and we hope that the next ten years will be different. But it's probably time for us to pull together again to ensure that we, as in all of the residents of the Basin, ensure that the original intent of the Trust is not lost. We must not lose sight of the vision those individuals who fought so hard back in the early nineties saw in their collective minds eye. I know that the Ktunaxa/Kinbasket participants on that committee saw salmon returning to the Columbia and even though it is probably not going to be a reality in their lifetime, it should still be a vision that we work towards.

Corky Evans, MLA for Nelson/Creston

Corky Evans, MLA for Nelson/Creston, outlined his historic relationship with CBT and his view of the organization as a unique opportunity for rural people to manage some of the resource wealth that is produced in their area. There are reasons to celebrate what has been achieved, including:

- rebuilding broken relationships with BC Hydro;
- learning to see ourselves as a region rather than competing communities;
- the significance of an institution with both native and non-native governments at one table;
- building relationships with U.S. partners;
- efforts to engage youth;
- CBT's asset base of \$313,122,000 has been a remarkable achievement in a relatively short period of time; and,
- CBT's joint venture partner, CPC, did not exist a mere ten years ago and in that short time has accomplished what many said could not be done.

Mr. Evans' recommendations to address potential dangers included:

- directors need to completely sever their responsibility for allocating funding or making investment decisions and instead "should set policy, audit performance and consider the practical and philosophical issues around what makes successful change";
- CBT might consider appointing its own internal conflict of interest commissioner.
- nominees from each Regional District and the Ktunaxa-Kinbasket Tribal Council, along with a hired chair, could consider the question of the Option Agreement and

- other possible means to resolve the CPC/CBT relationship issues and report back to CBT and Basin residents;
- consultation, including symposia, are not costs associated with doing business, rather an essential investment in relationship building; and,
 - a local government could invite the Auditor General to come into the Basin and discuss what options might be available to address the unintended consequences of government policies that resulted in changes to CBT's Board.

The full text of the speech given by Mr. Evans is included in Appendix 2.

2.4 Investment Program

2.4.1 Non-Power Investments

Greg Deck, CBT Board of Directors and past Chair of the CBT Investment Committee presented the history and evolution of the non-power investments. Mike Rouse, CBT Board of Directors and current Chair of the CBT Investment Committee then outlined the outcomes and options for the future of non-power investments.

When CBT was created, the Province provided a one-time \$45 million allocation to start the non-power investment program. This was intended to allow for a greater diversity of investments outside of power, enable CBT to invest around the Basin and create an earlier revenue stream as the power projects would take time to design and build. The portfolio differs significantly from the industry norm for a foundation-type of organization that needs a regular flow of income to fund a delivery program. It is very heavily weighted to a single industry and thus subject to a large degree of risk should anything happen in that industry. It is also restricted to a relatively small geographical area, as a result, is subject to a large degree of risk should our regional economy struggle. Finally, it is also limited to the opportunities available at any time in our region.

Through development of the Columbia Basin Management Plan, four key principles emerged without any ranking in terms of priority:

- Preserve the capital
- Invest in the Basin
- Use social and environmental criteria
- Achieve pension fund levels of return.

Pressure to get some investments on the ground early meant that activity took place in advance of a fully formed investment policy. A review by an external consultant illuminated the need to assign priorities to the investment principles. In order to sustain and grow our delivery of benefits program, the consultant identified that preservation of capital had to come first followed by the security of the income flow.

CBT has placed or committed over \$41 million of capital over the last six years. At one point almost one-third of the capital was invested in three projects. There have been partnerships with local Community Future Development Corporations and Credit Unions,

partnerships in congregate care facilities and investments in various venture capital initiatives. Despite solid returns in much of the portfolio, several large write-downs in large venture capital projects (\$12.7 million total losses) brought the average return since inception (1995) down to 0.9%. Management fees have been less than 1% on average.

Had preserving the capital been the guiding principle since the inception of the non-power investment program, it is estimated that CBT would have generated an additional \$27 million in revenue in addition to the actual \$53.7 million that was achieved. Thus the key question is did CBT generate \$27 million worth of additional benefits through the non-power investments in order to justify the difference? CBT lacks specific enough data to make a conclusive judgement and so sought input from symposium participants on three future options for non-power investments, including:

1. **Continue to balance three key principles** (preserve capital, invest in the Basin, use social and environmental criteria), accepting that pension fund rates of return would likely not be possible. This option emphasizes that investments are part of CBT's efforts to bring economic, social and environmental benefits to the Basin;
2. **Make preserving the capital the priority**, followed by achieving pension fund rates of return, with the other criteria incorporated to the extent possible. This option defines the primary role of investments as providing the funds for the Delivery of Benefits program, which is the primary vehicle for bringing economic, social and environmental benefits to the Basin;
3. **Create a Basin investment arm of the Delivery of Benefits program** to focus on investments within the Basin and using social and environmental criteria. Lower than market rates of return would be expected with write-downs being expenses for the Delivery of Benefits program.
4. **Other** options as defined by symposium participants.

2.4.2 Power Investments

Ron Miles, CBT Board of Directors, presented the history and evolution of the power investments as well as the outcomes and options for the future. Wally Penner, CPC Executive Director, Community and Regional Affairs gave a status report on the various power projects.

The original financial agreement outlined how the Province would provide \$250 million to both CBT and CPC over a 10 year period, including the required rights to:

- upgrade and expand the Brilliant Dam;
- construct generating facilities at Hugh Keenleyside (Arrow Lakes Generating Station);
- undertake an expansion at the Waneta dam; and,
- undertake projects related to the above.

The projects are required to meet commercial lending conditions for financing, without government guarantees. Through pursuit of the power projects, the intention is to make CBT self-sufficient so that a long-term legacy is created, resulting in social, economic and environmental benefits for residents and communities. The power projects are expected to be relatively low risk, earning an acceptable rate of return, promote economic development through construction, enable regional control over the projects and support regional involvement in water issues.

CBT matches the best of private sector practice, with the exception that there are no property taxes paid on the projects as that could jeopardize the viability of the projects. CPC and CBT work together to develop the projects, with CPC acting as manager. Decisions are made jointly and are unanimous. Resulting revenues are equally shared with CPC's portion being returned to the provincial government.

The joint-venture partners purchased the Brilliant dam in 1996 for \$130 million. Subsequently, \$100 million in upgrades and life extension work, including a new switchyard, has been completed. The upgrades increased generating capacity of the original facility. An additional \$26 million was invested in the construction of the Brilliant terminal station, which provides a reliable electrical grid by linking various generating facilities.

The \$270 million construction of the Arrow Lakes Generating Station (ALGS) began in 1999 and was completed ahead of schedule in February 2002. Amicable agreements have been reached with all landowners affected by the transmission lines. Intake damage was detected on May 3, 2004. \$15 million of temporary repairs resulted in resuming power generation on August 17, 2004. The costs are anticipated to be recovered by the insurer and/or the design-build contractor. Permanent repairs are planned for early 2006; costs are as yet unknown. The project has received various awards and recognition from numerous agencies.

The \$205 million Brilliant Expansion project began in the spring of 2003 and is on schedule to commence operations in the fall of 2006. The Terms of Reference for Environmental Assessment Certificate Application (EACA) for the Waneta Expansion Project was approved in 2004. The EACA will be filed in 2005 with approval expected in 2006. Following a thorough evaluation of feasibility and viability, a decision will be made regarding if and when to proceed into the design-build phase. If Waneta Expansion Project is completed, there will be no further funds from the Province available for additional power projects.

The use of external expertise by both CPC and CBT has been key to the successful and affordable construction of the power projects.

To date, approximately \$102 million in wages have resulted from the power projects, with an additional \$102 million anticipated in the future. Local purchases to date have totaled approximately \$56 million with an additional \$25 million expected in the future.

Also, in conjunction with the power projects, various fish and wildlife enhancement projects have been undertaken and other social benefits have been realized. CPC's management and community relations efforts have resulted in strong local support for the power projects.

Income from the Brilliant dam grew steadily from 1997 to 2002. In 2003, revenues spiked as a result of the sale of early power from ALGS. Channel damage and repairs at ALGS have impacted recent revenues. The rate of return for ALGS in 2005 was 2.4% and 10.4% for Brilliant. CBT's share of the total write-downs or costs associated with power projects, including costs associated with the proposed restructuring pursued through the Core Review Process, have been approximately \$3.987 million. The region's original optimistic projections of high revenues and low risk have not materialized as expected. This combined with the impacts of the channel damage at AGLS, highlights the risks of having the power projects comprise 85% of the investment portfolio. Power project income is expected to continue to increase but the actual revenues will depend on a number of variables that will unfold in the next few years. The power projects have kept their real value.

Possible future options for power investments include:

1. **Status quo** – retain the equity in the power assets and following a decision on Waneta, move to operating and managing existing facilities rather than continue building projects;
2. **Exercise the Option Agreement** to increase ownership of the assets by purchasing CPC's shares of the power projects;
3. **Reduce equity in power projects** by seeking partnership or sale of one of the assets and transfer equity into non-power investments to diversify the portfolio;
4. **Increase CBT's power projects' portfolio** by sharing revenues between the Delivery of Benefits program and new power project investments.
5. **Other** options as defined by symposium participants.

2.5 Delivery of Benefits

Agnes Koch, consultant, outlined the history and evolution of the Delivery of Benefits program. Jackie Drysdale, CBT Board of Directors and Chair of the Delivery of Benefits Committee addressed questions from delegates.

The vision and principles for delivering social, economic and environmental benefits to Basin residents, as outlined in earlier symposia, were captured in the Columbia Basin Management Plan. In 1999, the Spending Program was initiated with a total budget of \$3.75 million. Four sector committees – social, economic, environment and education –

were created along with arts/culture and youth entities with annual budgets to manage on behalf of CBT. In addition to the sector initiatives, the Basin Initiatives involved programs recommended by CBT Board or staff and implemented with approval from the Board. Finally, the Community Initiatives, including the Affected Areas Program, is administered by regional districts and the Ktunaxa-Kinbasket Tribal Council via a 10-year letter of agreement.

The Spending Program resulted in broad distribution of funds and the development of numerous partnerships. Following an external evaluation, the program evolved in order to increase flexibility, allow for more cross-sectoral programs and support greater capacity building. Thus the sector committees assumed more of an advisory role and a flexible funding mechanism – the Community Development Program – was created.

Approximately \$27.5 million of benefits have been allocated since 1998. A wide variety of programs are offered as part of the current Delivery of Benefits program. Including residents in priority setting and decision-making, supporting local decision-making, and the role of partnerships have been important lessons learned in CBT's efforts to deliver benefits.

Key challenges that CBT is continuing to address and sought input from symposium participants on include:

1. Achieving everything vs. being more focused
2. Being strategic and retaining flexibility
3. Being responsive and remaining transparent
4. Acting purely as a funder and becoming more engaged in the community.

2.6 Water Initiatives Strategy

2.6.1 Overview of CBT's Water Initiatives Strategy

On the Friday afternoon preceding the official opening of the symposium, an information and education session was held relating to water management issues and CBT's Water Initiatives Strategy. Garry Merkel, Chair of CBT Water Initiatives Committee, chaired the session. Kindy Gosal, Manager of CBT Water Initiatives, presented the origins of the CBT Water Initiatives Strategy.

The history and impacts of the Columbia River Treaty were outlined, including the provision for terminating or renegotiating the agreement in 2024 provided that notice is given by 2014. The “downstream benefits”, or power generated in the United States as a result of water storage in Canada was explained along with the fact that BC is entitled to half of those benefits.

An overview was provided of the history of CBT as a mechanism to manage a portion of the downstream benefits and to recognize ongoing impacts of the Columbia River Treaty in the region. Therefore, water issues are at the core of the existence of the organization.

CBT's mandate to work on water issues results from:

- the Binding Agreement with the Province of BC;
- the Columbia Basin Management Plan; and,
- ongoing consultation and direction from Basin communities and residents.

Through consultations undertaken in 2002, Basin residents identified a wide range of management concerns regarding water quality and quantity, from both human-use and ecosystem perspectives. Resultant strategic goals include:

- Work with Basin residents to build an understanding of, and capacity to deal with water-related issues in the Basin;
- Support the development of a network of organizations working on water initiatives in the Basin;
- Strengthen the participation and influence of Basin residents in water-related processes in the Basin.

CBT has created a Water Advisory Committee comprised of experts in related fields from various universities and have formed partnerships to pursue a variety of activities.

2.6.2 Sample of Activities and Partnerships

Building an Understanding of Water and Water Related Issues

Judy Gadicke outlined the Basin Wide Water Stewardship Education Program, a school-based program that she developed as a result of a grant from CBT through the Columbia Basin Environmental Educators Network. Educational kits have been produced for each school district in the Basin. The program helps students see the Columbia Basin as an evolving system that is home to communities and, at the same time, part of a global community. The program incorporates Ktunaxa aboriginal knowledge of water and water as it was developed with support from members and elders of Lower Kootenay Band. The use of the kits is supported through a mentorship approach. The program is local, hands-on and timely in that it helps to educate those who will be adults in 2024.

Supporting the Development of Networks

Bill Green of the Columbia Basin Watershed Network outlined the wide variety of networks dealing with water-related issues operating in the Columbia Basin. The Columbia-Kootenay Fisheries Renewal Partnership (CKFRP) is an example of a network of organizations and individuals concerned about stewardship and restoration of streams and watersheds. The Canadian Columbia River Inter-tribal Fisheries Commission (CCRIFC) is a network of First Nations involved in conserving and restoring fish populations and aquatic ecosystems. CBT is working with UBC, Selkirk College and

CKFRP to develop a network of organizations involved in watershed management and stewardship. CBT also coordinated a network of citizens and organizations concerned about the impacts of Libby Dam operations on upstream and downstream interests. CBT's efforts to support the work of existing networks and assist in the development of new networks is very valuable and empowers local communities and Basin organizations.

Developing Partnerships

Jim Kempton of the Northwest Power and Conservation Council outlined the relationship between the Council and CBT. In an effort to treat the Columbia River and its tributaries as a system, it is necessary for the Council to have partnerships with Canadian interests. CBT and the Council have agreed to designate their vice-chairs as liaisons, exchange annual visits and pursue common objectives. Currently, the two organizations are working cooperatively to develop a Centre of Water Knowledge to facilitate dialogue and education across the border. The concept involves a shared website to contain relevant history, policies, research, issues and management. The development of, and intended audience for, the shared website involves a broad range of partners, including government agencies, First Nations, post-secondary institutions and electric utilities. A concept paper for the project is scheduled to be completed by November 2005.

Strengthening the Influence of Basin Residents in Water Processes

The original Columbia River Treaty negotiations failed to use good public process. Public participation in decision making is important because:

1. broader involvement results in a more complete information base and a more thorough perspective applied to the information;
2. more good ideas are generated to select from;
3. therefore plans will be better thought out, leading to better results;
4. the results will be given more credibility by decision makers and more people will trust the outcomes; and,
5. therefore, there will be better acceptance of the results allowing for easier implementation.

Participating in a process like this requires courage by all participants, because individuals have less personal control, and must rely on the good judgement of the whole group. Self-interest is tempered by knowing that one's own interests will only be met if some attempt is made to meet the interests of other participants. As anthropologist Margaret Mead said, "Never believe that a few caring people can't change the world. For, indeed, that's all who ever have."

3. Summary of Main Themes Raised by Symposium Participants

The following highlights the main themes raised by symposium participants during the question and answer sessions. Many of the identified themes were highlighted by the

symposium Chair, Dr. Bruce Fraser, at key points during the symposium. A more detailed account of comments made by participants is included in the following appendices:

- Appendix 3: Future of an Effective CBT: Summary of Questions and Answers;
- Appendix 4: Investment Program: Summary of Questions and Answers;
- Appendix 5: Delivery of Benefits Program: Summary of Questions and Answers; and,
- Appendix 6: Water Initiatives Strategy: Summary of Input Received.

3.1 Communication

Effectively communicating with a diverse constituency is a challenge that CBT shares with many other organizations. People are appreciative of the inherent difficulties in communicating with diverse communities that span a large geographic area. The need to continue to engage youth was a particular challenge that symposium participants encouraged CBT to address.

However, CBT has left its constituency behind as it has accumulated so many issues and traveled over so much ground in the past seven years since the last symposium. Thus the amount of explanatory presentation has simply been too much to absorb and has frustrated people. The resulting communication gap can not be overcome in a single meeting, namely this symposium.

Care needs to be taken in separating the provision of information from giving opinion. For example, if the Board is already convinced that the Option Agreement is a valid choice, then it needs to say so and why rather than come at it obliquely. Mixing opinion with fact results in a call for independent analysis to address the credibility gap as it appears that a position has been taken prior to receiving input. This is incongruent to being a community-based organization.

CBT's definition of issues and proposed solutions reflect the recent focus on, and demands resulting from, the Core Review and attempts to address what the Board felt to be key challenges in its relationships with government and CPC. As a result, CBT has become insular in its thinking with efforts to communicate the issues and solutions to Basin residents resulting in considerable frustration. This needs to be repaired lest it rob the hard working, well meaning and dedicated Board and staff of its credibility and public support during complex and difficult strategic decisions that will have long term consequences.

Symposium participants perceived that CBT has defined communication as an expenditure rather than the crucial investment necessary to achieve a "Basin" dialogue. CBT must actively work to promote and facilitate such dialogue otherwise the organization is left to respond to conflicting and parochial needs of often competing

communities. It has a unique Basin-wide mandate that requires relentless efforts to build understandings at the Basin-scale.

To effectively communicate with Basin residents requires CBT to work with its key partners. How can we make important long-term decisions without hearing the perspectives of our crucial CPC and government partners?

It is necessary for CBT to bring greater clarity as to what “independence” means, for example:

- If independence means reducing the reporting requirements to the provincial government, then what alternative reporting requirements would be used to achieve the validity that comes from an external accountability relationship? or,
- If independence is about greater regional control over the power assets and, therefore, how water is managed, what would be the accountability requirements and, therefore, the management implications sought by a lender?

More details are needed so as to help define the potential benefits and costs of independence to residents. Additionally, independence implies separation and distance, which can be divisive. Hence, it is important to be clear on the objectives being sought and to carefully consider the language and approach used to pursue them.

3.2 Relationships and Partnerships

The building and maintaining of relationships is CBT’s core business, needs to be recognized as such and, therefore, reflected in all aspects of its work.

Partnerships are the Basin’s capacity. The mobilization of capacity is so all encompassing that our whole talent and organizational pool is necessary to do the job. This was explicit in the original CBT approach and needs to be re-invigorated where it may have decayed.

The motivation for building and maintaining partnerships needs to be rooted in how best to collectively serve the interests of communities, thus resulting in benefits for all concerned, including the partnering organizations. Partnerships can not be used as a strategy to protect the organizational structure and needs of the partners in the face of perceived external threats. Such a fear-based approach will preclude partnerships rather than foster them.

CPC as Manager of the power projects needs to be recognized as a highly productive and effective generator of the means on which many of CBT’s programs depend. Therefore, the CBT/CPC partnership needs to be strengthened with the partner squabbles of the past relegated to history as they have obscured the combined productivity. Both CPC and CBT need to be honoured for their success and we must recall that the productivity of the whole CBT/CPC relationship was based upon both partners.

We are part of a province, not an island, and should give consideration to not just how best to serve our regional interests but also how to contribute to other regions. Again, the motivation for doing so needs to emphasize shared responsibilities and mutual gains, rather than pre-emptive or reactionary actions based on a fear of being or becoming a target due to the growing asset base. We currently support the broader needs via 50% of the income from the power projects being shared with the rest of the province.

3.3 The Proposed Option Agreement and Transfer of Assets

While opinions on exercising the Option Agreement and transferring some of CBT's assets to a wholly owned regional organization varied, there was agreement that further discussion is warranted before residents can provide effective input into, and feel comfortable with, any significant changes for the organization. The potential options are complex and require more careful consideration of the full range of implications than can be accomplished at this symposium.

A motion was suggested and supported by Symposium participants which asked that:

“The CBT Board, in partnership with the Regional Districts and the Ktunaxa-Kinbasket Tribal Council, facilitate an independent review of exercising the Option Agreement and report back to the residents of the Basin through community meeting(s) to seek input before any decision is made.”

The intent of this motion was brought forward and carried as a formal resolution of the CBT Board at the Annual General Meeting, which was held immediately following the Symposium on July 10.

Further more, it was suggested at the Symposium that the deadline for the Option Agreement be extended beyond November 30, 2005 to allow for the necessary public discussion. The deadline can not and should not limit the public discussion process.

3.4 Structure and Function of CBT Board

While the creation of a smaller Board may have been intended to support more effective and functional decision-making, it has challenged the diversity of representation and ironically complicated decision-making by enabling CBT to lose touch with its communities and residents. Residents feel that the Board is no longer accountable to them. The change in the process for appointments to the Board are strongly perceived to have been intrusive and to the detriment of the organization. The Province, local governments and CBT Board need to repair this.

There is support for a return to the past practice of Regional Districts and the Ktunaxa-Kinbasket Tribal Council formally appointing two thirds of CBT's Board. However, these local governments have a responsibility to ensure that CBT's Board has the

necessary skills and experience to run the complex organization. In particular, there is a need to reconcile the desire of local governments to identify people whom they “know and trust” with the need for skills in areas such as policy-making, communication, engaging people and building partnerships.

The overall functioning of the Board needs to be examined. In particular, there is a need to ensure a clear distinction between the roles and responsibilities of its members compared to that of staff, volunteers and partners. The Board is advised to focus on setting broad policy and providing the necessary direction for staff, volunteers and partners to do their jobs, which includes defining the necessary monitoring and evaluation criteria to ensure accountability.

3.5 Investment Program

There is a sense of confidence that the power projects are being well managed and will continue to effectively support CBT’s mandate. It is necessary to clarify the taxation questions and payments in lieu because they challenge profitability of the power projects. The process used to assess the viability of the Waneta Expansion Project needs to be clearly communicated as well as the outcomes of the assessment at every stage as there is a high expectation that the project will proceed.

The earning of money by power or other investments is a means to an end, not the end itself. The focus of discussion should be about our purposes - social/economic/environmental. Thus, the investment policy needs to be an affirmation of those purposes as priorities.

Symposium participants suggested that the purposes for which we should judge the validity of our investment portfolio are largely reflected in the principles contained within the original Columbia Basin Management Plan and should include:

- engagement of youth in the legacy;
- equity across the human spectrum;
- balanced development of communities;
- engagement with the fabric of the Basin;
- fostering a Basin culture;
- securing the integrity of community water systems;
- conservation of biodiversity values; and,
- development of alternative energy.

In summation, “every dollar is a vote for what you believe in”.

There was too much information and too much detail presented at one time to be able to absorb it and provide meaningful direction to CBT regarding its proposed investment options. The investment issues and options need to be the focus of a specific session or forum so residents can provide meaningful direction.

3.6 Delivery of Benefits

The impact of government changes to create a smaller Board has resulted in a loss of diversity within the organization. This has been further compounded by changes to the roles of sector advisory committees. The committees are seen to have been “downgraded” with decision-making going back to the Board. Sector committees are seen as being “the grass roots” and an important connection for CBT with communities.

However, some sector committees worked better than others and they require considerable staff time to support. The committees are one of many mechanisms for linking CBT with the tremendous capacity that exists within the Basin. CBT was asked to revisit the role of sector committees and also consider a range of mechanisms for engaging the Basin’s capacity in their decisions. In many cases, CBT does not need to “develop capacity” because capacity already exists within the Basin. Rather CBT can be part of a coordinated effort to mobilize and engage developed capacity.

CBT’s current role and practices as a funder is seen to mire the organization in divisive and fragmenting decisions and create distance between the organization and the communities it is intended to serve. Rather, CBT might consider being a partner in planning and then fund, in partnership with other organizations, the outcomes of the planning initiatives. By supporting community-level and regional planning, CBT would help communities assume responsibility for setting priorities. This could relieve CBT of the pressure to be all things to all people. Other regional and community-based organizations want to be seen by CBT as partners in such initiatives rather than merely applicants for funding. This may challenge the status quo, including the staff’s mandate and organizational structure. However, CBT must be a dynamic organization that is capable of responding and evolving to changing circumstances and needs of its constituents.

In seeking to solve problems, it is also necessary to recognize and celebrate the successes that have been achieved. CBT is involved in innovative and effective programs that are delivering benefits to communities around the Basin.

There is a need to link the operations back to the vision, mission and core values of the organization as they were defined during earlier symposia, which are outlined in the original Columbia Basin Management Plan.

3.7 Water Initiatives Strategy

Basin residents want to be fully capable of managing water issues associated with the Columbia River Treaty prior to the opportunity for its renewal. Water is our most important asset and so we must be prepared for 2024.

Water issues are varied and management is complex, thus the interests of residents range from local infrastructure needs to the potential impacts of climate change. The Water

Initiatives Strategy needs to clearly articulate how CBT's efforts are focused on and building towards effective support for the re-negotiation of the Columbia River Treaty, while addressing the various interests and needs of Basin residents.

Participants supported CBT's efforts to engage experts in the field of water management as such expertise can help build the capacity of Basin residents and organizations. The Water Initiatives Strategy is considered to be an integral part of CBT's mandate, given the linkages to its power investments and the fact the participants consider it to be one of the key benefits to be delivered by CBT. In order to build on the successes to date and address the significance of the issues, there is support for increasing CBT's expenditures on water issues relative to other benefits being delivered.

CBT is considered a key regional organization for the purpose of ensuring Basin residents are prepared to effectively participate in future discussions about the Treaty. Effective dialogue needs to occur at various levels with a range of Canadian agencies as well as with organizations on both sides of the Canada-U.S. border. Residents look to CBT to take a leadership role in facilitating such discussions, a role that can best be realized through a partnership approach with the many agencies and organizations that have a mandate or interest in such issues.

4 Response to Input Received

4.1 Columbia Power Corporation

Lee Doney, Chair of the CPC Board of Directors responded to the discussions that took place over the course of the symposium.

We have a difficult decision ahead with respect to the Waneta Expansion Project so we will need to assess what factors and what information is needed for a good decision. It will also be a critical point in the evolution of the CPC organization.

CPC will provide information and advice as requested during this process to analyze the Option Agreement. CPC is neutral in terms of whether or not CBT should pursue the Option Agreement, although I offer this advice for you to consider as you might.

I suggest that it is important for residents and CBT to be very clear on what your objectives are and how the Option Agreement may or may not address those objective. Is ownership of the assets crucial? Or is the objective to protect the income stream as that is different from ownership? Or do you want to continue to be involved in the construction of more power projects? Gaining clarity on your objectives will define how you approach and deal with the provincial government.

As for independence, I remain unclear as to what you mean by that term and, therefore, what you are seeking. I would offer this perspective on government systems of

accountability. Although it takes time and energy to meet the requirements, there are benefits in terms of transparency for financial administration that comes from a third party accountability contract.

There is a huge capacity within the Basin and CPC staff are part of that. During the symposium I have heard that we are your silent and competent partner. That is exactly what I want us to continue to be.

4.2 Regional Districts

Gary Wright, Chair of the Regional District of Central Kootenay, responded on behalf of the five regional districts that share overlapping jurisdictions with CBT.

Through the various symposium sessions I have heard that you want:

1. CBT to have a full reporting relationship partly through local governments;
2. Regional districts to participate in a review of the Option Agreement. This will be brought forward to CBT's Annual General Meeting to be held immediately following the close of the symposium;
3. To continue to improve coordination of economic development between CBT and local governments; and,
4. The people nominated to the CBT Board from regional districts to address specific skills that are needed for running the organization.

4.3 Ktunaxa-Kinbasket Tribal Council

Rosemary Nicholas, CEO of the Ktunaxa-Kinbasket Tribal Council (KKTC) summarized what she heard throughout the symposium.

- Communication with Basin residents needs improvement;
- We need to prepare youth to inherit the Trust, but all levels of government need to be involved in that goal;
- Protection of our water resources and ecosystems is important;
- The CBT Board needs to return to its original 18 membership and we all need to communicate this to the provincial government;
- There is need for increased direct dialogue, including through the sector advisory committees;
- There is need to continually monitor and evaluate for equitable distribution of benefits to impacted areas;
- The Board of the Trust needs to focus on work that is appropriate to a Board of Directors and thus support staff and volunteers in their work; and,
- With respect to proposals to CBT from the KKTC, decision-makers need to recognize the uniqueness of reserve communities.

4.4 Columbia Basin Trust

Garry Merkel

Residents care and feel a deep sense of ownership of CBT. It is deadly clear that we need to do more on communications. A symposium is only one means to communicate and we need to look at some kind of infrastructure for ongoing dialogue.

The Trust is a community organization, not a power corporation or an investment corporation or a foundation. It is akin to a political movement where, in order to build a movement, you need to talk.

I have heard that we have a strong economic bias and need to expand across the three aspects of our mandate.

The Trust has lost some of our trust, which needs to be rebuilt. This symposium is the start of recognition of this. However, the symposium was taken over by presentation and so participants had to be blunt, and while you were direct you were not disrespectful.

Thanks for your continued support, the time you have spent here and the shared passion we have for the place.

Josh Smienk

Past symposium proceedings are used as a touchstone as they are a record of what you say. As in the past, the outcomes of this symposium will be reviewed in detail.

Obviously the Board has work to do. We have been tied up with other issues and so this has been good to touch base with everyone. However, communication is a two-way street. We need you to come out to meetings with us to keep the spark alive and to hold us accountable.

Thank you for the work you have put into this weekend.

Appendix 1

Address to Symposium Delegates by the Honourable Bill Bennett, MLA for East Kootenay and Minister of State for Mining

Good afternoon and welcome to Cranbrook. The largest city and only bastion of liberalism left in the Kootenays. I feel a bit like the last guy standing out here, which is lonely but makes us easy to find. From anywhere else in the Kootenays just take a right and keep driving! If you hit a point where the streets are paved with gold – STOP- You've gone too far. That's Alberta!

I want to thank Josh and the rest of the Trust board for inviting me here. It's a pleasure to address you today, and I would encourage each of you over the weekend to go out and play a game of golf. There's a course no more than 100 meters from here.

I'm not talking about traditional club golf. I'm talking about Frisbee golf, or Disc golf as they call it. There's a beautiful 18-hole course right here on college property. You should go have a look because the Columbia Basin Trust paid for it.

A group of Cranbrook residents who play disc golf thought we needed an official course. They put in the time negotiating with the college for use of the land and the sweat equity laying out the course, thinning grasses and trees, pouring cement for tee boxes and sinking the galvanized steel baskets.

The Trust paid for those baskets, which are about 300 dollars each. The course is free, so families use it all the time. The local disc club just had its annual tournament and players came from all over the B.C., Alberta and the States. We're now listed on the "Professional Disc Golf Association" website and even had a Canadian Champion from the East Kootenay. It may seem like a small thing to some but it's one of the reasons why I support the Trust and always will.

Here's a project conceived and built by locals. The Trust didn't have to invest much - a few thousand dollars - but that small investment made one of our Basin communities a better place to live. How could anyone not support that?

And while I'm on the subject of support, I want to dispel the notion that my government is somehow less supportive of the Trust. There has been a lot of discussion over the past two years about what the provincial government has done or not done with the Trust and I'd like to take a few minutes to clarify the record before we move to looking at the future.

The Columbia Basin Trust is today, as it was in 1995, a regionally-based Crown corporation created by statute and owned by government.

As a Crown corporation, it has always been subject to government's requirements for its Crown corporations. This includes reports to the Province on its planned activities (service plans) and how it has performed (annual reports), so that government can, as it is required to do by law (the BTAA), report to all British Columbians on how public monies are being used.

The Trust also has important obligations to Basin residents. It must consult to create and update the Columbia Basin Management Plan, which guides its non-power investments and delivery of benefits priorities. The Trust is required to hold an annual general meeting, as it will at the end of this symposium, to explain its results publicly to Basin residents.

The changes made under the *Columbia Basin Trust Amendment Act 2003* did **not** result in the province "taking over" the Trust as some have alleged.

Yes – the Board was made smaller and the appointments are approved by government, but government has always been respectful of the choices made by regional districts and the Ktunaxa-Kinbasket people.

What you should not lose sight of is that the Board is still made up of 100% Basin residents. I must also mention that there was a very practical reason for changing how directors are. The auditor general requires it as part of recognized accounting practices. If the board consisted of more than 12 people we stood to lose a 250 million dollar write down.

We have also worked with the Trust Board on developing a skills matrix for Board members and have actively recruited provincial nominees to meet these identified skill requirements. It's important for the public to know that.

We have applied more rigorous standards to board selection of **all** Crowns, not just the CBT. Taxpayers in BC want Crowns to be accountable, transparent and to be managed by boards with the necessary skills and experience.

Since the July 1995 Financial Agreement between the Province and the Trust, there has been a partnership with Victoria – a partnership on power investments. In that Financial Agreement, the Province committed to provide \$250 million to the Trust and to match that with \$250 million to Columbia Power Corporation for joint venture investments in power projects. These financial commitments and ongoing contributions to the Trust's operating costs continue to be fulfilled by the Provincial government.

I want to state unequivocally the Trust will be around as long as the Columbia River.

The Trust has had significant independence on how it spends its income and manages its non-power investments. This will continue. The regional programs that the Trust spends

income on, are up to the Trust Board. The Trust is guided by its legislated mandate and the wishes of Basin residents through the Columbia Basin Management Plan.

Government remains committed to maintaining the Trust's mandate, to invest in the economic, social and environmental well-being of Basin residents.

So here we are, 10 years into the evolution of the Trust. While there have been some challenges related to non-power investments and the failure of the approach channel at the Arrow Lakes Project that needs to be fixed, there is a sound basis going forward.

Power revenues will increase when the Brilliant Expansion comes on line. Investigation of the Waneta expansion continues.

Water management is of great interest to all communities in the Basin.

In 2001, I took time out from my first election campaign to travel to Portland with MP Jim Abbott for a conference on the Columbia River system. There are plenty of cross-border politics involved in how much water is left for us up here in Canada. Jim Abbott and I went to Portland looking for answers and I'm glad we did. I found out that flood control and power generation is pretty much all that was being considered by the Province's representative, BC Hydro.

As an MLA, I have lobbied B.C. Hydro to consider things like tourism and our enjoyment of Koocanusa, Columbia Lake, Arrow Lakes and all the other waterways that are tied into this magnificent system. I will continue to be a constructive voice inside government for good water management.

I want to conclude by congratulating you and thanking you for all the work you have done for the people of the Columbia Basin- volunteers, staff and board members. Your hard work and dedication is commendable. You quite simply have made this part of the world a better place to live and I don't think there is any better measure of success.

In particular I would like to thank Corky Evans, Ed Conroy, Dieter Bogs, Jim Ogilvie and Josh Smienk. They are the pioneers who led the way to the Trust and we all owe them a debt of gratitude.

Perhaps this weekend we should take them out for a free round of disc golf.

Thanks and have a great weekend.

Appendix 2

Address to Symposium Delegates by Corky Evans, MLA for Nelson/Creston

I asked the Chair of the Trust in what role I was invited to speak, imagining that it might be as the first Minister with responsibility for the Trust, or as the present Energy Critic of the Opposition. Josh replied that it was as elder.

I do not know how I got so old as to be an “elder.” I cannot tell whether to be honored or insulted. Be that as it may, what follows are my thoughts at this point, the Tenth anniversary of the Trust’s creation.

I will try, for the very first time at such an event, to work from a text. I am aware that storytelling and speechifying are more engaging when done extemporaneously, and I apologize for this formality. I have chosen to attempt this unusual step because I am, as you all are, cognizant of the fact that the audience for this gathering is at least as much people who are not in this room as it is those of us who attend.

We haven’t met in this way for years and they have been eventful years. I have, as so many of you do, some serious things to say. It can happen that when people engage in serious discussion that people who are not present lift language out of context and demean or diminish the event with distortion. I can handle such behaviour. Indeed, I have made a lifetime out of saying what I think to the people in the room. I am not sure, though, that the Trust can be sustained if we give folks who are not present too much ammunition for gossip. For this reason, too, I will attempt to speak from a text.

Why is it, you might ask, that I suspect that there will be people who are not in attendance who might have some reason to look for flaws in the Trust or in our dialogue?

This institution is not the norm in B.C. Indeed, it is not the norm in the world. It is studied and evaluated and considered, I would guess, by rural people on every continent. Globalism, that silly word we use to describe the post-industrial world in which we live, has been very hard on rural communities. Increasingly, capital consolidates in cities. Increasingly, populations decrease in rural communities. Increasingly, resources and resource wealth is managed or plundered from more and more distant land.

Here, the opposite of these trends is occurring, or is at least encouraged by the existence of a capital pool and a resource wealth production scheme that is managed by the people of the land that produces the wealth. This model is anathema to the essential tenants of both Capitalism and Socialism. I have met politicians in B.C. of both parties who despise the idea of the Trust. To elected people of the Right, it can be construed as wasteful and romantic decentralization that flies in the face of corporatist efficiency. To some on the Left, it is a denial of the essential desire to “do the greatest good for the greatest number.”

which would, of course, see all wealth generated on the land spent by the Province where populations, not point of origin, dictate.

The same is true for senior members of the civil service and for academics of our major research institutions; many of whom consider the Trust an anomaly and a threat. And they are correct on both counts. It is an anomaly in many ways, not the least being that the Act that created it was not written by the Government that introduced it, but by the people it was intended to empower. Its status as threat is obvious. Everyone knows if cities had to exist on the wealth they create they would wither away. Every economist knows that if the principle of 50-50 sharing of resource revenues was to spread to other sectors and areas, the investment landscape of the Province would change radically.

Finally, it is a rare Press person from Vancouver or Victoria who is not looking for ways to find this organization derelict in some way in order to tell the story that they already believe, and need to believe, in order to justify the urban myth of their inherent superiority.

All of this is because the baseline fact of governance in British Columbia is, and has always been, built on a Colonial rather than a community based model. This organization, should it survive, threatens the assumed superiority of the Colonial model. That it has survived to celebrate its 10th anniversary is, for sure, cause for celebration. That it is not yet sufficiently mature to be assured of its future is cause for care in our deliberations and in our language.

By writing these words instead of speaking as I did at all previous symposium, from the heart, I acknowledge our risks and the seriousness of our resolve.

I want, in the body of this talk, to offer some history, some celebration, some concerns, and some hope.

My own relationship with our history began 30 years ago when I fought the 500 kv line that leaves the Kootenay Canal and runs through the valley where I live. I learned at that time of the history of the Columbia River Treaty from the people it had displaced.

Then, in 1980, as a Regional Director in Central Kootenay, I initiated a referendum on the issue of BC Hydro paying hospital taxes in our area, which led to the Province saying “no” on the basis that power costs might go up in Vancouver, which led the Regional District to send me to Vancouver City Council to ask for their support, which led (then) Vancouver Mayor Mike Harcourt to offer to assist to resolve our troubles.

Years later I sat under a tree in Castlegar with Ed Conroy and Josh and Larry Brierly and others to plan the first symposium. As the idea of the Trust grew I was honored to be in the room at Selkirk College where Bill King and Fred Parker helped (then) Premier Harcourt to understand that this was an issue that would require the expenditure of hundreds of millions of dollars to resolve.

Finally, I worked with Mike and Ed and John Horgan and hundreds of others to construct the deal that saw the creation of Columbia Power and the investiture into that entity of the unused water rights of Hydro's at Keenleyside and of West Kootenay Power and Cominco at Brilliant and Waneta.

My "patrimony" in the birth of this organization is, thus, defined.

Once on its feet, the Trust has done marvelous things in our communities.

For starters, you have used the fact of the Trust to rebuild broken relationships with B.C. Hydro. The "Entity" of our losses in the 1960's is now our partner in many respects.

Second, the Trust, and its directors and staff and volunteers, have taught us to see ourselves as a Region. We have learned to say the word "Basin" and to mean a kind of community of interest. If I am going to speak as an "elder" then I get to say I remember when we were a series of disconnected towns and villages and valleys who did not know the meaning of collaboration and who offered all outside interests the opportunity of divide and conquer rather than deliberate and compromise.

Then add into our history the tremendous difference it has made in our lives to have created an institution with Native and Non-Native governments at one table. We will discuss, as we must, in the sessions on investment, the failed investments at St. Eugene's, but remember, the BC Business Council has said time after time under governments right and governments left, that the greatest impediment to investment in our Province is the broken nature of our relationship with First Nations, and then consider that the Trust, in 10 years has done more to create dialogue in this region than any other initiative or any business, community group, or government.

I think we should celebrate the Trust, too, and maybe Josh especially, for using this institution to build relationships with our American neighbours where previously only animosity and rumour obtained. I was born in the United States. After living in Canada all of my adult life I had come to see the people served by Bonneville as pirates, as the "enemy." It wasn't until the Trust invited me to tour the river from here to Portland with the Northwest Power Planning Council that I came to understand that they have the same kind of interests and concerns that we do. Imagine what vehicle there might be for dialogue without the Trust.

The Trust needs to be celebrated, too, for its efforts with Youth and in education on matters related to water, rivers, and the Treaty. 60 years ago we were, as the title of the book said, "People In the Way." The next generation in our communities, the young people who may negotiate and will certainly inherit, the next iteration of the Treaty, are no longer in the way, they are "in the know" and that would not have happened absent the Trust.

The Trust has an asset base (2005 annual report) of \$313,122,000. We will debate here and elsewhere whether or not we are happy with the return on that investment and the

dispensation of returns. But I want you to meditate, for a moment, on the speed with which this organization grew. Most rich people I know lost their first three fortunes. Most corporations we can think of took decades to reach that kind of depth, and were able in the years of their growth to do so pretty much below the horizon of public interest. This organization is now one of the largest capital pools in the Province and it has grown to this size in just 10 years. I remember when some of us were predicting that the Trust would be lucky to survive for 15 minutes once all that money hit the table. We are ten years in. We are whole. I feel about this organization like I used to feel about my brothers and sisters, I might hate their guts at home and we might fight like cats and dogs and not speak for months, but God help the outsider who criticized my family without walking in our shoes. I thank all the directors and former directors and volunteers who got us this far. The steak hit the table and we did not kill each other and we did not consume it. That, alone, is cause for monumental celebration.

And while I am at it, I also want to praise Columbia Power Corporation and the workers at the construction sites who have seen that money invested brilliantly. CPC, too, started from nothing. Started as an idea, an empty bucket into which the Province would pour water rights and cash.

The moment of the birth of CPC was the moment of Deregulation in the American electrical power business. Deregulation created many problems later but its initial impact was to create surplus power all across the United States and depress the market. When CPC and the trust decided to invest in the Keenleyside project it was the only major construction in that industry anywhere on the continent. It was a huge risk and, because it was a risk, it was built at a fraction of the cost it would have been in a normal bidding market.

CPC also managed to bring in Keenleyside under schedule and under budget and, at the same time, raise the capital necessary to initiate Brilliant.

I remember when the Keenleyside and Waneta and brilliant projects were first proposed and some people in the Provincial Government wanted them all to proceed immediately in order to justify the creation of the Trust with massive job creation. We, the people of the Basin, said, "No, we do not want all that work to go to a boom cycle type migrant work force, we want a staged and drawn out and careful scheduling of one-job-at-a-time in order that we would get the work and no town would be impacted by the boom and bust cycles we remember from Treaty construction. And that is the way it has happened. If you cannot bring yourself to celebrate CPC and the Trust for what has happened, try it the other way around. Imagine what has not happened; Imagine the fights over the transmission lines coming out of Brilliant and Keenleyside if BC Hydro or some private company had proposed the development? Imagine the cost of these projects if we tried to do them in today's construction market or at today's energy prices? Lastly, imagine what the impact on the earth would be to try and produce that much new power in a brand new project. How many miles of land would you have to flood? How much coal would you have to burn? How many holes would you have to punch in the seabed off the Queen Charlottes would you have to drill and pump dry? CPC and the Trust have generated

power that will earn us enough (after costs) to spend \$5,000,000 in our communities and to leverage many times that amount without flooding a single acre of land, burning a single ton of carbon, or drilling a single hole. No wonder this power is marketed as “Green” in the world.

O.K., so much for my little rant about how wonderful we are. Now for some of my concerns about how we got here and where we might be going.

I spent a few minutes at the beginning of this talk trying to justify my claim of patrimony, which, by the way, I think I share with all of you and hundreds, if not thousands, more. Now I want to talk about how I feel about how we are doing as parents.

This child of ours is now entering adolescence. Once upon a time I had three wonderful little kids. They did pretty much as they were asked, they were often fun to be with, I figured I was doing a pretty good job. Then they got to be teenagers and all hell broke loose and patrimony meant nothing. It was all that I could do to help them avoid the dangers of the world as they matured into adults.

I think that is where we are at this moment. This event and my comments are colored with the patina of celebration. We made it this far. Now, however, we must cease to focus for a while on the good feelings generated by birth and young life and focus on avoiding the dangers of the world as our child matures.

Here are some of the dangers of the world I think we must redouble our efforts to avoid if we are going to see this teenager through to adulthood;

First: The danger of Parochialism.

I have talked to a Mayor and a former Mayor in the last few weeks whose attitude about the Trust was, essentially, “What has it done for me?” This, in spite of the fact that I know about wonderful projects in both towns that the Trust enabled.

Citizens should know that when many models were being considered for the governance of the Trust one of the models considered and rejected was straight election of directors by citizens. This option, obviously, was attractive from the standpoint of democracy. And, in hindsight, it might have been harder for us to lose control of our Board nominations had Directors been chosen directly by citizens. However, the objection to the direct election model was that the entity of the Trust was to be a Basin initiative with Basin objectives and nobody could figure out how to create and sustain a collective enterprise if directors perceived that they were elected to represent specific areas. The governance model chosen was intended to remind directors of their loyalty to the entire population, not their community of origin.

I believe that sufficient mechanisms do not exist to preclude parochial behavior by directors and to instill a sense of communal responsibility in citizens and municipal representatives. I believe that the greater involvement in spending by directors,

previously relegated to committees and to staff with oversight only by Directors, may in future threaten the cohesion of resident support and, therefore, the future of the Trust.

The solution to this problem, of course, is to sever as completely as possible Director responsibility for spending. Directors should set policy, audit performance, and consider the practical and philosophical issues around what makes successful change. Staff or volunteers or contractors should allocate funds, always with an eye to fairness as well as competence.

Second: the danger of perceived conflict.

I am glad that the Trust is dealing with the issue of the perceived conflict of Mr. Epp in a public way. I am also glad that Mr. Epp appears to be an honourable person. However, the political danger in issues of conflict is never about the facts. Mr. Bennett, Mr. Vander Zalm, Mr. Harcourt and Mr. Clark all left leadership under clouds of perceived wrongdoing none of which ever turned out to amount to malfeasance of any sort.

I was, myself, accused of conflict, once, and it was a horrible experience until it became a real accusation. Once it was a real issue before the Conflict of Interest Commissioner it ceased to have currency in the media.

The lesson in these stories is that it is the perception, not the fact, of wrongdoing that sells newspapers and brings down leaders in British Columbia. The damage that the issue of Mr. Epp's perceived conflict has done to the Trust cannot be over estimated and must, in future, be avoided.

This does not mean it must be avoided by simply being good people. The world is dangerous. There are many people who need a misstep from the Trust in order to justify their antipathy toward the Trust. I mean that the public, however wrongly, believes that where there is smoke there is fire and the job of the Trust is to see to it that there is no smoke. Ever.

New MLA's often make the mistake of being afraid of the Province's Conflict commissioner. They do not understand that the office of the Commissioner is to remove perception and to give advice that leads away from the perception of conflict. I think the Trust should consider appointing the cleanest, most revered retired Minister of the Church or former Judge that they can find to be your own internal conflict commissioner. Not a lawyer to fight cases. Not a communication person to create spin, but a moral arbiter to give you advice and to present an annual report about your performance.

Remember, you are trying to avoid danger in the world. You are not trying to prove newspaper columnists wrong, you are trying to make them irrelevant by making yourself boring.

Third: The Granting function and jealousy and human nature.

Josh and Garry and Greg knew I would say this because I have said it for ten years. Pierre Trudeau and Glen Clark both made the same mistake in public life, the former with a series of Grants called OFY and LIP and LEAP, the latter with initiatives like Forest Renewal. They both knew that grants were a logical and productive method of dispensing wealth to change the nature of land and communities, perhaps the most productive tool available to governments in some areas. But they also both made the mistake of thinking that they would be, or their governments would be, appreciated for their largess. Nothing could be further from the truth.

Citizens hate grants. The only time they talk about them is when they are denied access. Nobody ever goes to the bar and gossips about how happy they are to have received funding. They always go to the bar and gossip about the unfairness of the process if they are denied. It is human nature. It will not change. To the extent that the Trust becomes known as a granting agency it will be demeaned by those who feel they lost and ignored by those who gain.

The way around this conundrum is, and has always been, for the Trust to find delivery agents at some distance from themselves for each of their objectives, set criteria, audit success, and have no role whatsoever in determining success or signing cheques. In this way, as the decades go by the Trust will appear more and more benign and valuable to the public, rather than as a dispenser of wealth that, in literally every case, some citizens will think they could have spent better.

Fourth: Investment Allocation

I was in the room when the \$45 million of Investment Funding was granted to the Trust. I know the thinking and the hopes of the people who decided to allocate the funds. I was there when that money was, temporarily, invested outside the Basin and senior official in the Ministry of finance said to me, “We will take back the money. It was intended to make entrepreneurialism and diversification. It is not intended to make you a bank, an RRSP, or a country.” I was there, again, when the symposium at Revelstoke said “Don’t lose the money.”

I believe that if directors become confused about the function of the funds they will attract jealousy and/or anger from outside the Basin. I believe that if “Don’t lose the money” is interpreted as to make bank interest or RRSP or money market interest the Directors misinterpret the intent of the symposium attendants.

Like the granting function, I believe that directors need to stay 150 miles away from investment decisions in order to sustain the image and the fact of the absence of conflict and bias.

I was on the Trust when Directors made decisions and they were bad decisions. I take responsibility for all the bad decisions of the early years and I implore you to learn from our example and get away from the table when investment decisions are made.

I do not know what happened to the, once promising, working relationships with Credit Unions and Community Futures organizations in our area. Both are precluded by policy from “losing the money.” Both are in the business of serving residents and providing capital. I encourage the Board to rethink their relationship with both institutions and with their own staff. I second guess none of your decisions but I warn against placement of funds, or their withdrawal, by director influence. That way lays trouble. I know, I made some.

Fifth: the trouble over power, both electrical and managerial.

The people outside this room are dying to learn how it comes to pass that the Trust would Propose to sell dams last year and to buy them this year. This issue will need some resolution during this event in order for us to have any credibility when we leave.

Some of the trauma between CPC and the Trust is simply geographic, there are two sets of mountains between the managers and everybody likes to live on the side where they live.

Some of it is personalities. I say this to demean nobody. I have been guilty of it. It is not helpful. It is not behaviour that we want our impressionable teenager to emulate.

Some of it is structural, like it or not the interest of the Crown and the interests of the Trust will vary and sometimes be in contradiction, under any government. I am not a fan of the bias that suggests that we are always right simply because we are closer to the problem.

The struggle between CPC and the Trust must end. Maybe selling the dams is the way to end it. Maybe buying the dams is the way to end it. Maybe letting CPC run the business of power production, at least until the period of construction is complete, is the answer. The solution is less important to me, a hundred times less important, than how we resolve it and that we resolve it.

Some of the trauma we now feel in these matters, indeed, in all matters, is really a function of the loss of Board accountability by virtue of the changes to Board numbers and reporting relationship. In short, the Directors no longer report to the Tribal Council and the Regional Districts, local appointees no longer outvote Provincial appointees, and the ownership, both legally and spiritually, is in doubt.

I think that we might address the issue of the dams and the issue of the Board reporting relationship in the same way. I suggest that we consider asking the Regional Districts and the Tribal Council to each choose a nominee from their own community and invite those six persons, and a hired chair, to consider the question of the Options Agreement and other options for resolution of the CPC/Trust relationship and report back to their organizations for recommendation to the Directors in 90 days. The Directors could then assume that the local governments speak for us, the citizens, and make of the recommendation what they will.

This proposal, while complicated, would go some distance toward rebuilding the historic relationship that the Trust once had with the governments that worked to create it, and bring fresh eyes to the question of who should own and manage the power projects.

Sixth: Relationship.

The Trust is not a corporation. It is an almost ethereal institution that exists because we say it exists. It could cease to exist if governments deemed that it did not serve the interests of the people. It survived the government I was part of and the government that now serves simply because the love of the thing by people here outweighs the jealousy and animosity and ideological objections elsewhere.

During the years of the Core Review and the changes to board structure we have not met in symposium. This is as dumb as not giving our teenager money for food. We feed off of the relationship with ourselves. This organization must meet in some form on a regular basis or die.

I am not one who believes that the cost of symposium is a negative on the balance sheet of the Trust. Nor was I one who believed that 18 Directors was too expensive. Half of our job is to build relationship. The absence of relationship was what made us weak 60 years ago. To the extent that Directors and Leaders and Youth and Staff and Citizens from around the Basin meet in dialog we build wisdom, love, and plain old political strength.

Seventh: Board configuration

I believe that the government that created the Trust made a mistake when we did not write off the Trust's assets. I also know why that happened and cannot imagine how it could have been done differently. I also know that nobody involved in that decision had any understanding of the effect of the decision ten years down the road.

I also believe that the present administration made a mistake when it reconfigured the Board and ended its direct reporting relationship to Regional governance. That mistake derived directly from the first because the rationale for the Board changes came from somewhat arcane analysis of the Auditor General.

I believe that the auditor General did not mean to radically effect democratic activity when he made his thoughts known. I also think he is willing to come here to talk to us about possible solutions. I suggest that some institution, preferably a municipal or regional government, invite the auditor General to this area to consider what options might be available, given historic events.

The last thing I wanted to talk about was Hope.

All of my children grew up to be fine people. They are better educated and better employed than their parents at the same age. None of them are in jail or junkies or drunks. My guess is that most of you have had similar experiences with your troublesome teenagers.

All we need to do is to pay attention.

And a lot is riding on it. The Columbia Basin Trust is the best wealth sharing agreement between governments in Canada.

It can be tool that allows and inspires our culture to grow and survive globalism without the displacement of citizens that are no longer required in the, now mechanized and computerized and deworkerized world of post-industrial culture.

It can be, has been, is, will be the place where industrial workers and environmentalists have common ground and interest. It is the vehicle through which we are building the relationships that will not let us be ignored in future negotiations between nations about our territory.

I am a political animal. I do partisan politics for a living and for an identity and I couldn't live any other way. And yet nobody will find a single sentence in any of this that ascribes blame or allocates to any political institution. This vehicle is the place where we come together for common interest.

As such, it is and always will be, misunderstood or despised by those who write and gossip and presume a divine right to power from away. Thank goodness for that because it always did help me like my brothers better if somebody else was putting them down.

Besides, I don't want my kid to grow up to be like those people so it is just as well she should learn the difference now before she made any serious mistakes we would all regret.

Appendix 3

The Future of an Effective CBT: Summary of Input Received

The following is a summary of the discussion that took place during the question and answer period that was part of the session on the Future of an Effective CBT. It is not an exact accounting of what was said, rather an interpretation of notes taken during the discussion. In order to provide sufficient time for participants to express their views, CBT was asked by the Symposium Chair to limit or defer their responses until the end of the symposium when there would be an opportunity for CBT to respond to all input received.

1. I want to recognize the time and effort that both the board and staff puts in. Thank you. Within the fabric of the CBT that we built together, it feels as though there is a thread unraveling. Accountability, communication, investment within the Basin are issues that are high on the list of the community of Nakusp. We need to be kept aware of what's going on and there is need for greater accountability to the Basin residents. It seems that accountability is to the province first and then to the Basin. Also, we need to ensure that investments stay within the Basin and support our people.
2. This is an interesting process. I sense there is a bit of defensiveness in the presentation and the work that's been done in that yesterday we were asked to make noise and then sit quietly. It feels that you are afraid to hear from us. We need to come from other perspectives, use both sides of the brain, and use our spiritual selves. Don't be afraid to feel, be passionate, the Board will survive. I encourage you to come from the heart and speak on that level. Think before you ask the question, do you already know the question? Do you still need to ask?
3. It was the areas affected by the Columbia River Treaty that created CBT. During the Friday afternoon session on Water Initiatives, CBT referred to a different area as being "the Basin". We need to stick to the original description of what is the Columbia Basin - let's not change the language as it took us a long time to get here. When we refer to the Okanagan's interests in water management, then let's use a different phrase than "the Basin".
4. I know that CBT is accountable to the residents but the actions don't look like that. A few things have happened that have led us to be cynical. The change in the Board happened without consultation. The proposed sale of the dams was announced before consultation, which resulted in the subsequent community meetings being reactive rather than proactive. As a result of government's core review process, it looks like CBT is accountable to the government. Furthermore, the sector committees have shifted from being operational to just being advisory committees. This has contributed to the sense of mistrust. Who does the Board report to – government or residents?

Answer: During the NDP government, we were left on our own as most people in that government had a part in building us and, therefore, they understood us. There wasn't much interaction with government during that time. When the governments changed, the new government looked at us in a different way. They looked at us and said, "You're a Crown corporation". The Liberal government had Crown corporation issues that they had to deal with and, as a result, wanted more accountability. The government required that we report just like other Crown corporations, which means we do service plans, annual reports, etc. Government no longer saw us as a "different child". They are telling us that service plans need to be done as a measurement for accountability. We've faced a huge amount of accountability requirements that were new, which we didn't have to deal with before. This was difficult at the start because we have the Columbia Basin Management Plan that reflects what residents said, but how does that fit in to service plan requirements and priorities of the government?

In terms of the changes to the Board, we would have preferred to have public meetings about the changes but government chose not to. Government had to either write us off of their books or take control of making appointments to the Board.

It was a difficult situation when we were in the Core Review because we went through the Core Review and no one knew if we would come out alive. We had a new group – a new government – and we had to make them understand us. We are pleased with Bill Bennett's comments last night that CBT is "here to stay".

The changes to our advisory committees were because they were taking a huge amount of staff resources to run. We were also getting questions on some of their decisions and their accountability.

Three or four years ago, CBT held community meetings to look at the Columbia Basin Management Plan but no one showed up. That was really interesting. I agree that we, as an organization, are a bit defensive right now. It has been a long time since we've been at a forum and now we must deal with all the stuff that has been piling up. As a result of the changes to the Board, there is some mistrust. We are still dealing with it.

5. What does independence mean and why does CBT need independence? We are too small to really be independent. This should be about building relationships and the skill set around that is critical. Build a solid foundation. Don't sell yourself short. Structurally entwining yourselves into the Basin through partnerships so that if they want to take CBT out then they would have to take a hundred other organizations out is not thoughtful, it's not planned. It is fear based and no other organization will want to partner with you on that basis. Partnerships have to be built on trust and a solid win-win for everyone. We have to work harder at building partnerships.

Answer: My own perspective is best described using a family analogy. When you are young, you are your own person, you have your own life but you have parental assistance. That is structurally where CBT started and to some degree we are owned by the Province and have to follow their accountability. At some point, you move in to your own place, make your own decisions, live your own dreams. This is where CBT wants to be. We are still part of the family even if we are independent. I agree we need to change our mental framework on entwining.

At what point does government intrusion take away from how we need to operate? We would much rather deal with issues in the Basin. How big of a threat is the desire for independence to the organization? People give us mixed messages about the need for and risks of seeking independence. We are asking you if it is an important issue to you and, therefore, whether or not we need to focus on this. We have used a lot of resources to pursue independence thus far.

6. As we have a limited amount of time and people want an opportunity to speak, it would be appreciated if responses are kept brief. We are going through growing pains. It was good to hear Bill Bennett recognize that CBT is an intrinsic part of the Basin. However, I didn't hear a commitment to those assets in the Basin. The structure and governance is at the fore of what we are talking about. Without communication the partnership falls apart, we need to communicate. We shouldn't find out that the Trust has decided to sell the assets without first consulting the residents. We have now been surprised by the 180 degree turn from selling assets to buying assets so we are full owners of them. It is unclear what is going on and the Trust's credibility is dropping off. The losses in non-power investments need to be talked about. The power investments are an opportunity for us to do something special. However, the power projects were about the river flow, not just about power production. It is time to reset the trust and credibility. Yesterday I heard that we continue to recognize the importance of water it is our primary resources. Given that the Trust has lost credibility in the last year, I think this is no time to make any decision about changes for the future. It is not time to go forward with the Option Agreement. It is time to make reparations within the Basin first before those decisions are made. Non-power investments need to be focused on. We need to keep our relationship with CPC – they know how to run the power projects so let's change the way we are looking at each other so the partnership gets better rather than deteriorates.
7. I feel passionately about the opportunity to re-negotiate the Columbia River Treaty in 2024. My vision is focused on that. I feel the need to understand the history and believe we must be able to speak the language of dams and water management. When the Treaty was signed, we as residents were behind in terms of our understanding of the issues. Speaking the language when the Treaty is re-negotiated will be critical. I support CBT gaining more independence from government. It is absolutely critical that we be in a position to have a say in 2024 and that CBT be around at that point. I do not want to see uncertainty as we move forward. There must be an option whereby we get more independence. There is going to be a cost to

that. We must be prepared to step forward and take that cost and the uncertainty that would come with gaining independence.

8. We no longer understand what is going on. Complex proposals like the Option Agreement are briefly presented. There is a major disconnect with Basin residents. You need to figure out how to talk to us and keep us educated. We are in the technological world – there are ways of keeping us informed and helping us understand what’s going on. We feel like we’re sniffing a rat. We don’t know who to believe. We don’t understand the language. Is there anyone from the present government here today?

Answer: There are two staff people from government present.

9. In the original CBT documents, there was language around employment equity. In what ways has the Trust responded to and acted upon employment equity within operations and who is responsible for operationalizing this aspect? In what ways are we ensuring that women, First Nations and the disabled are actively involved in the investment and spending decisions?
10. I am concerned about using our existing assets as collateral for purchasing the remaining shares of the power projects. I feel there is more beneath the surface of this deal than we see now. Let’s not take the risk. We do need to build partnerships within the region and ensure regional equity of investments and benefits. CBT could fund the planning to create the economic engine. That would begin the planning stage. We need to do this before we invest in different businesses and enterprises. There will come a time when the construction of the hydro projects is finished. If we have the planning teams in place, will can provide balance.
11. We need to invest in bringing youth back to the Basin. Is there anyone under 30 years of age on CBT’s Board? We need to engage youth. CBT needs to understand the language of youth. We need to invest in securing land for future generations.
12. There have been comments made about the damage to the ALGS channel. There are problems at dams all of the time. This was a major incident but it will be repaired. These kinds of issues are not detrimental. The workforce we have out there is one of the most expert in the world. The power projects are one of the few places that our guys are getting decent wages. That was one of the original goals and I hope it still is. The power projects are going so well because of the contributions and management of CPC. Safety and other issues are effectively dealt with. Why are we trying to break away from CPC? Why don’t we hear from CPC – they are like a silent partner. We will not find their expertise anywhere else. Instead of worrying what government is in power, we need to work with everyone we can. Why separate? Why not try to work with them? Just because we have differences in opinion is no reason to want to separate. I hope CBT doesn’t get pissed off at residents and try to get rid of us too.

13. I am concerned that mountain caribou are going extinct. Biodiversity is important. The Trust can provide leadership in showing how we can create employment while still protecting our water and other important aspects of our environment.
14. Thanks to the Trust for organizing the symposium, although a better date could have been chosen. The uncertainty being expressed here says it's time for consolidation, reassessment, refocusing and rebuilding. This is not the time to launch into a major redefinition of the organization. Before you do anything really dramatic, please talk with us.
15. From the very start, we knew that we needed partners in order to gather strength and return strength as well. We were working towards this with our investment and delivery of benefits programs – through sector committees and our relationships with experts and other organizations. We seem to have retreated from this based on costs. Building partnerships will cost us money, but let's pay it and let's do it. Become part of the fabric of the Basin by engaging with people.
16. In response to the idea that the Trust has become a target and that others want it dismantled, we have to respond to that by changing our approach to investing in the rest of the province. Our priority was to invest within the Basin. We need to look at ways to engage the rest of the province in helping us do what we need to do.
17. If the provincial government thinks the Trust is significant, then they should be here. A great deal of money has been spent on reorganization. It is time to step back from that. We need to have a regionally controlled organization – free from the control of government. We need to support a transition to the next generation of people within the Basin. There needs to be a clear statement that 4% of the net equity be disbursed annually. CBT doesn't list this as a priority and if it were, this would assist the organization.
18. Local control of our water is a good reason to become independent. It has been shown that Canada's water is not off the table for NAFTA and other mechanisms for the U.S. to pursue their interests.
19. The changes to the Board, including the reduction to 12 members, mean that there are voices missing from the Board and communities are no longer being represented. Too much time and money has been spent getting to the point where we could make independent decisions. The goal of independence is a valid one. In terms of ownership, we don't own anything. We need to have more representation than just the people who have been sponsored to get here. This needs to be fixed.
20. It is time for renewal. It is healthy that people here are talking and we need to continue this conversation. The effort to communicate needs to be constant. We need people from all around the Basin talking, on a regular and consistent basis. We need to ensure engagement continues. The diversity of the advisory committees is important. We need to continually work at creating a Basin culture. If we spend

funds learning to talk to each other, those pennies are worth as much as any other investment. We are challenging the Trust to work with us. Open the door to that. Challenge us to be a vehicle for the culture of this Basin. Don't make any decisions yet. We need to know each other better. I hope this weekend is the beginning of that.

21. We have invaluable resources and assets within this room. These 10 years have been a learning experience and we need to learn from it. I don't know why high interest earning is a priority; I feel the social benefits of investments should be considered. Independence is an issue as it can get taken away so how do we deal with this as a community? I like the idea of buying CPC. Why not have Basin residents be shareholders so that the benefits stay rooted in the communities? We could use the profits to develop other energy sources. And let's look at how to get our youth home. There have been lots of successful programs so let's learn from where we have been as we have done a lot.
22. As a result of the Columbia River Treaty, people lost their homes and lands, without any compensation. CBT is not able to say that we have helped one person resolve these personal losses. These people are old now, and so soon we will have lost the opportunity to help those who were directly impacted. At the next symposium, I would like CBT to be able to say that they helped at least one person get their dispute resolved.
23. How does the Trust intend to continue to be accountable to all the First peoples within the Basin? How do we invite them to participate and respect them? How do you see your role in supporting tourism participation in activities that will teach our area about the river and how we can give back?
24. In our community we are in danger of not being able to comply with the Safe Drinking Water Act. Has the CBT Board considered looking at the economics of purveying water?
25. It is positive that the Province is interested in the Trust. The accountability requirements of the Province ensure the longevity of CBT. As the assets grow, the accountability issue will get bigger down the road. We need to think about the long-term sustainability of the organization.
26. We are embarking on non-sustainable ventures that we may pay a price for in the long run. We are giving a lot more focus to the economic leg of the stool. We need to focus on the environmental and social implications and needs as well.
27. We all have a voice in our Basin and our water, we must not fight. Don't let everything be destroyed by fighting. No more in camera crap.
28. We need a diversity of investments throughout the Basin, including the affected areas. To date, the investments have had a small footprint as far as the Basin is concerned.

We need to structure a deal so that the equity and return can be reinvested and keep it in the Basin. We need to have a diversity of partners to avert risk.

29. Communication should be the mandate of CBT, not just a job that needs to be done. The arts are important to the Basin and, therefore, should be developed as part of all CBT's projects. We should be proud to support the arts, not apologetic.
30. The Board will largely be directed the future of the Trust. I am concerned when Gary Wright said Regional Districts appoint people they know and trust. CBT needs to have the skills to communicate with and engage people as well as build partnerships. I encourage the Board to develop and use a skill matrix as a basis for selecting members of the Board rather than just people we know and trust. Maybe we need to look at how the Board is functioning. They are responsible for how we proceed. The Board needs the tools to do their job, and that job is setting broad policy, not being so hands on.
31. We need to do the planning to get out ahead of the issues. We need to maintain our watersheds, in particular to help small communities achieve this. I have a problem with the idea of mortgaging all of our assets to purchase all the shares in the power projects. We need to look at the whole picture – there are other assets we can put our income into. What is the ultimate plan here?

The following is a summary of additional input received via the CBT web site or written comments otherwise submitted to CBT:

- The credibility of CBT can be restored in large part by going back to the Columbia Basin Management Plan (CBMP) and sticking to it. The supplementary section gives clear guidance from Basin residents on what power projects to do and recognizes that you will be out of balance initially. It also suggests long term goals. It does not suggest selling the power assets or purchasing more power assets. My suggestion is negotiate the option with government to gain whatever benefits you can get, but don't exercise it as it is not in line with the CBMP. A lot of the credibility gap comes from actions taken by the government to bring things into line with GAAP so you should keep emphasizing that these are largely administrative changes and do not fundamentally change the way the CBT performs.
- I strongly believe that the Board should be a policy board and not a working board – you have hired staff – they do the work, you make policies. In the 70s we were all working boards and in the late 80s and early 90s found that was not effective or efficient. Let your staff do their jobs. You make policies.
- A single Basin-wide symposium is not an adequate process to solicit input for two main reasons. Firstly, holding the meeting during the summer months is not conducive to encouraging public input. Secondly, given the large size of the Basin I believe it is necessary to hold a number of meetings at various locations throughout the Basin. A one-time symposium gives an appearance that the Trust is trying to limit input.

- A “bureaucratic culture” has developed within the Trust and it is unwilling to appreciate the needs and aspirations of the small communities it purports to serve.
- Despite the fact that Revelstoke is one of the larger communities in the Basin, the Trust has no representation or physical presence in the community. It would benefit the Trust to have an office in Revelstoke and a staffing presence to ensure local residents have access to the Trust – even if the office was staffed on a part-time or itinerant basis. This would improve communication and provide a stronger sense that the Trust is supporting local residents.
- In the beginning we were determined to make the Trust a grass roots organization in that we expected Trust activities to be guided by grass roots input. The symposia were used to achieve grass roots input. The uprising over the proposal to dispose of the hydro generation facilities last fall demonstrated how out of touch the Board had become with its constituency. The meetings demonstrated the need to maintain good communication and meaningful response to feedback with the constituency. I would suggest that holding the symposia at multiple locations better accommodates the need for constituency involvement.
- I was impressed that the Trust had commissioned an external evaluation of the Trust in 2000. However, the results were not shared with those consulted for input. Openness and transparency are fundamental to constituency support of any organization. A “closed shop” perception is a recipe for criticism and probably failure.
- With all due respect to Josh Smienk and his many years of hard work on behalf of the Trust, it is fundamentally wrong that the Chairman of the Board be so involved in the functioning of the organization at an administrative level – especially in an organization of this size with a CEO and large staff. The Board should be setting the policy and direction and the staff executing.
- With all due respect to the members of the Board, the activities of the Trust probably rank 4th or 5th in the priority list of most directors. This is not their fault but rather due to the way in which it was originally conceived and subsequently determined that the Board should be structured.
- The original rationale for the establishment of the Trust was correct and the Trust should continue to exist with a prime purpose of bolstering the long suppressed economy of the region. The many other programs that are in place are also of value to enhance and preserve the Basin Culture. More programs should be developed that address the relative impacts of the Columbia River Treaty on different parts of the Basin.
- The governance model needs revisiting. A variety of proposals should be put forward for the people of the Basin to consider. Do we need an elected Board? Should there be Government appointees and, if so, on what basis? What should be the role of the Chair and other Board members? Should Directors terms be limited?
- The CBT should be providing leadership on regional initiatives, as well as collaborating and consulting with regionally organized groups, as they are the ones with the on-the-ground knowledge and expertise in identifying and addressing their respective social, economic and environmental issues. I reference here the success of the Frasin Basin Council – they recognize communities for their achievements, have a wonderful newsletter and website, they host conferences and work collaboratively

and cooperatively on initiatives to improve sustainability of the region. I think CBT has played a very important role in supporting some regional groups (CB Alliance for Literacy, CKCA) and could do more for development of regional programs on other issues. I think that a much better rapport could be built with the Community Futures organization regarding delivery of community economic development as they have overlapping geographic areas.

- CBT is very important to this valley given all the broken promises of the past from BC Hydro. I feel that the CBT has looked after the Village of Nakusp's interests and the money provided from the CBT is important to this community. I also appreciate the work that the CBT has done with the youth from this valley and youth from other parts of the Basin as well as many other worthwhile projects that have been funded. I want to be sure that the CBT maintains an office in Nakusp. We need a place to come to when we are worried about our valley and I feel that a CBT office in Nakusp will meet that need. A big part of the reason that we trust the CBT is that they maintain a local presence in this valley and the staff live in this community. I don't think we would be able to feel the same connection to an office in Castlegar or Cranbrook.

Appendix 4

Investment Program: Summary of Questions and Answers

The following is a summary of the discussion that took place during the question and answer period that was part of the session on CBT's Investment Program. It is not an exact accounting of what was said, rather an interpretation of notes taken during the discussion. In order to provide sufficient time for participants to express their views, CBT was asked by the Symposium Chair to limit or defer their responses until the end of the symposium when there would be an opportunity for CBT to respond to all input received.

1. What is the decision making process for non-power investments? Who made the decision to get out of Kicking Horse and what is the other viewpoint on the investment portfolio?

Answer: The decision was made by the CBT Board in conflict with management. As a committee of the Board, we felt that the warning signs were clear and were not to be avoided as it represented well over 10% of our total monies available in non-power investments. So we took responsibility to proceed as we did. They decided to buy us out, give us all of the interest principle and to then finance it with their own money. Everyone was satisfied. We parted good friends.

2. I believe everyone should pay property taxes, including CBT, Crown corporations and BC Hydro.
3. We need more information about the Options Agreement so I suggest that we stay with the status quo for power and seek an extension to the Options Agreement. As for non-power investments, maybe CBT has the expertise and capacity to look at the broader vision. Although it may involve higher risk, it will be what makes a difference in the communities. Who sits on the CBT investment committee?

Answer: Management staff and three representatives from the CBT Board. We have agreed to add two external advisors who are in the investment industry both from within and without the Basin to assist with making investment decisions.

4. The City of Castlegar is seeking to extend its boundaries to take in two of the power projects. The Province is making assurances to the City that payments from the power projects in lieu of taxes will be \$450,000 annually. I don't think CBT has taken this into account. I see the CBT Directors not as directors but as trustees, acting on behalf of their community, in good faith. The government appointments should be the liaison between the government and the Board. I am concerned that there is a policy being formulated that is going to be placed on us that will impact us, our revenues, and our investments.

Answer: CBT is not aware of any deals that are being made in regard to these payments. There are provisions in the financial agreement that protects us from taxation on these projects, an agreement that if we are required to pay grants in lieu they wouldn't be so high that we wouldn't make any profits. If any payments are to be made, then 50% would be returned to CBT. If the Province introduces special legislation to remove that protection, there will be discussions and negotiations as to compensation to CBT with respect to those losses. If CBT seeks independence from the provincial government then we would no longer be protected as per the agreement.

While people outside the Board make distinctions between government appointees and regional district appointees, within the Board and in terms of how it functions, there is no such distinction.

5. I recommend to the Trust that in future, presentations should be kept short so there is more opportunity to hear from us. Some people would feel better discussing these issues in smaller groups.
6. In the current non-power portfolio there seems to be a large amount of funds that are being held as cash reserves which are not being invested. I suggest that the Trust look into additional investments in affordable housing for youth that would help attract young people, or keep young people here, as those working in the service sector need affordable housing.

Answer: CBT is not into public subsidized housing, although we would look at proposals that consider the economics and if the returns are acceptable and the security is acceptable, we will consider the proposal.

7. We just built Keenleyside and that has proven to be profitable. Now we are constructing Brilliant, which also looks promising. So why are you questioning the feasibility of the Waneta project, maybe that's premature.

Answer: The decision-making process and structure for Waneta is the same as it was for the other two projects. However, we are not confident about Waneta at this time because the due diligence has not been completed. Preliminary indications show that this may not be the same kind of project as the other power projects. There are benchmarks that have to be met before the project gets the go ahead.

8. Community Futures non-monetary investments have been around for 20 years and we have shown that we can do the lending that the banks would not consider because of the risk. We have been able to make a profit. It depends on what you're looking for in terms of return. If you're looking for market returns, CFDCs aren't the place to put your money. However, if you're looking for investment in your community, then we can help you with that. There were administrative issues that came up in our earlier partnership. I feel that it was almost too early to deliver the program. There is an

invitation to revisit this. If we don't invest in our own region, what does that say to our own businesses?

Answer: The fact that we are not currently in a partnership with CFDCs is not a question of the value that CFDCs offered. We need residents to help us make the decision as to whether investments are to be required to bring back sufficient funds. What should be the clear guidelines and best places to put investments? We want guidance in terms of the best value of money and investment rates of return – is the best value for that money found in direct investments with high risk and lower return or on higher return?

9. I am sympathetic to all the things that people are trying to pack into weekend. However, there isn't an effective vehicle for input because discussion has been cancelled. In the future, set a longer time for this or make concrete recommendations so we can provide valuable input.
10. The power point presentations are too long – it is too much information in one long session - and there are lots of recommendations. I recommend that we do this in small chewable chunks. I don't understand the reference to CBT's objectives and goals being different from or incompatible with CPC? What's the problem?

Answer: In terms of the structure of the joint venture there are potential problems. It requires unanimity to work. One example that came up that we were able to resolve related to the channel repairs. It will be costly. On the one hand, we could take all the income and hold it in reserve for repairs. However, if CBT did that, there wouldn't be any spending program the next year. If we brought it into one organization, then we could rely on the expertise of CPC but the decision-maker would be CBT. The Options Agreement involves acquiring shares, not assets. The distinction is lost because people say buy the dams. The shares mean you get the physical assets plus all of the human resources that make up CPC. There would no longer be a conflict because CBT would ensure a minimum of income for DOB and a reserve for general repairs.

11. There are other ways to ways to make energy than hydro-electric power. The future of energy is in alternative energy sources. There is a limit to the amounts of dams we can have. CBT needs to look at alternative energy because, in the past, we have said that we will.

Answer: Currently, our plate is full in terms of existing projects. A decision must be made in terms of whether we continue to develop energy projects or move to a focus on operations and management of our existing assets. This decision has to be made by government as they provide the financing for the joint-venture projects. If we did pursue alternative energy projects in the future, we would likely be doing it on our own as opposed to the joint venture. Where do we go from here - should we be looking at independence? We have discussed the possibility of looking at investing in other types of power projects. CBT Energy

Board makes recommendations to CBT as to what impacts they could have on the Delivery of Benefits program as funding for future projects beyond Waneta would have to come out of that program.

12. The Options Agreement only has a limited shelf life. Would your Board consider an option agreement for independence?

Answer: We have to balance that with the sale of assets discussions that were held last fall. People said don't get out of power. The question now is whether we will take a bigger role and if there should be greater regional ownership as opposed to the existing structure.

13. Has CBT considered selling stocks to Basin residents to raise funds for the option agreement? I would rather invest in something that supports the region I live in and if the stocks were sold to Basin residents than the benefits would stay within the Basin.

Answer: There have been discussions at the energy board meeting with exploring different options and the issue of selling all or some of the assets to BC Hydro. There has been discussion about the possibility of equity position in selling off some of the shares. It is hard when you only have 50% of the assets under the joint venture. But if we were to have 100% of the interest then that would be something that would be part of the analysis. There could be implications on tax status of share offerings and these are all good things for us to look at.

14. Initially, the process had been community driven and people were so involved. This weekend people are frustrated as we don't feel engaged. It would have helped to provide basic information and background materials ahead of time, before the symposium. It is hard to absorb this much information in one sitting. There needs to be workshops focusing on specific decisions on partnering, increasing or decreasing assets, or full sessions that are just dedicated to those decisions alone. Thank you.

Answer: The message is very clear that we waited too long for this dialogue. The Option Agreement deadline of July 31st meant that we needed to have this discussion sooner than later as the time to investigate the option of purchasing CPC's shares is limited. We are aware of lost opportunities due to information overload.

15. In terms of financial literacy, every dollar you spend is a vote for what you believe in. In terms of investment, what are you interested in – is it alternative energy, affordable housing? If your passion isn't there, then it's not worth investing in. The opposite of abundance is not scarcity, it is hoarding.

16. I feel offended by how the information has been presented. I didn't hear any discussion about the social or environmental benefits of the investments or options. There needs to be a lot more communication and the lack of it has lost you credibility. An independent assessment of the options must be done and that independent person

needs to give us the information we need so we can give informed direction back to you. We are not unintelligent people. Give us the information, don't treat us parochially, don't treat us like children, give us the options and we can help you make those decisions.

17. The suggestion has been that achieving a lower rate of return through non-power investments results in less for the Delivery of Benefits program. However, it seems that the power projects will return lots of money for spending. So the non-power investments can realize lower rates of return. In terms of a model for non-power investments, can we draw any parallels from the power investments, for example use a separate company to manage them? The Trust would monitor but not make the decisions. Would it be possible to have a CBT Investment like CBT Energy?

Answer: Currently, CBT has a committee of experts that makes decisions. The only exception is that the Board makes decisions when a substantial amount of money is involved, say over \$5 million. We are looking at new policy now. It is hard for the CEO and Investment Manager to make these decisions and the Board is ultimately responsible for the investment program.

18. There is a lot of talk about independence as people feel it is necessary for credibility and giving a voice for the region. Independence implies separation and distance. At the same time, people are calling for passion and engagement. So perhaps we might consider whether we are really seeking independence or if we are seeking a highly professional and credible process. Perhaps focusing on being highly professional allows a coming together rather than creating distance and divisiveness.
19. As a trust, where have you lost our trust? Exercise the option. Why do we believe it will fail? What is preventing us from taking the risk? The reality is if the government is absolute about the November deadline for the agreement, then you don't have the capacity to organize another symposium and gather all of the analytical advice. I want some energy on the Board to say "we believe". I want you to stand up and say we believe because you represent the others who will be making the decision.
20. If we exercise the option agreement, we will be reimbursing the government for their portion of the funds they put into the projects already.

Answer: One Crown corporation will pay another Crown corporation for an asset. True. The difference is that the Crown corporation that dispenses its dividends will be wholly within the basin. We will be doubling the amount we can bring back to the region.

21. If Province pays for the projects, then why don't we let them pay for it and reap the profits?

The following is a summary of additional input received via the CBT website or written comments otherwise submitted to CBT:

- I believe it is very important that this board not only be transparent and communicative but that they keep the philosophy of the previous symposiums of investing in the basin – which in turn invests in the people of the basin. The investment committee needs to be reminded that we are not about trying to make huge amounts of money at the expense of the basin people.
- I am very concerned that the investment team needs to have an investment manager who is ‘qualified’. Being a former CEO or business manager does not mean that the director is qualified in investment. They are aware and have valuable input but are not ‘qualified’. The investment board needs to ensure that it is supporting basin needs and objectives.
- A co-generation initiative in Revelstoke that has won two prestigious awards has had multiple benefits for the community and the region. The project meets many of the objectives identified in the CBT Management Plan. The community did not receive the courtesy of a response to the numerous requests for support from CBT. This was not just a bureaucratic oversight, in my view it was simply extremely impolite.
- The availability of Trust financing through local Credit Unions and CFDCs has provided much needed and much appreciated financing source for many smaller projects and filled a particular need for loans in the \$75,000 to \$250,000 range.
- A basic goal in establishing the Trust was to provide a pool of capital that would be used on the Investment side to build the economy of the Basin. This was needed because many areas of the Basin suffered from lack of development financing sources because of the negative attitude of the Canadian chartered banks toward many communities in the Basin – often because they were resource based on a single resource. I understand that the Trust, at one time, received consultant advice on a prudent investment policy and that advice was to the effect that some of the investment should be outside the Basin – **a perpetuation of the kind of thinking that had created a depressed economy in the SE corner of the Province in the first place**. In seeking financing for an energy project in Revelstoke, information packages were sent to the Trust and two dozen or so agencies. The Trust was the only one that did not even give our project the courtesy of a response let alone any expression of interest. This particular project has been in the wind for years and had often been mentioned at Trust meetings informally as exactly the kind of project that would be attractive to the Trust.
- The Trust has made a number of capital investments and loans over the years. There are many stories about investments going sour and loan write-offs. Good governance dictates that there should be openness and transparency about these matters.
- CBT should keep their investment portfolio as close to home as possible. Why take our capital out of the region when it could be applied locally for the benefit of the Basin?

Appendix 5

Delivery of Benefits Program: Summary of Input Received

The following is a summary of the discussion that took place during the question and answer period that was part of the session on CBT's Delivery of Benefits (DOB) Program. It is not an exact accounting of what was said, rather an interpretation of notes taken during the discussion. In order to provide sufficient time for participants to express their views, CBT was asked by the Symposium Chair to limit or defer their responses until the end of the symposium when there would be an opportunity for CBT to respond to all input received. Additionally, some input was received via a questionnaire that was circulated during the symposium.

1. I have concerns about the status of the sector committees and their relationships to a smaller Board. At first the social sector committee had responsibility for managing funds and giving advice on what programs CBT should focus on. Now the committee's recommended projects go the DOB Committee and sometimes get turned down and we are not sure why. There should be some funding given back to each of the sector committees to manage otherwise it doesn't seem worth the time of the members to sit on the committees. Is the board being territorial? We don't know why projects are being turned down.

Answer: The DOB Committee has authority to approve grants up to \$250,000 with proposals exceeding that amount going to the CBT Board for review and approval. The vast majority of projects brought to the DOB committee are approved.

2. The Board has become involved in operations. This is linked to issues of communication as they are not available to do other work that is needing to be done by a Board of Directors. There is no single solution. It is necessary to pay attention to the sector committees but there are also bigger issues regarding community engagement.
3. We haven't heard enough about the successes that bring benefits to the Basin and to help bring youth back into the Basin. The Basin Business Advocates program has been successful in supporting small business. It was conceived by the economic sector committee and has, to date, invested about \$1.3 million and assisted over 700 businesses, which employ more than 4000 employees. The program is equitable as it is open to all businesses Basin wide. The average cost for the program, including advocates fees and consulting fees, is approximately \$1,800 per business. We have taken a small amount of money and distributed it widely and, in doing so, have supported business expansions. The service provides skills that are transferable. The program is low risk. Congratulations to the original economic sector committee for creating this program as it has achieved a lot of success. We see benefits every day.

4. I want to bring forward two issues from the City of Trail. Firstly, the Trust needs to a more flexible approach to working with social service groups that are funded by government and are experiencing government cuts. We need to look at lobbying on behalf of social services groups or take up the challenge of providing funding. Secondly, historical societies feel that funding for museums in the communities is suffering. Lumping this sector in with other arts interests maybe part of the issue – perhaps heritage needs to be a separate sector or perhaps increasing the overall funding to the arts, culture and heritage sector should be looked at.

Answer: It is difficult for CBT to replace government funding as it is specifically identified in the Columbia Basin Management Plan that are efforts are not to relieve government of its responsibilities.

5. I have concerns about the role of the Trust as a funder. The Trust can be a financial resource without being a funder who needs to stay distanced from the communities and planning efforts. I don't think it reflects best practices. While it may work for the Vancouver Foundation, that is partially due to the fact that there are lots of other organizations within the lower mainland who are fulfilling the other necessary roles. The Trust can not be both a funder and play a capacity building role at the same time. There needs to be a paradigm shift towards participation in planning and a partnership approach to working with communities whereby the Trust funds the outcomes of the planning. It is a fundamental flaw when the Trust can't participate on committees doing ground-breaking work because of their role as funder.
6. The directorship of the Trust has been diminished in credibility as far as the residents are concerned. A major factor is that the Province now appoints the members of the Board and, it is only logical that the loyalty of the directors will be to the Province who appoints them. The shift in power from the sector committees to the DOB committee is also seen as a shift in power to those same directors who have been appointed by the Province. Rather than diminishing the power of the committees, we should be increasing the power of the committees as they are the grassroots link to the communities. It would be a good demonstration to the residents about how decisions are being made.
7. For the third time we have heard a sector committee member say that they feel that they are wasting their time. Garry Merkel said that he wanted to entwine CBT with the communities in the Basin. It seems that by removing authority from sector committees that it has un-entwined its relationships. People are feeling unconnected and there is a lack of accountability. Let the committees make the decisions and the Board can rubber stamp them.
8. Alternative energy is something that we have been keen on and it doesn't seem to be getting funded or being looked at. If CBT Energy isn't interested in this, can the DOB program look to see if it is under their control? In Revelstoke, they are using a co-generation, energy saving project . The request for funding got sent to the energy

guys and they said huh, no, sorry. Maybe the DOB program needs to look at these kinds of proposals as part of fulfilling their mandate to bring environmental, economic, and social benefits to communities.

9. How does CBT define its relationship with government in terms of what to fund and what not to fund? Options and opportunity for youth with respect to government programs are drying up. We as a group need to look at what the gaps are in the provincial funding and see what CBT can do to assist.
10. The roles of the investment and benefits programs can merge in the area of water management. The Moyie system is on its final legs. Would it be possible for CBT to consider investing in these water management systems? The principle would be guaranteed because of assessments and taxes.
11. I am wondering about the basis for membership on the DOB committee – it appears to be lopsided. It is necessary to be transparent about the costs associated with the Board of Directors along with the sector committees.

Answer: The membership and terms of reference for the DOB committee are reviewed annually. There are currently 5 directors and 3 staff on the committee: the CEO, the Manager of Operations and a Community Liaison. We are a working group and were created to support a thorough discussion of the issues. It could be a different configuration of Board and staff members. Consensus across all members of the committee is the goal.

12. How are you seeking advice from the sector committees?

Answer: In terms of the changes to the roles of the sector committees, we want them to be happy with their terms of reference. As a Board, we have endorsed using the sector committees for advice. There have been two all-sector meetings in 2004 so as to ensure our decision-making reflects the interests of the people of the Basin. Some committees are floundering and wondering what they are doing. This will be followed up as we consider the committees to be significant.

13. Why are the costs associated with the DOB program not on the web? Why are they only in the final annual report?

Answer: This is not a DOB question, rather it is an administrative question. Such comments should be addressed to administration.

14. Only the people who get grants like grants. The Board should not be the funder because you create a target of yourself as a funder. There must be a mechanism for delivering benefits other than the Board handing out grants or denying grants.

15. The sector committees were working well. While they were expensive and required a lot of staff resources, it is a good way to engage with people in communities and the members are experts in their fields.
16. There was some discussion previously that the board shouldn't become the official opposition. It's not a bad thing that there be an official opposition.
17. Selkirk College is the 10th largest employer in the region. I was disappointed to see one of the slides talk about the challenge of not having a university present in the region. I support the call for true collaborative planning and capacity building. Selkirk College did an economic impact study last year and it was determined that for every dollar government spends on programs and services at the college, there is \$3 that is invested in our region. We have a large capacity to impact our communities through our staff and students – we are ensuring there are skills for a greater future capacity. I have never been asked by the CBT Board to engage in a conversation as to how we together can plan for the future. I extend an offer to meet with the CBT Board to discuss how we can be partners (not an applicant/funder relationship). We won't ask you to replace government funding. However, our college has access to research funds and opportunities through matching funds to leverage resources for this region. We need to work together.
18. The Community Initiatives, which is administered by Regional Districts, is broad based, democratic, fair and everyone likes it. Why not increase the funding to that program?
19. What do we need to do regarding the Management Plan? My emotional response is along the lines of suspicion. My perception is that some of the information being presented is not coming from a cohesive direction that reflects the core values. The mission, the vision, the core values outlined in the Columbia Basin Management Plan have not been evident here. My suggestion to the Board is that you need to get back to the passion represented in the core values outlined in the Management Plan. When you come back with recommendations and decisions let us know how it reflects the Management Plan.
20. What are the decision-making criteria that the DOB uses?

Answer: We have 2 pages of criteria for applications for things we look at. Many are generic but extremely important. The applicant completes the 8-page application form, using it to explain how the project fits the criteria. Applications are first reviewed by field staff (e.g. community liaisons) before being forwarded to the DOB Committee.

21. How does a small group apply for funding?

Answer: Work with a community liaison.

21. We need an integrated approach to community development so nothing slips through. The Board doesn't have an advisory committee and needs one now that government appoints the members. Who is asking small business about what they need? Small business is the best form of employment in our area.
22. I appreciate the caliber of the discussion we are having and the opportunity to have this discussion. I like the change of name from spending to delivery of benefits. I wonder if it is a step towards integrating investment with the DOB program? I hope that these will become more integrated. I like the idea of community development that is not just spending or investment.
23. I represent Selkirk College students and find that there is not enough support for students. Funds for scholarships is only available for grade 12 students. I would like to see scholarships available for other years and available to colleges in the Basin.

Answer: Post secondary needs analysis information is available in the symposium package. We are hoping for information and input and will be responding to those responses in the fall.

24. I want to call attention to the evaluation criteria for investment and spending in the Columbia Basin Management Plan, including the requirement to be a fair employer. How are the investment and spending programs ensuring that these criteria are being met? Somehow CBT seems to think that investment and spending functions are separate. I encourage the Board to re-read the evaluation criteria for both investment and spending programs within the management plan.
25. The Trust came together as a result of water issues yet only 4% is being spent on water initiatives. We need to put more money into the water initiatives fund. Need to educate people in the basin about water issues. Groups in the Basin need to collaborate to create a stronger force in the basin.
26. I detest the term "capacity building" as there is incredible capacity that already exists in the Basin that goes back generations. Maybe we need to use the term "capacity acknowledgement" or "capacity recognition". Capacity building implies that you are out there teaching us how to do what we have been doing for generations. Use the sector advisory committees because they have a huge amount of experience. As someone who is on a sector committee, I want to comment that it is hard for even me to understand the Trust's processes. There is a lot of runaround so there needs to be some simple explanations given and processes created to support communities.
27. As part of community groups, we face similar challenges to CBT - how to delegate, how to let go or what to give up? If administrators can do the job, give them the direction and let them do the job. Some of the insurance policies that the CBT Board has include its administration and advisory committees.

28. Everyone wants a slice of the pie chart. DOB needs to consider that the arts has skills that are transferable and useful in all sectors. And all funding sectors need to include and encourage arts as a valuable addition and part of each sector.
29. Everyone recognizes that we are going through a metamorphosis with the Trust. It is our laundry, we want to wash it here and do it here. Reality is that we can not be everything to everyone, that is simply not possible. We need to pick the programs that work. You can't rationalize a bad idea. You want to make sure the projects we pick are not just one person's idea of what is good for your community. If we become political or move from the center, we will lose what we have here. I think the Community Initiatives funding is phenomenal. People got sick of sending in applications because they were sick of the staff making the decisions. Let the communities vote on it.
30. A best business practice is to make sure that we specify a specific return to the DOB program. I believe 4% of total capital annually should go to delivering benefits.
31. I am confused about the role of the sector committees. Has the Board taken back the role of decision making from the committees? I am unclear as to why the change was made and control was taken away from sector committees. Was it a power grab? Was it to comply with the Generally Accepted Accounting Principles, or was it because committees weren't working? If it is the latter, then just fix the committees.

Answer: According to GAAP the Board is not required to make the decisions, they can delegate to staff or committees but they are ultimately responsible for the decisions. Some sector committees functioned very well while others did not. They were all volunteers and in some cases the difficulties were not their fault. Some committees wanted responsibility for allocating funding while others did not. There are several levels of programming, which created complexities that CBT wanted to simplify. CBT is continuing to support and value the sector committees. We have heard your concerns - this is why we have a symposium so we get feedback from you. We will discuss your input.

32. A theme that I have heard over the last few days is that people want checks and balance. Organizations need to operate well – they need difference perspectives. On the social sector committee they recognized that there were difficulties with a silo approach within government. We got the cross-sectoral meetings happening and that's a good thing – keep it going. We have learned in community development that the social sector advancement doesn't happen without advancement in the other sectors – education, environmental, cultural, economic. In this region they are bound together as perhaps not so obvious in other regions. At the community level we have to integrate whether the source of support comes from government or funding agencies. We need to facilitate the development of community development structures that integrate those various threads rather than just listening to economic development or social planning people separately. Make it clear that if people can get it together at the community level, then we can help. This would provide a means for

the Board to connect with communities. The Board needs checks and balances and different perspectives. They have to build new relationships in communities that are not aligned politically in any way. Some regional sectoral things are a good idea.

33. The East Kootenay and Elk Valley are not getting their share of CBT benefits. A non-profit society in our area is pulling together affordable housing. I understand the application wasn't approved because it needed to have approval from the municipality. This was a \$2.2 million project that has support from other agencies. I have a problem with this and being forced to work with the municipality.
34. I am concerned about transparency and, with all due respect to Josh, I have concerns that the Chair is also currently the CEO for the Trust. One person should not be in both positions.

Answer: When the Board asked Josh to also assume the role of CEO of CBT, he didn't want to. The Board asked him to as we needed him to fill the gap as it was going to take time to find a new CEO.

25. Advocacy is an important issue that needs to be addressed. We are losing our services and so there is a real need for us to have an advocacy role. These networks that are being developed are important and I encourage the Trust to support them. Core funding is required for non-profits.
26. What is the timeline for filling the vacant CBT staff positions?

Answer: When we were in the core review process, there was a possibility of amalgamations pending so we didn't fill vacancies due to attrition until core review was resolved. We were in process too long. We are now in the process of filling vacant positions. We have filled the position of CEO. The process for selecting a senior communications person has resulted in a short-list of candidates being created but we are waiting for the new CEO to help make that decision.

Comments Received via Questionnaire

Should CBT continue the current balance or shift its focus?

- When water is becoming a global issue in terms of commercialization and commodification which takes it out of local needs, it would be forward thinking to put more into the water initiatives program. This would help secure and ensure the residents of the Basin a safe and plentiful water supply for future generations. Let us not work under a crisis situation. The threat to our local water resources is happening now.
- I think the suggestions to increase the funding to alternate energy programs is a very good idea. If it can't be done in the investment side, then it should be done as a priority on the DOB side. I understand that the CPC power generation projects

produce green power so I feel investing in programs that can help the Basin to become a centre for excellence or innovation in alternate energy is a perfect fit.

- The balance on paper appears good. I have some difficulty in gauging success locally as the program needs to new promotion program. The insiders know the youth/new comers that could benefit don't.
- Yes, try to do everything and get help, support and information to make it happen "Suspend your disbelief" and reinforce the values of the Trust.
- .500 km2 was flooded. This is an enormous environmental impact. Please more focus on environment! Especially conservation & protection of what we've got now. This would also include restoration of actual areas affected by the dams, which represents a shift towards funding directly affected areas. Cross-sectional projects build unlikely alliances including art in environment, environment in economic development etc. We have a unique opportunity to build community visions that are outside the "norm". Sustainable economies, healthy citizens and a stable environments are compatible. I would like to see an emphasis on projects that combine these visions, and the CBT working to facilitate groups that have not historically worked together. Community development plan that includes these factors is an excellent place to start.
- The balance should be continued but should be enhanced. The community liaisons should do more outreach i.e. How are they engaging First Nation Bands and member of those Bands in their specific geographical area?
- Water Initiatives should have a larger focus. We are the Stewards of this "life force" for the local and global community. Education through participation (tourism, school, colleges, chambers, GrassRoot organizations events, creating, buy-in awareness, responsibility.

If a shift in balance is needed, in which area and in which direction?

- Raise awareness in the Basin about what is happening globally around water issues. Collaborate with all levels of government to ensure safe and plentiful surface and ground water. Support local groups to continue to educate Basin residents on water issues. Bring us (Basin Water Groups) together to collaborate. It is quite telling when people attend a mostly "water initiatives" symposium and without thinking they reach for bottled water and DASANI water at that!!
- It would be good to continue and enhance the movement do cross-sectional funding. This could be an additional pool of funds in projects that can touch more than one sector. By this means I hope the arts and culture sector will be able to access more funds from the DOB side of the CBT. I believe they deserve more and this might be the answer.
- The balance is working – reinforce.
- If someone can do the work 80% as well let them do it. I.e. Advisory Committees. Check in with them to ensure accountability. Give them clear direction and mandate. Ensures communication.
- Create focus for First Nations Culture Restoration-Perhaps within community Initiatives. Shift Basin Business Advocates (as useless as CFDC but CFDC can do the same) to Water Initiatives. Put Arts, Culture, and heritage to Community Initiatives the funds from that category go to Water Initiatives. Bring Back the SALMON.

- I encourage the CBT to consider a Basin Advocates program for community-based agencies to assist with capacity building & business planning. I do not know if the CBT still contracts with individual "capacity builders" - in the past I found this process an added cumbersome step rather than helpful. If organizations could access funds (based on proposal) to access capacity building as needed using local consultants, it would be more effective. DO NOT increase funding through regional districts. There is too much favoritism to known agencies exercised by regional districts. I have appreciated the skills and knowledge of the community liaison personnel with whom I have worked.

If we retain the current balance, is there any way in which it could be improved?

- Recharge the sectoral committees with the task of dividing up the budget in their sector among the project applications - if they understand the sector and its priorities, then they should spend the money.
- More promotion----An easy guide to follow.
- Ground yourself in community partnerships and open up the channels to connect with funds.
- Also an assessment of direct benefits to Ktunaxa Bands and members should be undertaken to determine if there is in fact perception or problem there with accessibility and utilization of benefits programs and why.
- Network with small Business, Societies, (Go to them, and create a communication line for feedback, etc.). Honour the efforts of those who work to "save" the waters life giving force-particularly Wanen, StreamKeeper Groups, First Nations, (not only Ktunaxa) Fish Wildlife conservation, etc. And invite them to be active in CBT. Create a supportive and respectful environment for this.
- I am surprised and disappointed that a Symposium which apparently was asking input on critical decisions such as investment, ownership and governance left me only with a questionnaire regarding the distribution of benefits. A brief distillation of my input is as follows: **COMMUNICATION:** Given all the complexities of real and perceived ownership the real power of the CBT is its capacity to engage the imagination involvement and caring of people who live in the Basin. The Symposium (despite all the pains of Core Review) is well overdue. The Board must return to regular consultations. Both in full Basin meeting and regional meetings - as well possibly through the periodic selection of a consultative/citizens Assembly. **GOVERNANCE:** My sense from a variety of sources is that the Board of the CBT functions in a way in which there is much too much hands on playing with operations. Your role as a Board is to set policy, strategic directions and comprehensive, measurable outcomes. you also have a role to communicate with the "others" of the Trust. Ie. The people of the Basin, then hire and trust staff to implement and report against target outcomes. **INVESTMENT: (POWER)** The issue of ownership of the CPC is too complex to provide input following one presentation and it is insulting to think the Board would expect that. A more thorough review of the complex options is needed with respectful presentation to a Symposium, regional meetings or citizens assembly. (Respectful means providing time and setting for questions and interactive discussion.) That said on the one hand, my instinct is that it is better for the CBT to

own the CPC but not until the Board learns to operate as an effective, consultative, policy Board. NON POWER INVESTMENT: Investment in highest risk ventures is an important role for the CBT to play in its investment (not spending) portfolios. I would be satisfied with the target for a more conservative return (eg 3-5%) in return for a mixed approach to investment.

The following is a summary of additional input received via the CBT website or written comments otherwise submitted to CBT:

- Having consulted Basin residents and then formulated a Management Plan based on input, there is an expectation created that the CBT will then attempt to deliver what is described in the plan. One of the goals in the plan was the creation of educational Centres of Excellence in the Basin. Despite direct representation to the CBT directors for support, no support for a Centre for Revelstoke has been forthcoming. It is discouraging to find that the Trust was unwilling or unable to support an initiative that was clearly congruent with the goals and objectives described in the Management Plan.
- When the Trust decided to initiate the Business Advocate program, our community made the case that we had already developed such a service in our community and that the program would duplicate this service. CBT resources would have been better expended by supporting our local business mentorship service. Despite our arguments for support of the local program, and following several meetings with CBT staff, the Trust ignored our pleas and delivered their program in our community anyway.
- I would like to see the Trust take on much more of a leadership and coordinating role in the Basin in a variety of sectors. The Trust has not been represented at recent regional meetings to discuss regional economic development issues and concerns. The Trust – a “non-aligned” agency – is best positioned to assume the leadership and coordinating role that is required to make progress. This would require the Trust to listen to the ideas and suggestions provided by the various agencies and then to take actions based on these ideas. At present, the Trust is not perceived to be developing partnerships with existing agencies and organizations and is delivering programs that are not necessarily in the best interests of Basin residents nor making the best use of available resources. Some of the work being undertaken by the Fraser Basin Council illustrates the type of leadership role that the Trust could seek to emulate.
- Without a doubt, the most successful program developed by the Trust has been the Community Initiatives Program. The residents make decisions about how the funding should be allocated. It is “bottom-up” and makes critical and positive impact in our community. I would like to see this program continued and the funding greatly increased. It is the most effective means for distributing benefits to communities impacted by the construction of the dams compared to other CBT programs.
- The community initiatives fund is popular because the money is given directly to the community, thereby empowering the community to support locally defined priorities. Also the amount of funding is partially based on the impact that communities experienced as a result of the dams on the Columbia. The matching grants arrangement for newly established Community Foundations is also very popular and further contributes to community empowerment.

- The establishment of the various sector committees for the EDC, Arts and Culture, Education, Environment and Social Sectors provides a mechanism for individuals around the basin to provide input to the sectors' activities.
- The creation of the Business Advocacy Program was a result of a "one shoe fits all" attitude contrary to repeated acknowledgement on other issues that "one shoe does not fit all". The Trust refused to allow any portion of the advocacy program's money to be used to support an existing Enterprise Facilitation (EF) program in Revelstoke. EF is working well for Revelstoke and it is unfortunate that the Trust is not able to enjoy some credit for that success.
- Educational Centres for Excellence were to be a big part of the Trust's thrust on the educational front. I am not aware that there have been any such centres developed yet. Revelstoke is still pursuing a Mountain Research Centre in cooperation with OUC but the initiative has attracted little interest from the Trust.
- A longstanding issue for which Revelstoke has been cast as a whining, moaning community relates to the geographic distribution of Trust largesse and the expected "entitlement" that the relative impacts of the dams built on the Columbia might bestow on more heavily impacted areas. Revelstoke's perception is that even on the basis of population Trust projects are disproportionately weighted to the South. The high level of impacts in the north is responsible for the sparse population of the north. This issue will persist until the Trust makes further acknowledgement in other areas of interest similar to that evident in the Community Initiatives Program. The crowning insult comes when decisions about qualifying projects under other Trust programs, sometimes sees a Revelstoke project rejected with an argument that "Revelstoke already does very well under the Community Initiatives Program". It is completely unacceptable that there should be any such crossover considerations between programs.
- The Community Initiatives Program works well for Revelstoke and other communities in the Basin because the communities are directly involved in the decision making process and applications are submitted to a local contact. I truly believe that more funding from the CBT should be allocated to communities for decision making.
- Revelstoke hardly ever hears from or sees their community liaison.
- Many small communities in the Basin could benefit substantially from support provided by the CBT for capacity building projects, such as initiating community planning processes and precipitating the development of community leaders and volunteers.

CBT responds to input received via the questionnaire and other written feedback:

All of the input is valued and will be considered in future decisions regarding the Delivery of Benefits Program. From a review of the input, it is apparent that there is a communication gap, as some of the input does not accurately reflect CBT's policies and initiatives. Improved communication is necessary, in part, to ensure there is a full understanding of the past and current CBT programs, decisions and their impacts – on the part of both CBT and communities - in order to facilitate any future discussions regarding changes to the Delivery of Benefits Program.

Appendix 6

Water Initiatives Strategy: Summary of Input Received

The following is a summary of the discussion that took place during the question and answer period that was part of the session on CBT's Water Initiatives Strategy. The answers reflect responses given by CBT staff and/or members of the CBT Water Advisory Panel and/or the CBT Water Initiatives Committee. The following is not an exact accounting of what was said, rather an interpretation of notes taken during the discussion. Additionally, some input was received via a questionnaire that was circulated during the symposium.

1. To what extent is CBT addressing issues of industrial impacts on water quality and related waste management? Governments is downloading responsibilities. What can CBT do given government restrictions and the lack of available resources to address solutions?

Answer: CBT brings people together to define solutions. CBT will be holding a water quality event in the fall that will bring together experts and people with various experiences. Once a plan is defined, we can determine an appropriate role for CBT. The technology is available to address many of the concerns. As individuals we are responsible for our environment so education is important.

2. Why isn't the Okanagan and Boundary part of CBT?

Answer: The geographic area that CBT addresses is defined by the area that has been directly impacted by the Columbia River Treaty. This does not preclude us from working with and on behalf of people who are also interested in water initiatives, including people in the Okanagan and Boundary.

3. Given the challenges that have been associated with moving commodities (e.g. cattle, timber, water) across the border, how much risk is there in collaborating with U.S.?

Answer: The first principle is don't ask people to do things that aren't within their capabilities. Who is being asked to do how much at each level? There needs to be a solid understanding of what the rules will be going into negotiations and the respective roles and responsibilities. Secondly, given our small population, it is important to identify the issues and needs that unite us as a regional people of this continent and then work with the areas of agreement. This involves broadening the base of people that work across the border.

4. The community of Trail is affected by high water property damage. BC Hydro has stated that this is due to stipulations required by the International Joint Commission. Who should we send the bill to?

Answer: If BC Hydro has merely complied with IJC requirements, then they are not liable. If the evidence shows that they had options in terms of how they might comply, then there may be some basis on which to argue. Generally, BC Hydro has tried to limit such impacts but there are natural conditions that can not be controlled. It is necessary for the residents to invest money to protect the city from high water levels.

5. What is relationship between the Northwest Power and Planning Council and Bonneville Power? Is it a planning not a policy council?

Answer: The Council is independent, but Bonneville is required to spend a certain amount of money and give consideration to the Council's recommendations. The Council makes recommendations and plays a coordination role with respect to the energy grid. For example, it coordinates what energy may be available.

6. What problems are anticipated and what plans have been made given global warming and impacts to our vast water supply?

Answer: An initial climate change review project has been undertaken, which is currently being reviewed. The information will be made public when the project has been completed. In terms of responses to the anticipated decrease in water supply, it is important to preserve wetlands as they are the storage capacity.

7. I would like to see collaborative not confrontational negotiations with the U.S. Climate change concerns are common to both sides of the border. Are they being addressed?

Answer: We can not stop the warming trend – things are changing. Rather we need to look for opportunities to adapt to the change. We need to create wetlands and reduce our consumption. Within the Basin, we have some of the highest consumption rates for water of anywhere in the world. BC Hydro is undertaking water use plans. There is a lot of common ground for building cross border coalitions. CBT is trying to make those connections. We are organizing a climate change session now.

8. The Provincial government has passed legislation that deals with groundwater. Does it cover issues of commercialization of groundwater? What is CBT's role in that legislation?

Answer: The legislation has been watered down so it doesn't address the right issues. It does not limit consumption. It can be sold as long as the water is bottled. There will be lots of conflicts over ground water use in the future. BC is the last jurisdiction to pass groundwater legislation. The Province has stated that it will implement the second and third phases of the legislation. However, there is

a need for constant vigilance with respect to these issues and the need to hold governments responsible.

CBT does not yet have a role in the legislation. However, if it is a priority of the people, then we will try to be supportive of any coalitions that form.

9. How do you get the coalitions going and what does it really mean, who makes the budget decisions?

Answer: Don't underestimate the power of working together. We work on the principle of starting from where people are at and build from that to strengthen the effort through leveraging funding, etc. you're at. We get stronger and then make decisions. I know it seems like "trust us" but it works for us.

CBT's mandate requires us to do things that no one else is doing – to be incremental to government and not take on their responsibilities. With respect to water management, there are other agencies involved. We are working with federal and provincial agencies who like the idea that someone else is doing the organizing.

10. I am concerned about the effects of recreational use of the backcountry and rivers, including the use of chemicals in the backcountry. Have there been discussions regarding the need to protect the quality of water from this problem?

Answer: People come here because there are restrictions in other jurisdictions (e.g. Alberta, Europe). We need to think differently. Communities are planning on recreational opportunities as economic drivers and this creates pressures on the environment. There needs to be regulations on these activities that reflect a vision that is broader than just economics.

11. We need to foster connections on both side of the border and be proud of what it is to "be natural". In the beginning, we wanted to ensure the Columbia Basin benefited from the dams that had been built. We invested in dam construction that created temporary jobs rather than investing around the whole Basin. Yet, the land continues to be devastated by annual drawdowns. The licenses are connected with water storage, which should be a cost that brings back revenues to mitigate the problems – including the impacts from the Kinbasket reservoir.

Answer: The drawdown is a moneymaker. A frustration that residents have expressed with the water use planning processes are that if you change the drawdown to realize local benefits, then income is negatively impacted substantially. Therefore, it is necessary to look at what benefits might be realized in relation to the changes and what other opportunities might exist. Some good ideas have come through the water use planning processes. We need to look at the costs relative to the benefits.

In terms of celebrating this basin and its water and ecosystems, one of the things we are doing is working with “The Wonder of Water.” We will be doing a water series that will go on Global and it will be from across the Basin.

12. I suggest that CBT set up a legal defense fund in case your activities lead to a lawsuit. You don't want to get tied up in the courts, rather you want to make sure you are able to do what you are meant to do.

Answer: We can't lose sight of the value and necessity of cooperation. It may make more sense to focus on that.

13. I disagree with the statement that CBT was formed as a policy advisor. I think CBT has a negotiating voice for when the Columbia River Treaty is up for re-negotiation. The re-negotiation of the Treaty and the commodity of water is the most fundamentally issue that the CBT should be involved in. We should be truly grateful of this panel. We need to understand what the issues and benefits are south of the border.

Answer: Our primary goal is to work towards being at the table in re-negotiating the Treaty. Everything else we are doing is working towards that. Our second focus is education. We are building infrastructure. We are currently organizing facilitating, coordinating, efforts to assist the people of the basin.

Comments Received via Questionnaire

A questionnaire was distributed during the Friday afternoon session on CBT's Water Initiatives Strategy. Forty-five people filled in and returned the questionnaire. The following are common comments made via the questionnaire:

Common Comments and Concerns

- The Columbia River Treaty and potential re-negotiation should be a focus for the CBT. Ensuring the people of the Basin are included is the main objective. We should be ramping up the capacity to negotiate with the US. This is a complex task. Build trust with the Basin and others that there is a core group working on this and they have the skills. This is not something the public can do.
- The CBT's role should be to make sure Basin residents have as much say as industry, government agencies and other “lobby” groups. In the area of water.
- Education is the key. Concentrate on education and the rest will follow.
- Use as many tools as you can to communicate with the Basin population. What you have is a start, keep building on it.
- The Water initiatives program could be used to “under pin” the long-term existence of the organization (CBT) itself.
- CBT needs to keep up its work on making sure people in the Basin understand the importance of the water to this region.

- The CBT's emphasis on partnership especially with local governments and First Nations is key. Build the capacity at these levels.
- The Water Advisory Panel is an excellent idea and it gives comfort to us that the program has this type of advice available to it and the people of the Basin.
- The work the CBT is doing in the area of water is not "common currency" in the Basin. However it is very important work. The CBT needs to ensure its communications strategy in this area is more widespread in the Basin to ensure more people are aware of the work you are doing.
- CBT needs to find a way to include more people in the Basin in the work you are doing in water. Maybe a public advisory committee?
- There is a wide variety of activities that the CBT is undertaking. However the resources allocated to the program are limited. The CBT needs to increase resources as this is a key area of work for Basin residents.
- CBT needs to be careful not to get pulled in by special interest groups.
- CBT needs to identify what role it can play around supporting municipal and small water users.

Defining an Appropriate Niche for CBT

Via the questionnaire, CBT identified five possible niches for the Water Initiatives Strategy. Symposium participants were asked to rank the subject areas in terms of what they considered to be the most appropriate and important niche for CBT for the next five year period.

The top two priorities identified by participants included:

1. *Ensure the Basin residents views and values are a key part of major regional water related decisions making processes (i.e. Columbia River Treaty, Libby Operations).*
2. *Building Basin residents understanding and awareness on water related issues in the Basin (education and capacity building).*

Participants indicated that these two niches were closely followed by:

3. *Research and build information tools on the regions water resources (climate change, water quality, etc).*
4. *Support Basin resident's involvement in local watershed planning and issues.*

Participants felt the following area was important, however of less priority than those noted above:

4. *Build networks and partnerships with organizations/agencies to assist Basin residents.*

In general participants indicated there was a logical flow or linkage between subject areas 1, 2 & 3 and that if these were done effectively item 4 would follow. Participants also noted caution in item 5 in that CBT could spend considerable time and energy for little gain and also be drawn into various “agendas”. Participants noted that CBT will need to build partnerships and networks but such activities should be strategically chosen in terms of how, where and with whom.

The following is a summary of additional input received via the CBT website or written comments otherwise submitted to CBT:

- Kudos to the Water Initiatives Committee for the good work they are doing, the choice of the experts in the water panel and their presentation at the symposium.