

**COLUMBIA BASIN TRUST
BOARD OF DIRECTORS MEETING NO. 176
November 27/28, 2015
MINUTES**

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

Meeting No. 176 was held in the Trust Office, Castlegar, BC.

Directors in attendance:

G. Deck, Chair	L. Binks
W. Booth – via telecon	G. DeRosa
K. Deane	J. Dooley
R. Jensen	A. Naqvi
L. Page	L. Parker
V. Thomas	J. Townsend – via telecon (Nov 28)

Staff and guests in attendance:

M. Delich	R. Ruston
N. Muth	J. Strilaeff
A. Ambrosone	S. Curtis – via telecon
K. Gosal – via telecon	M. Hoher
D. Hoodicoff	L. Kilpatrick
C. Lloyd	W. Lundeberg
J. Medlar, Recording Secretary	

The meeting was called to order at 1:00 p.m. (PT).

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

ADOPTION OF AGENDA

Attachments:

- Minutes: Board Meeting No. 174 and AGM No. 175
- Report from the CEO
- Minutes: Executive Committee Meeting No. 116
- Election of 2016 Chair and Vice Chair
- Amended Election of Chair, Vice Chair and Committee Chairs Policy
- Board Orientation Policy
- Power Subsidiary Board Appointments
- Trust Officers
- Cash Forecast
- 2016/17 Corporate Budget
- Compensation Philosophy
- Service Plan 2016/17 – 2018/19
- Minutes: Finance and Audit Committee No. 68
- Quarterly Treasury Board Forecasts for 2nd Quarter
- Quarterly Financial Statements for 2nd Quarter
- Minutes: Investment Committee No. 76
- Quarterly Investment Portfolio Report for 2nd Quarter
- Fairmont Hot Springs Utilities Ltd.
- CBBC Update

- CBBC Strategic Review
- Delivery of Benefits Update on Activities
- 2016/17 Delivery of Benefits Budget
- Economic Strategic Plan Draft Goals and Objectives
- Columbia Basin Development Corporation
- Place Based Investing
- New Framework for Youth Initiatives
- Investment Support for Community Foundations
- KAST MIDAS Initiative
- Recreation Infrastructure Funding Program
- Community Initiatives/ Affected Areas Program Renewal
- Social Advisory Committee Appointment
- CBMP Strategic Priorities Progress Update
- Columbia Basin Transboundary Education Events
- WK Regional Airport
- Read File

73/15 Moved, seconded and resolved that:
Agenda No.176 be approved and hereby is adopted.

ADOPTION OF MINUTES

74/15 Moved, seconded and resolved that:
The Minutes of Meeting No. 174 held September 18/19, 2015 be approved and hereby are adopted.

75/15 Moved, seconded and resolved that:
The Minutes of Annual General Meeting No. 175 held September 18, 2015 be approved and hereby are adopted.

REPORTS FROM OFFICERS AND EXECUTIVE COMMITTEE

Report from the Chair

The Chair provided a verbal report to the Board of Directors.

There were no resolutions arising.

Report from the CEO

The CEO provided a written report to the Board of Directors.

There were no resolutions arising.

Report from the Executive Committee

The Minutes from Meeting No. 116 held on September 10, 2015 were provided for informational purposes only.

There were no resolutions arising.

Election of 2016 Board of Directors Chair and Vice Chair

The Board was provided with a memorandum which disclosed the names of those individuals who put forward their intent to run, as declared by October 31, 2015 as per policy, for Board Chair or Vice Chair positions for 2016. Current candidates are:

- Board Chair: Rick Jensen
- Vice Chair: Laurie Page

Furthermore, due to the timing of the conclusion of the current Board Chair's term, the memorandum also sought approval of the election of the 2016 Board Chair and Vice Chair position as a one-time exception to policy.

76/15 Moved, seconded and resolved that:
The Board of Directors hereby approves that, notwithstanding Section 11 of the Meeting Policies and Procedures for the Board of Columbia Basin Trust, the Board of Directors hereby appoints Rick Jensen as Board Chair of Columbia Basin Trust for a term effective January 1, 2016 until the first Board meeting of the 2017 calendar year.

77/15 Moved, seconded and resolved that:
The Board of Directors hereby approves that, notwithstanding Section 11 of the Meeting Policies and Procedures for the Board of Columbia Basin Trust, the Board of Directors hereby appoints Laurie Page as Board Vice Chair of Columbia Basin Trust for a term effective January 1, 2016 until the first Board meeting of the 2017 calendar year.

Amended Election of Chair and Vice Chair Policy

The Board was provided with a memorandum which sought approval for amendments to the Election of Chair and Vice Chair policy of the Trust's Governance Policy and Guidelines. The Executive Committee proposed a further amendment to the Trust's Governance Policy and Guidelines such that the Board of Directors would appoint Board Committee Chairs upon recommendation of the Executive Committee.

78/15 Moved, seconded and resolved that:
As recommended by the Executive Committee, the Board of Directors hereby approves the amendments to Section 11, Election of Chair and Vice Chair, of the Meeting Policy and Procedures for the Board of Columbia Basin Trust in substantially the form provided in the materials for this meeting.

And further resolved that:

The Board of Directors hereby further approves that Committee Chairs be appointed by the Board of Directors upon recommendation of the Executive Committee and authorizes Trust staff to amend the Trust's Governance Policy and Guidelines to this effect.

Board Orientation Policy

The Board was provided with a memorandum which sought approval of a new Board Orientation Policy.

79/15 Moved, seconded and resolved that:
As recommended by the Executive Committee, the Board of Directors hereby approves the Board Orientation Policy in substantially the form provided in the materials for this meeting.

Trust Subsidiary Board Appointments

The Board was presented with a memorandum which sought approval for a Board appointment process for Trust wholly and partially owned subsidiaries.

80/15 Moved, seconded and resolved that:
As recommended by the Executive Committee, the Board of Directors hereby approves that staff are directed to amend the Board governance calendar to include an annual review of Board appointments to Trust subsidiaries and further delegates authority to staff to determine the appropriate timing for this activity.

And further resolved that:

The Board of Directors further approves the appointment of all Directors to 100% Directly Owned Subsidiaries as described in the materials provided for this meeting.

And further resolved that:

The Board of Directors further endorses the appointment of all Directors to 100% Indirectly Owned Subsidiaries, 50% Indirectly Owned Subsidiaries, 42% Indirectly Owned Subsidiaries and 16.5% Indirectly Owned Subsidiaries as described in the materials provided for this meeting.

Trust Officers

The Board was presented with a memorandum which sought approval to formalize the appointment of officers to Columbia Basin Trust and Trust wholly owned subsidiaries. While the determination of legal corporate officers is a legal question, this determination can be strengthened by Board resolution.

81/15 Moved, seconded and resolved that:

As recommended by the Executive Committee, the Board of Directors hereby approves the designation of the following roles as officers of Columbia Basin Trust:

- Chief Executive Officer; and
- Vice President & Chief Operating Officer

And further resolved that:

The Board of Directors hereby further approves that Boards of wholly owned subsidiaries be directed to appoint the following Trust staff as officers:

- All wholly owned subsidiaries:
 - Chief Executive Officer; and
 - Vice President & Chief Operating Officer
- Columbia Basin Broadband Corporation:
 - Columbia Basin Broadband Corporation Chief Operating Officer

And further resolved that:

The Board of Directors hereby further approves the Indemnification Agreement, in substantially the form provided in the materials for this meeting, extending standard form indemnity protection to each corporate officer.

Cash Flow Forecast

The Board was presented with a memorandum which provided a five year cash flow forecast for informational purposes only.

There were no resolutions arising.

2016/17 Corporate Budget

The Board was presented with a memorandum which sought approval of the proposed consolidated corporate budget for fiscal year 2016/17.

82/15 Moved, seconded and resolved that:

As recommended by the Finance and Audit and Executive Committees, the Board of Directors hereby approves the 2016/17 Budget in substantially the form provided in the materials for this meeting.

And further resolved that:

The Board of Directors hereby further delegates authority to the Executive Committee to approve any proposed changes to the approved 2016/17 Budget.

Compensation Philosophy

The Board was presented with a memorandum which sought approval of a Trust compensation philosophy. The Public Service Employers' Council has requested all Crowns develop and implement a common compensation philosophy reflecting the Taxpayer Accountability Principles. The proposed Trust Compensation Philosophy is not materially different from the Trust's current compensation practices.

83/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the Compensation Philosophy in substantially the form provided in the materials for this meeting.

2016/17 – 2018/19 Service Plan

The Board was presented with a memorandum which sought approval of the draft *2016/17 – 2018/19 Service Plan*.

84/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the draft *2016/17 – 2018/19 Service Plan* in substantially the form provided in the materials for this meeting.

And further resolved that:

The Board of Directors further delegates authority to the Executive Committee to approve any subsequent material changes to the *2016/17 – 2018/19 Service Plan*.

REPORTS FROM THE FINANCE AND AUDIT COMMITTEE

Report from the Finance and Audit Committee

The Minutes of Meeting No. 68 held on July 15, 2015 were provided for informational purposes only.

There were no resolutions arising.

Quarterly Treasury Board Forecasts

The Board was presented with a memorandum for information which outlined the changes made to the five year financial forecasts provided to the Treasury Board for the second quarter submission of 2015/16.

There were no resolutions arising.

Quarterly Financial Statements

The Board was presented with a memorandum for information which provided the consolidated financial statements for the period ended September 30, 2015, and outlined any material changes from the consolidated financial statements from the year prior.

There were no resolutions arising.

REPORTS FROM THE INVESTMENT COMMITTEE

Report from the Investment Committee

The Minutes of Meeting No. 76 held on July 21, 2015 were provided for informational purposes only.

There were no resolutions arising.

Quarterly Investment Portfolio Review

The Board was presented with the Quarterly Investment Portfolio Review for the quarter ended September 30, 2015 for informational purposes only.

There were no resolutions arising.

Fairmont Hot Springs Utilities Ltd.

[REDACTED]

[REDACTED]

REPORTS FROM SUBSIDIARIES

CBBC Update on Activities

The Board was presented with a memorandum for information which presented an update on Columbia Basin Broadband Corporation's (CBBC) activities.

There were no resolutions arising.

CBBC Strategic Review

The Board was presented with a memorandum which discussed the strategic and financial review of CBBC prepared by consultant Brian Lund of Financial Logic.

Some key findings of the review include:

- CBBC has acquired and leveraged fibre network assets into a state of the art, future-proof 700+ km fibre network capable of connecting users of broadband in communities across the southern portion of the Columbia Basin.
- CBBC has invested \$2.87 million in capital for fibre network and related equipment in a configuration that, in a greenfield build scenario, would have cost over \$20 million.
- The CBBC network is appropriately sized in terms of overall capacity for the addressable market for the next five years without requiring any significant capital investment.
- CBBC's successful application to the Industry Canada Digital Canada 150 program will enable CBBC to assist its Internet Service Provider customers to scale up coverage and capability of their last mile broadband Internet networks in Basin communities to meet the increased bandwidth demands of end users.

There were no resolutions arising.

DELIVERY OF BENEFITS

Delivery of Benefits Update

The Board was provided with a memorandum which presented an update of activities within Delivery of Benefits (DOB) programs and initiatives since the last Board Meeting.

There were no resolutions arising.

2016/17 Delivery of Benefits Budget

The Board was presented with a memorandum which sought approval of the proposed Delivery of Benefits budget for fiscal year 2016/17.

86/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the 2016/17 Delivery of Benefits Budget in substantially the form provided in the materials for this meeting.

And further resolved that:

The Board of Directors hereby further delegates authority to the Chief Executive Officer, or their delegate, to:

- a. approve commitments and transfers from the unallocated portion, in all existing and future Delivery of Benefits budgets, to a cumulative maximum of \$1,000,000; and,
- b. approve transfers from one program to another program, in all future and existing Delivery of Benefits budgets, to a cumulative maximum of \$500,000.

Economic Strategic Plan Draft Goals and Objectives

The Board was presented with a memorandum which sought approval of the renewed Economic Strategic Plan goals and objectives. With the approval of the draft goals and objectives, staff will move forward with creating a detailed renewal of the Economic Strategic Plan for 2016-2020.

87/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the Economic Strategic Plan goals and objectives in substantially the form provided in the materials for this meeting.

Columbia Basin Development Corporation

The Board was presented with a memorandum which sought approval of a high level strategic plan for economic development intended to be a regional, proactive agency focused on economic and business development in the Basin with a long-term focus. The memorandum also sought approval for the establishment of a development corporation, as a wholly owned subsidiary of the Trust, to facilitate the strategic plan as well as a three year funding commitment and delegation of authority to the Executive Committee to appoint its Board Members.

88/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the high level strategic plan for economic development in substantially the form provided in the materials for this meeting.

And further resolved that:

The Board of Directors hereby further approves the formation of a wholly owned subsidiary to support economic development in the Columbia Basin.

And further resolved that:

The Board of Directors hereby further approves a commitment of up to \$20 million over three years to fund the new subsidiary.

And further resolved that:

The Board of Directors hereby further delegates authority to the Executive Committee to appoint directors to the Board of the new subsidiary.

Place-based Investing

The Board was presented with a memorandum which discussed the concept of place-based investing and its applicability to the Trust. A place-based approach would be an additional means for the Trust to collaborate with communities in a more sustained transformative process that addresses complex socio-economic issues through interventions defined at a specific geographic scale.

There were no resolutions arising.

New Framework for Youth Strategic Initiatives

The Board was presented with a memorandum which sought approval and funding over three years for the Basin Youth Network, a new framework for the Trust's approach to strategic youth initiatives. The network, which builds on and replaces the successful Community Directed Youth Funds program, would support communities to provide engagement, leadership development and capacity building for youth aged 12 to 18.

89/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the Basin Youth Network framework, in substantially the form provided in the materials for this meeting, with a total budget over three years of \$4,650,000 to include:

- a. a maximum of \$1,330,000 per year for up to 28 Basin Community Youth Networks and for a total of \$3,990,000; and,
- b. an annual budget of \$220,000 for a total of \$660,000 for the areas where the Trust will lead the Network including hiring of a Regional Coordinator(s), hosting Basin/regional events and working on capacity and program development.

Investment Support for Community Foundations

The Board was presented with a memorandum which sought approval of a new investment option for regional community foundations to invest their endowment funds. The Trust has received requests from community foundations for a "made in the Basin" investment option and staff are supportive of providing an option.

90/15 Moved, seconded and resolved that:

The Board of Directors hereby approves a new investment option to be made available to regional Community Foundations on the understanding the Trust (or a wholly owned subsidiary of the Trust):

- Will pay a fixed rate of return on any placement of funds by the Community Foundation(s); and,
- Will guarantee repayment of the full amount of dollars placed by the Community Foundation(s); and,
- Will assume the risk of investment performance greater/lesser than the fixed rate of return to be paid to the Community Foundation(s).

Kootenay Association for Science and Technology MIDAS Initiative

The Board was presented with a memorandum which sought approval for a \$500,000 commitment to the Kootenay Association for Science and Technology (KAST) to support the creation of the Metallurgical Industrial Development Acceleration and Studies (MIDAS) initiative. MIDAS will be an applied research initiative to investigate opportunities related to the use of byproducts from Teck's smelting process.

91/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the following to the Kootenay Association for Science and Technology in support of the Metallurgical Industrial Development Acceleration and Studies initiative:

- a. A \$100,000 grant subject to the Trust's standard terms and conditions; and,
- b. A maximum \$400,000 multi-year contribution to include a component of revenue sharing; and
- c. Delegation of authority to Trust staff to determine the eligibility, timing, amounts and specific terms and conditions of the \$400,000 multi-year contribution.

Recreation Infrastructure Program

The Board was presented with a memorandum which sought approval of a proposed Recreation Infrastructure Funding Program and funding for the next three years of development and implementation. This program will focus on increasing and improving recreation infrastructure and access to recreation opportunities in the Basin with an expected launch date in spring 2016.

92/15 Moved, seconded and resolved that:

The Board of Directors hereby approves that staff move forward in developing and implementing a Recreation Infrastructure Funding Program with funding of \$3 million annually for the next three years.

Community Initiatives and Affected Areas Programs Renewal

The Board was presented with a memorandum which sought approval for five years of funding for the Community Initiatives and Affected Areas Programs 2016/17 to 2020/21. The memorandum also sought approval to replace the population based model of funding with the new amounts, which include a 15% increase over current annual allocations, as a baseline level of funding for each community.

93/15 Moved, seconded and resolved that:

The Board of Directors hereby rescinds the part of resolution 91/07 that indicated that the Board does not intend to increase Affected Areas funding in subsequent cycles of decision.

And further resolved that:

The Board of Directors hereby further approves that moving forward the funding formulae for Community Initiatives and the Affected Areas Programs calculations will use current amounts allocated as the baseline.

And further resolved that:

The Board of Directors hereby further approves a 15% increase in Community Initiatives and the Affected Areas Programs funding.

And further resolved that:

The Board of Directors hereby further approves five years of funding (2016/17-2020/21) for the Community Initiatives and the Affected Areas Programs at \$4,215,000 per annum for a total of \$21,075,000 commencing in the fiscal year 2015/16.

And further resolved that:

The Board of Directors hereby further approves that the funds are to be distributed by delivery partners based on the Trust's determination of community or regional district area allotment unless Trust staff approve alternate allocation models.

Social Advisory Committee Appointment

The Board of Directors was presented with a memorandum which sought approval for the appointment of Michele Sam to the Social Advisory Committee for a three year term commencing January 1, 2016 and expiring January 1, 2019.

94/15 Moved, seconded and resolved that:

The Board of Directors hereby approves the appointment of Michele Sam to the Social Advisory Committee for a three year term commencing January 1, 2016 and expiring January 1, 2019.

OTHER CORPORATE MATTERS

CBMP Strategic Priorities 2016-2020 Progress Update

The Board was presented with a memorandum which provided an update on staff progress in relation to each of the Columbia Basin Management Plan 2016-2020 Strategic Priorities. This memorandum was provided for informational purposes.

There were no resolutions arising.

Columbia Basin Transboundary Education Events

The Board was presented with a memorandum for discussion in response to the Trust Board of Directors request that staff examine the feasibility of undertaking an educational event focused on increasing Trust Board and staff understanding and awareness of issues and perspectives in the Transboundary Columbia Basin.

As part of the request, staff were asked to undertake further evaluation and feasibility of a "Bus Tour" of the US portion of the Columbia Basin. Staff recommended that the Trust not organize a stand-alone "Bus Tour" of the US Columbia Basin.

95/15 Moved, seconded and resolved that:

The Board of Directors hereby approves that staff organize educational opportunities associated with clear goals and objectives linked to the Trust's CBMP Strategic Priorities that can be added on to events the Trust has already previously committed to such as NWPC meetings that are to occur in the US.

West Kootenay Regional Airport

The Board was presented with a memorandum for discussion in response to Director A. Naqvi's request for staff to look into the issue of regional air transportation service.

There were no resolutions arising.

CORRESPONDENCE

The Read File was distributed to the Board of Directors.

There were no resolutions arising.

OTHER BUSINESS

Verbal Reports from Directors on Community Activities

There were no resolutions arising.

Notice of Motion

Director J. Dooley presented a notice of motion that staff be asked to organize a professional development session on governance for the Board of Directors. Staff responded that they will act on his request for a Board Meeting in early 2016.

There were no resolutions arising.

Director G. DeRosa requested staff prepare a report on what the Trust can do to assist Basin communities in their efforts to support Syrian refugees resettling in the Columbia Basin.

There were no resolutions arising.

IN CAMERA

There were no resolutions arising.

Board Round Table

There were no resolutions arising.

The meeting concluded at 1:30 p.m. (PT)

Certified Correct:

G. Deck, Chair

J. Medlar, Recording Secretary