

**COLUMBIA BASIN TRUST
BOARD OF DIRECTORS MEETING NO. 205
July 19/20, 2019
MINUTES**

Meeting No. 205 was held in the Eagles Nest meeting room, Best Western, Valemount, BC.

Directors in Attendance:

R. Jensen, Chair	C. Andrews
L. Binks	J. Carver
C. Evans	M. McConnachie [teleconference]
D. McCormick	D. Raven
R. Oszust	V. Thomas [teleconference]
O. Torgerson	K. Turcasso [teleconference]

Staff in Attendance:

J. Strilaeff	A. Ambrosone
K. Gosal	J. Medlar, Corporate Secretary

The meeting was called to order at 1:00 pm (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 204
- Report from the Chair
- Report from the CEO
- CBBC Update
- Broadband Initiative and Private Sector Competition
- CBDC Update
- Delivery of Benefits Update on Activities
- Trust Deficit and Delivery of Benefits Budget
- Housing Initiatives Update
- Special Initiatives Department Update
- 2020 Columbia Basin Management Plan Renewal and Symposium
- Minutes: Executive Committee Meetings 139 & 140
- Waneta Acquisition Post Summary
- Dissolution of Corporations
- Memorandum of Understanding
- Minutes: Finance & Audit Committee Meetings 85 & 86
- Quarterly Treasury Board Forecasts
- Quarterly Financial Statements
- Statement of Financial Information
- Appointment of Auditor
- Governing in the Public Interest Workshop
- Read File

35/19 Moved, Seconded and Resolved that:

Agenda No. 205 be and hereby is approved and adopted as amended.

ADOPTION OF MINUTES

36/19 Moved, Seconded and Resolved that:

Minutes of Board of Directors meeting held May 24/25, 2019 be and are hereby approved and adopted. The Corporate Secretary is hereby authorized to apply the electronic signature of the Chair to the approved minutes.

REPORTS FROM THE CHAIR AND CEO

K. Gosal and J. Medlar left the meeting.

Report from the Chair

The Board held an in-camera session for the report from the Chair. Following the discussion, the Corporate Secretary was advised of matters noted in the In Camera minutes for this meeting.

K. Gosal and J. Medlar rejoined the meeting.

Report from the President and CEO

The Board was provided a written report on general corporate matters not specifically addressed on the Board agenda.

There were no resolutions arising.

REPORTS FROM SUBSIDIARIES

CBBC Update

The Board was provided a memorandum for information on broadband activities since the last Board meeting that included an update on the Connecting British Columbia Program project, opportunities to partner with future federal funding programs, and operations.

There were no resolutions arising.

Broadband Initiative and Private Sector Competition

The Board was provided a memorandum for discussion on Trust approach to dealing with real or perceived competition with the private sector in the Basin region, as it applies to the Trust's broadband initiative. The Board endorsed the guiding principles, as presented in the material to this meeting, to be used to evaluate opportunities and areas where competition with the private sector could occur, on a case by case basis.

There were no resolutions arising.

CBDC Update

The Board was provided a memorandum for information on Columbia Basin Development Corporation (CBDC) activities since the last Board meeting that included updates on economic projects, programs and Impact Investment Fund activity.

There were no resolutions arising.

DELIVERY OF BENEFITS MATTERS

Delivery of Benefits Update

The Board was provided a memorandum for information on activities within Delivery of Benefits (DOB) programs and initiatives since the last Board meeting.

There were no resolutions arising.

Trust Deficit and Delivery of Benefits Budget

As discussed at the May Board meeting, the recent changes in accounting treatment for Delivery of Benefit (DOB) expenses have had a significant impact both on the 2018/19 financial statements and 2019/20 budgeted DOB expenditures. As approved by the Board in May, a \$18.5 million deficit budget for 2019/20, with amendments to minimize the impacts of the accounting changes, was submitted to the Treasury Board for review. The Board was provided a memorandum with an update on the outcomes of the Treasury Board discussion of June 13, 2019 in which they approved an amended \$10 million deficit budget for 2019/20.

The memorandum also sought approval for a proposed revised budget that should allow the Trust to realize a \$10 million deficit in 2019/20; however, the Trust's ability to commit to new DOB expenses would be limited in both fiscal 2019/20 and fiscal 2020/21. Of note, the deficit is not a negative reflection of the Trust's cash position, which is strong, and staff will be bringing forward options for consideration for alternate uses of funds that would not be accounted as DOB expenses.

37/19 Moved, Seconded and Resolved that:

The Board of Directors hereby approves the revised 2019/20 Delivery of Benefits budget in substantially the form provided in the material to this meeting.

Housing Initiatives Update

The Board was provided a memorandum for information on housing activities since the last Board meeting.

There were no resolution arising.

Special Initiatives Department Update

The Board was provided a memorandum for information on activities within the Trust's strategic priorities of agriculture, recreation and physical activity and Indigenous relationships since the last Board meeting.

There were no resolutions arising.

CORPORATE MATTERS

Columbia Basin Management Plan Renewal

The Board was provided a memorandum with an update on the *Columbia Basin Management Plan* (CBMP) renewal process that included the timeline for internal and external engagement processes in 2019 and 2020 and draft workplans for the first two stages of the process: Creating a Baseline and Exploring our Context. The memorandum also provided an update on the 2020 Symposium planning to date.

In addition, an *Exploring our Context* presentation was tabled to the meeting as part of the internal engagement process and Directors participated in a discussion to identify and understand the challenges and opportunities that may impact the region over a longer term.

There were no resolutions arising.

REPORTS FROM COMMITTEES

Report from the Executive Committee

Minutes from the Executive Committee meetings held on May 24, 2019 and June 17, 2019 were provided for information.

Waneta Expansion Acquisition Report

The Board was provided a memorandum for information on the final reconciliation of the Waneta Expansion acquisition costs and forecasted financial returns. Of note, the Treasury Board letter of approval for acquisition financing included two follow-up provisions with respect to property taxation and minority interest participation in the project.

Staff advised that a suite of options is being developed for the property taxation issue, in consultation with Provincial staff, that will inform a recommendation to be brought back to the Trust and Columbia Power Boards for approval.

The Board further endorsed staff to report back to the Ministry that the Trust has no objectives to be achieved by introducing a third-party minority interest to the ownership group alongside the Trust and Columbia Power, and no further investigations would take place under Trust direction.

There were no resolutions arising.

Dissolution of Corporations

The Board was provided a memorandum which sought approval for the dissolution of certain corporations within the corporate organization chart that no longer serve commercial, legal or governance purposes.

38/19 Moved, Seconded and Resolved that:

The Board of Directors hereby approves the dissolution of CBT Energy Inc., subject to a favourable response from the Province, and further delegates authority to the President and CEO to effect the dissolution in accordance with legal advice.

And further Resolved that:

The Board of Directors hereby further approves the dissolution of 680286 B.C. Ltd., subject to a favourable response from the Province and concurrent approval of the Board of Columbia Power Corporation, and further delegates authority to the President and CEO to effect the dissolution in accordance with legal advice.

Memorandum of Understanding

The Board was provided a memorandum for discussion on the Memorandum of Understanding between the Province and the Trust (MOU), as finalized October 2016, that sought feedback on items for consideration in advance of the three-year review period for the MOU.

There were no resolutions arising.

Report from the Finance and Audit Committee

Minutes from the Finance and Audit Committee meetings held on May 7 and May 22, 2019 were provided for information.

There were no resolutions arising.

Quarterly Treasury Board Forecasts

The Board was provided a memorandum that outlined the updates made to the five-year financial forecast provided to the Treasury Board for the quarterly submission.

Of note, the financial forecasts include recent accounting treatment changes applied to Delivery of Benefits (DOB) program areas that materially contributed to changes to Trust forecasting for fiscal 2019/20 and fiscal 2020/21.

There were no resolutions arising.

Quarterly Financial Statements

The Board was provided a memorandum that presented the consolidated financial statements for the period ended June 30, 2019 and outlined the material changes from the consolidated financial statement from the year prior for information.

There were no resolutions arising.

Statement of Financial Information

The Board was provided a memorandum which sought approval of the Statement of Financial Information (SOFI) for the fiscal year ended March 31, 2019. As required under the *Financial Information Act*, the SOFI will be filed with the Provincial government and posted publicly to the Trust website.

39/19 Moved, Seconded and Resolved that:

As recommended by the Finance and Audit Committee, the Board of Directors hereby approves the Statement of Financial Information for the year ended March 31, 2019.

Appointment of Auditor

The Board was provided a memorandum which sought approval for the reappointment of the Office of the Auditor General to provide Trust audit services for the 2019/20 fiscal year.

In addition, as per Finance and Audit Committee recommendation, the Board endorsed that CBBC no longer be audited independently but solely within the consolidated audit process for the Trust moving forward.

40/19 Moved, Seconded and Resolved that:

As recommended by the Finance and Audit Committee, the Board of Directors hereby approves that the Office of the Auditor General be awarded the contract for financial audit services for the Trust for fiscal 2019/20.

CORRESPONDENCE

The Read File was distributed to the Board of Directors.

There were no resolutions arising.

OTHER BUSINESS

Governing in the Public Interest Workshop

The Board was provided summary reports from the Directors who attended the *Governing in the Public Interest* training workshop held by the Province's Crown Agencies and Board Resourcing Office.

There were no resolutions arising.

IN CAMERA

Board Round Table

There were no resolutions arising.

The meeting concluded at 11:30 am.

Certified Correct:

R. Jensen, Chair

J. Medlar, Recording Secretary