



Ref: 94532

DEC 14 2012

Mr. Garry Merkel
Chair, Board of Directors
Columbia Basin Trust
Suite 300, 445 – 13th Avenue
Castlegar, B.C. V1N 1G1

Dear Mr. Merkel:

Thank you for your letter dated October 1, 2012, sharing concerns raised by Board members about boiler plate language contained in the annual Government Letter of Expectations (GLE), and fiscal planning and reporting.

It is my understanding that ministry staff have been working with you to address your concerns while ensuring the present-day needs of Government are also adequately addressed. Direct actions achieved are the inclusion of the Columbia Basin Trust (CBT) historical perspective in the GLE introduction, and the advancement towards additional compensation for those Board Directors with excessive travel time requirements.

As you may know, Board appointments for both Crown Corporations and their subsidiaries are an issue not only of importance to the Government but to the public we serve. Over the years, a number of concerns resulted in a clear public expectation that Government play a lead role in the structure and conduct of Crown Boards. As such, Government will continue to reserve the right to approve and appoint Board members, and I expect this to continue with CBT as well.

That said, staff continue to explore options that may be available to allow CBT to expend retained earnings within government's budget realities and to compensate Board members for the unique time impacts of travel for Board work in a region of this nature. More work will be done in these and other areas and it is my hope that our mutual agreement will ultimately inform and result in the proposed Memorandum of Understanding, now a priority with my staff.

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I understand that Assistant Deputy Minister, Ms. Shanna Mason and Executive Director, Mr. Greg Goodwin traveled to the Kootenays in mid-November to meet with your Executive Committee to discuss these and other issues. By all accounts, the trip was very successful, and helped to further define the nature of the relationship between CBT and Government. It is also my intent to meet with Board representatives, if mutually convenient, to further that dialogue sometime in the new year.

As someone with roots in the Kootenays, I am well aware of the positive results achieved by CBT as directed through the *Columbia Basin Trust Act*. Under the guidance of dedicated and knowledgeable Board members, CBT has managed its assets and funds well, providing residents with a wealth of economic, environmental and social programming.

Projects such as the Waneta Expansion and building broadband capacity will improve life in the Basin. The Delivery of Benefits account has increased steadily over the years as a result of increased revenues generated through CBT's business acumen. These are significant accomplishments, particularly in light of current economic times.

I would like to take this opportunity to thank you and the CBT Board of Directors for all the work you do and the achievements you have made on behalf of Basin citizens. Government values your contributions and I look forward to our continued partnership.

Yours truly,

A handwritten signature in black ink, appearing to read 'D. Byng', with a stylized flourish at the end.

Dave Byng
Deputy Minister

pc: Mr. Greg Goodwin
Executive Director
Economic Development Division