COLUMBIA BASIN TRUST
BOARD OF DIRECTORS MEETING NO. 241
May 24/25, 2024
MINUTES

Meeting No. 241 was held in Prestige Inn, Golden and via videoconference.

Directors in Attendance:

J. Carver, Chair
K. Hamling
C. Hoechsmann
D. McCormick
O. Torgerson
B. van Yzerloo
A. Graeme
S. Hewat
B. Marino [virtual]
R. Oszust
K. Turcasso

Directors Absent:

C. Morigeau

Staff and Guests in Attendance:

J. Strilaeff
A. Ambrosone
C. Lloyd
J. Medlar, Corporate Secretary
B. Haney [virtual]

CALL TO ORDER

The Chair called the meeting to order on May 24, 2024 at 1:00 p.m. (MT).

Chair Carver acknowledged that this meeting was being held on the unceded traditional territories of the Ktunaxa and Secwepemc, and that the Trust operates within these unceded traditional territories and those of the Lheidli T'enneh, Sinixt, and Syilx Nations. We are grateful for the opportunity to meet, work and live here.

ADOPTION OF AGENDA

Attachments:

- Draft Resolutions for May 24/25, 2024
- Minutes: Board Meeting no. 240
- Report from the Chair
- Report from the CEO
- Power Operations Quarterly Update
- CBMP Implementation Framework
- CBBC Update
- Minutes: CBBC Board Meeting no. 55
- CBDC Update
- Delivery of Benefits Update
- Proposed Delivery of Benefits 2024/25 Budget Revisions
- Minutes: Finance & Audit Committee no. 104
- Annual Board Remuneration Disclosures
- Executive Compensation Disclosure
- Treasury Board Forecasts
- 2023/24 Annual Financial Statements

- Arrow Lakes Generating Station Financial Update
- Minutes: Investment Committee Meetings no. 125
- Quarterly Investment Portfolio Review to March 31, 2024
- 2023/24 Investment Portfolio Annual Review
- Minutes: Executive Committee no. 172
- Memorandum of Understanding
- Read File
- Staff Tenure/Turnover
- Organizational Overview and Succession Planning

Chair Carver advised of the addition of an item under Other Business to discuss governance matters related to the Shared Services Agreement with Columbia Power.

21/24 Moved, Seconded and Resolved that:
Agenda No. 241 be and hereby is approved and adopted as amended.

ADOPTION OF MINUTES

22/24 Moved, Seconded and Resolved that:
Minutes of the Board of Directors' meeting held April 5/6, 2024 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

Report from the Chair

The Board was provided with a written update for information.

Chair Carver welcomed new Director Suzan Hewat who was appointed to the Board of Directors effective April 12, 2024.

Report from the President and CEO

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

CORPORATE MATTERS

Power Operations Quarterly Update

The Board was provided a memorandum for information on power facilities operations with key performance indicators for each of Arrow Lakes, Brilliant Expansion, Brilliant Dam and Waneta Expansion generating stations.

B. Haney joined the meeting to provide a presentation on the Brilliant Expansion annual planned outage, and the Arrow Lakes turbine repair project and emergent issue related to the runner blade linkages and cone fasteners.

CBMP Implementation Framework

The Board was provided a memorandum which sought approval for a proposed implementation framework for the renewed Columbia Basin Management Plan 2024 – 2034 (CBMP). This framework focused on Delivery of Benefits activities and outlined proposed approaches and next steps for near, mid-term and longer-range planning.

The Board held a fulsome discussion that touched on the following governance themes:

- incrementality - remaining mindful of any Trust role that supports projects/ programs which are considered to be an obligation of a level of government.
- flexibility to adapt to emergent issues.
- broad, varied impacts versus a few, larger projects, and expectation to continue use of both approaches.
- value of Trust history and Basin culture - maintain a living history of the origin of Trust revenues and affirm the connection of communities linked by the Columbia River.
- communicating the new CBMP with Trust partners.
- how the Board will govern this CBMP versus oversight of previous plans.

Next steps will include additional implementation planning, e.g. communications framework, budgeting for the 2025/26 fiscal year. A Board directed session for further discussion on the concept of incrementality will be scheduled for the next Board meeting.

23/24 Moved, Seconded and Resolved that:
The Board of Directors hereby approves the implementation framework for the Columbia Basin Management Plan 2024 – 2034 in substantially the form provided to this meeting.

DELIVERY OF BENEFITS MATTERS

Columbia Basin Broadband Corporation Update

The Board was provided a memorandum for information on broadband initiatives since the last Board meeting that included key metrics and milestones for the Connect the Basin - Universal Broadband Fund project and CRTC Broadband Fund projects, as well as an update on network utilization and operations.

Columbia Basin Development Corporation Update

The Board was provided a memorandum for information on economic development initiatives since the last Board meeting that included updates on economic programs and the Impact Investment Fund portfolio.

Delivery of Benefits Update on Activities

The Board was provided a memorandum for information on Delivery of Benefits (DOB) activities since the last Board meeting that highlighted new projects, funds committed, and engagement with communities and delivery partners/recipients.

Proposed Delivery of Benefits 2024/25 Budget Revisions

The Board was provided a memorandum which sought approval for revisions to the 2024/25 Delivery of Benefits Budget (Budget). Material issues related to Arrow Lakes Hydro operations have arisen since the Board approved the Budget in January which will have a significant financial impact on the Trust. Proposed Budget reductions would be determined by the length and scope of the Arrow Lakes Generating Station repair works underway, and influenced by the potential for insurance recoveries which are still under investigation.

24/24 Moved, Seconded and Resolved that:
The Board of Directors hereby approves the approach to revising the Delivery of Benefits budget for 2024/25 in substantially the form provided in the material to this meeting.

REPORTS FROM COMMITTEES

REPORT FROM THE FINANCE & AUDIT COMMITTEE

Minutes from Finance & Audit Committee meeting held November 2, 2023 were provided for information.

Annual Board Remuneration Disclosure

The Board was provided a memorandum that disclosed the Board Remuneration Reports for fiscal 2023/24 for the Board of Directors of the Trust, Columbia Basin Broadband Corporation and Columbia Basin Development Corporation. These reports are provided to the Public Sector Employers Secretariat (PSEC) and will be posted on the Trust's website by June 30, 2024.

Annual Executive Compensation Disclosure

The Board was provided a memorandum that disclosed the Executive Compensation Report for fiscal 2023/24. This report is provided to PSEC and will be posted on the Trust's website.

Treasury Board Forecasts

As approved by the Finance and Audit Committee, the Board was provided a memorandum for information on the updates made to the five-year financial forecasts provided to Treasury Board for the quarterly submission.

2023/24 Annual Financial Statements

The Board was provided a memorandum which sought approval of the annual financial statements for the year ended March 31, 2024, as well as a Consolidated Financial Report that provided a summary of all material changes from the financial statements of the year prior.

C. Lloyd presented highlights from the Consolidated Financial Report that included:

- a surplus of $11.5 million was recorded for the year, primarily due to increased revenues from market securities and short-term investments, and decreased delivery of benefit and administrative expenses,
- market securities experienced consistent gains resulting in a $7.6 million increase to the portfolio over course of the fiscal year,
- power facilities revenues declined $4.6 million over the previous fiscal year,

- delivery of benefits expenditures totaled $54.3 million which included expenses of $4 million for Columbia Basin Broadband Corporation and $2.4 million for Columbia Basin Development Corporation,
- administration expenses totaled $13.7 million and were under budget by $1.2 million, and
- subsequent event disclosure has been included due to an unexpected failure on Unit 2 at the Arrow Lakes Generating Station (ALGS). The Board was provided additional information in the subsequent ALGS financial update agenda item.

25/24 Moved, Seconded and Resolved that:
The Board of Directors hereby approves the consolidated financial statements for the year ended March 31, 2024 in substantially the form provided in the material to this meeting.

Arrow Lakes Generating Station Financial Update

The Board was provided a memorandum for information on the financial impacts of the ALGS Unit 2 planned repairs, scenarios for the additional Unit 2 unplanned repairs, outline of bondholder requirements under the Trust Deed Agreement and cash flow considerations.

There were no resolutions arising.

REPORT FROM THE INVESTMENT COMMITTEE

Minutes from the Investment Committee meeting held on November 7, 2023 were provided for information.

Quarterly Investment Portfolio Review

The Board was provided a written review on the Trust investment portfolio for the period of January 1 to March 31, 2024 for information.

2023/24 Annual Investment Portfolio Report

The Board was provided a high-level overview of annual investment activity for the fiscal year 2023/24 for information.

REPORT FROM THE EXECUTIVE COMMITTEE

Minutes from the Executive Committee meeting held on April 5, 2024 were provided for information.

Memorandum of Understanding

The Board was provided a memorandum on the renewal of the Memorandum of Understanding between the Province and the Trust (MOU). In a letter dated May 3, 2024 the Trust received confirmation from Minister Conroy, Minister responsible for the Trust, that the Province had concluded their review process with a recommendation for the current MOU to remain in effect.

A draft response letter to Minister Conroy confirming Trust support for the 3-year renewal of the current MOU has been circulated to Directors for approval.

26/24 Moved, Seconded and Resolved that:
The Board of Directors hereby approves the renewal of the Memorandum of Understanding between the Province and the Trust, and further approves the letter to Minister Conroy in support of the renewal in substantially the form provided to this meeting.

CORRESPONDENCE

The Read File was distributed to the Board of Directors with an annual summary of Board correspondence for information.

OTHER BUSINESS

Columbia Power and Trust Governance Matters

On April 12, 2024, J. Strilaeff shared an update via email with Trust and Columbia Power Directors regarding an extended outage in Arrow Lakes Hydro operations due to an unexpected failure in the second generating unit.

As approved by the Executive Committee, who holds responsibility for oversight of major governance documents, staff will develop a governance document to assist with determining the reporting matters to be brought forward for Board discussion or decision within the commitments outlined in the Shared Services Agreements. The draft governance document will be brought forward for Board review.

Verbal Reports

Directors who attended the *Governing in the Public Interest* conference held by the Crown Agencies and Board Resourcing Office provided a verbal update on the conference.

Topics for Future Discussion

Director van Yzerloo requested staff prepare a Board briefing on the evolving relationship with the Sinixt peoples and any emergent issues that have arisen following the 2021 Supreme Court decision (recognizing Sinixt Nation Indigenous rights to hunt) and opening of the Sinixt Confederacy office in Nelson in October 2023.

Staff left the meeting with the exception of J. Strilaeff.

IN CAMERA

Staff Tenure and Succession Planning

As part of Trust governance best practice, the Board and J. Strilaeff met in camera to discuss the annual organizational overview and succession planning for key employees that included a brief report on staff tenure, age and turnover for information.

J. Strilaeff left the meeting.

Report on Annual CEO Performance Review

The Board met in camera.

There were no resolutions arising.

CONCLUSION

The meeting was concluded on May 25, 2024 at 12:20 p.m. (MT).

Certified Correct:

J. Carver, Chair	**J. Medlar, Corporate Secretary**