



REPORT TO RESIDENTS 2008

BUILDING A LEGACY

Supporting People and Communities in the Columbia Basin



Welcome to Columbia Basin Trust's (CBT) Report to Residents - one of our most important publications for communicating with residents in the Basin.

Created by the people, for the people, the CBT serves the residents of the Canadian portion of the Columbia River Basin. Working closely with people who live in the Basin, CBT assists communities in addressing their needs by:

- Focusing on local priorities and issues;
- Bringing people together around key issues;
- Providing useful, credible, accessible information;
- Encouraging collaboration and partnerships;
- Seeking ongoing input from Basin residents; and,
- Providing resources and funding.

CBT provides funding and grants through a variety of programs from Arts, Culture and Heritage to Business Advocacy to Environment

Columbia Basin Trust supports efforts by the people of the Basin to create a legacy of social, economic and environmental well-being and to achieve greater self-sufficiency for present and future generations.

to Scholarships to Community Development. In addition, CBT supports regional initiatives such as Climate Change Adaptation,

Water Stewardship, Literacy, Youth and Land Conservation.

This work is accomplished via our two core functions: to invest capital and manage the assets of CBT and to spend the income earned from these investments to deliver benefits to the Columbia Basin.

We rely on input from residents, our partners, and our advisory committees to help identify and address those issues most important to residents of the Basin.

Last year, we asked you what you liked about the Report to Residents and what areas you wanted to see improved. We've taken your comments to heart and incorporated many of your suggestions. We hope you'll find it easy to read, interesting, and informative. And once again, we hope you'll take a moment to complete the enclosed survey form or provide your thoughts online at www.cbt.org/R2R.

Enjoy!

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Win a CBT prize pack!

It's easy. Simply complete the enclosed survey form or fill it in online at www.cbt.org/R2R and you'll be automatically entered into the draw. Send in your feedback anytime, but the draw closes on December 15, 2008.

WWW.CBT.ORG



WORKING WITH COMMUNITIES

MESSAGE FROM THE CHAIR



GARRY MERKEL
Board Chair

It has been an incredible year for CBT. For the first time we were able to commit more than \$6 million in programs and initiatives to Basin residents through a variety of programs and initiatives that

support your efforts in creating a legacy of social, economic and environmental well-being in the Columbia Basin.

By 2010 we expect to double that number to \$12 million – great news for residents of the Basin, but with such a broad mandate, determining how to best focus these resources is an ongoing challenge for the organization. That’s why your input is important as we look to review the way we deliver benefits in the Basin.

Engaging with communities to ensure Basin priorities are reflected in the work we undertake in the region is paramount. In October 2007, for example, CBT hosted the Change and Sustainability Symposium in Castlegar. The event brought together about 300 Basin residents to connect, listen, learn and talk to one another about various Basin issues.

Since the symposium, CBT was able to respond to many of the issues that were raised, including: affordable housing, climate change, and how to help communities plan for change. Through events such as the symposium, we hope to work with residents and communities to find solutions to these shared challenges, celebrate accomplishments, and strive for greater self-sufficiency.

I would like to thank the people of the Basin for continuing to work with us. It is your voices and your ideas that make this region the place we all want to call home. Together we are creating a better life for present and future generations.

I look forward to working with all of you in the coming year.

CBT Advisory Committees

CBT has a long-term vision for the Basin. We want the Basin to be a place where social, environmental, and economic well-being is fostered and collaborative relationships are established across the Basin where communities work together in a spirit of mutual support and respect for each other’s differences.

In order to develop and implement programs and initiatives that respond to community needs, CBT works closely with Basin residents, in particular receiving advice from residents who volunteer their time on three core advisory committees in the mandated areas of social, economic, and environment.

“We depend on our Advisory Committees to serve as a link to the priorities and trends in the Basin,” said Sabrina Curtis, CBT’s Director of Policy and Planning. “Having a balance of talent and experience on these committees helps us address issues in each core area in a more holistic way.”

The Committees may have up to 12 members, and each member typically serves about three years, providing advice to CBT with respect to delivering benefits to the Basin, according to the vision and principles outlined in the Columbia Basin Management Plan. These Committees are one mechanism for input into the Delivery of Benefits decision-making



In order to develop and implement programs and initiatives that respond to community needs, CBT works closely with Basin residents.

process, providing advice to CBT on a range of issues including:

- Regional issues and priorities for CBT;
- Goals and objectives for addressing identified issues and priorities;
- Strategies and activities for achieving goals and objectives; and,
- Other areas, as may be periodically requested.

The Youth Advisory Committee is another group made up of 15-29-year-olds that helps CBT address and prioritize youth initiatives.

CBT’s Youth Liaison, Dana Welsh, supports the committee and provides guidance as well as skill development workshops: “We want youth to feel empowered, so we give them the ability to make substantial decisions, such as reviewing youth grant applications and actually choosing recipients. Engaging youth in this meaningful way now means they’ll be more likely to be involved in their community in the future.”

If you are interested in joining a CBT Core Advisory Committee, contact us at 1.800.505.8998 or info@cbt.org. To get involved with the CBT Youth Advisory Committee download an application from www.scratchonline.ca or contact Dana Welsh at 1.800.505.8998 or dwelsh@cbt.org.

“Until this past year, the extent of my knowledge about CBT was limited mainly to the generous donations I saw them making to various environmental and arts organizations and projects. I was somewhat apprehensive when I approached CBT about funding the LOT project. We were in the early planning stages and though we knew what outcome we were hoping for, we were not really sure on how we were going to get there.

I found the application process helped establish our project plan earlier, both in clarifying our goals and financial needs. The process requires applications for funding justified and it now gives more credibility to the projects I see endorsed by the CBT.

If residents have a project they think is worthwhile, I would encourage them to approach the CBT. The inquiry may not necessarily result in the financial support, but the expertise of CBT staff and the application process provides the groundwork needed to kick-start just about any successful plan.

Frankie Reekie, The Love Of Theatre (LOT) Committee member and first time CBT funding applicant.



Over the past year, we set strategic priorities to address key issues that matter most to the people we serve and have a strong foundation from which to meet community needs.

In addition to working with community groups on projects and providing access to funding, CBT staff work to provide meaningful information to communities, facilitate collaboration and act as resources.

DELIVERING ON BASIN PRIORITIES

2008 State of the Basin Report

Have you ever wondered what the average income level is in your community? Are you curious about how it compares with neighbouring communities, or with other rural areas in BC? Are you eager to know how environmental conditions are changing in the region?

CBT is responding to this demand for information. The State of the Basin initiative is testing a model for monitoring and reporting on social, environmental, economic, and cultural indicators and trends in the Columbia Basin region.

“Information can be difficult to find and interpret without a lot of effort,” says Sabrina Curtis, Director of Policy and Planning. “Given the rapid pace of change in today’s society, it is more important than ever to have access to current and reliable information.”

Indicators are factors that can be measured to provide information and clues about conditions in complex systems. We already use indicators every day. For example, most people are familiar with indicators such as stock market indexes, unemployment rates, and water quality coliform counts.

The 2008 State of the Basin Report transforms information available from public sources into a compilation of selected indicators and trends

The 2008 State of the Basin Report is testing the waters by presenting a sample of credible, locally-relevant information. Help CBT evaluate this model by providing your feedback online at www.cbt.org/stateofthebasin.

that are meaningful to Basin communities. This is the first time this has been done for the Basin area. It informs us about current conditions in the region and in local areas, and prompts us to ask questions and learn more in order to fully understand what is happening and what the implications might be for ourselves, our families and our communities.

By providing accessible, credible information, the intent is to make it easier for Basin residents, communities, and organizations to know more about the area and to use up-to-date local information in planning and decision-making.

“CBT encourages you to discuss the indicator results in this report with others to better

understand the unique local conditions and to participate in actions to improve the well-being in your area and in the Basin,” said Curtis.

The State of the Basin model has been developed by a thorough review of indicator models used elsewhere, guidance from a working group of Basin residents and a team of technical advisors and preliminary input from Basin residents through a series of community workshops.

The model also consists of a website that hosts the report itself, as well as raw data and other information links. In the near future, CBT also intends to support some pilot planning efforts in the Basin that incorporate the use of information.

Now CBT wants to hear from you. **We need your input.**

CBT invites you to explore the report and website and submit your feedback to help us evaluate this model.

The report and feedback form are available either online at www.cbt.org/stateofthebasin or by contacting Rina Gresiuk at 1.800.505.8998 or rgresiuk@cbt.org.

MESSAGE FROM THE CEO



NEIL MUTH
President and CEO

With a broad mandate to strengthen the Columbia Basin region, CBT offers residents a suite of programs and initiatives that is diverse and responsive to their needs.

This past year, we set strategic priorities that focused on issues that residents of the Basin told us were important to them, including dealing with the environment and climate change impacts, creating opportunities for greater youth collaboration, and looking at affordable housing concerns in the region. These are all issues we are responding to and that you can read about in this Report.

One of the lessons we learned is that funding support is just one role CBT can play in addressing issues. In addition to working with community groups on projects and providing access to funding, CBT staff are working to provide meaningful information to communities, facilitate collaboration within communities and act as resources. This year we explored those roles.

While engaging with communities in the region is a key focus for us, we are safeguarding our means of providing support to communities by acting as effective stewards over our own resources. We have adopted a Statement of Investment Policies and Procedures to guide the management of our investment portfolio.

All of our accomplishments over the past year have been made possible with the efforts of volunteers, partners, staff and board members. Their contributions help build the legacy we envision for this region.

I look forward to working with everyone in the coming year.

CBT and Selkirk Launch Classroom on Wheels

CBT and Selkirk College launched the first Industrial Mobile Training program in the Kootenays this fall.

The program consists of a unique educational plan where equipment and instructors travel to communities to offer specialised industrial training. The ‘classroom on wheels’ will travel throughout the Basin on a 40-ft. flat bed trailer and truck tractor.

“CBT is excited to be supporting this innovative program,” said Wally Penner, VP

of Community Partnerships. “It has taken a lot of research to determine what future labour concerns were and the best way for CBT to aid in relieving those concerns. This programming is in direct response to the needs by Basin industry, and we are looking forward to seeing the impact of the results by Selkirk College.”

CBT provided Selkirk College with \$74,000 in support of the first phase of the program which will see participants being able to



take provincially-licensed certification in general areas such as forklift, air brakes, industrial rigging and scaffolding.

Anyone interested in the Industrial Mobile Training program can contact the coordinator at Selkirk College by calling 1.888.953.1133.



A LEGACY FOR THE PEOPLE



WALLY PENNER
VP of Community Partnerships

The creation of CBT, though borne from a process of extensive consultation with Basin residents, also represents a time when there was an absence of local input.

I personally remember the impact the Treaty dams had on people and communities in the 1960s. I grew up in Renata and watched as people lost their homes, their livelihood, and their very way of life.

The experience and the eternally vivid memories, I believe, pre-determined my path in life. In so many ways, it feels like I've come full circle to work for the organization that is helping to ensure the residents of the Basin are engaged in the decisions that impact their life in this region.

CBT is committed to involving residents and communities in the Basin. More than that, we are accountable to you. We want residents to identify with a Basin culture and to feel a sense of belonging to a Basin community, and one way we do this is by connecting with you.

I have travelled the roads of the Basin a thousand times over. I see you in the coffee shops and chat with you in the corner store. We also have four offices in the region – in Castlegar, Nakusp, Golden and Cranbrook – where our Community Liaisons support you, are a resource, and build partnerships.

Your voices matter to us. We're here to serve you and to support the people of the region in their efforts to create a legacy of social, economic and environmental well-being, for now and into the future.

You can reach me or any of our Community Liaisons by calling 1.800.505.8998 or take a look at the back page of this Report for more detailed contact information.

I'm looking forward to working with you in the coming year.

Creation of Columbia Basin Trust

Columbia Basin Trust (CBT) was created by the Columbia Basin Trust Act in 1995 to benefit the region most adversely affected by the Columbia River Treaty.

The Treaty, signed in 1964 between Canada and the United States, created dams that improved flood control and power production; however, the resulting reservoirs flooded sections of highly productive land, traditional First Nations' land were lost, communities were displaced and entire fish and wildlife habitats were destroyed.

Local governments in the Basin coordinated their efforts at the regional district and tribal council level under the Columbia River Treaty Committee, which first met in 1992, to press the provincial government to recognize the impacts to the region.

The Committee, in partnership with elected officials from the region, negotiated with the Province. They had two objectives:

- 1 The creation of a trust governed by a board of Basin residents.
- 2 The allocation to the region of funds representing a fair share of the ongoing downstream benefits earned under the Treaty, to be managed by the trust.

Negotiations were successful and Columbia Basin Trust was formed. A binding agreement was also established which resulted in a \$295 million endowment from the Province:

- \$276 million to finance power project construction;
- \$45 million, which CBT used as an endowment; and

- \$2 million per year from 1996 to 2010 for operations.

The Province further committed to transfer \$250 million to Columbia Power Corporation (CPC), CBT's Joint Venture Partner in power projects in the Basin. Fifty per cent of the net profits go to CBT for the benefit of the people of the Basin.

With a unique mission to support efforts by the people of the Basin to create a legacy of social, economic and environmental well-being, CBT works with residents, communities, local governments and First Nations to achieve greater self-sufficiency for present and future generations.

Learn more about the creation of CBT at www.cbt.org.

About Columbia River Treaty

Canada and the United States were facing two major challenges in the Columbia Basin after the Second World War: the "untamed" Columbia River was causing periodic and sometimes devastating flooding, and an upswing in the economy and population increased the need for additional energy sources.

The solution to these challenges was to store water in the upper Columbia Basin in Canada. In 1964, Canada and the United States ratified the Columbia River Treaty (CRT) which served to coordinate flood control and to optimize electrical energy production in the Columbia River Basin in the US and Canada.

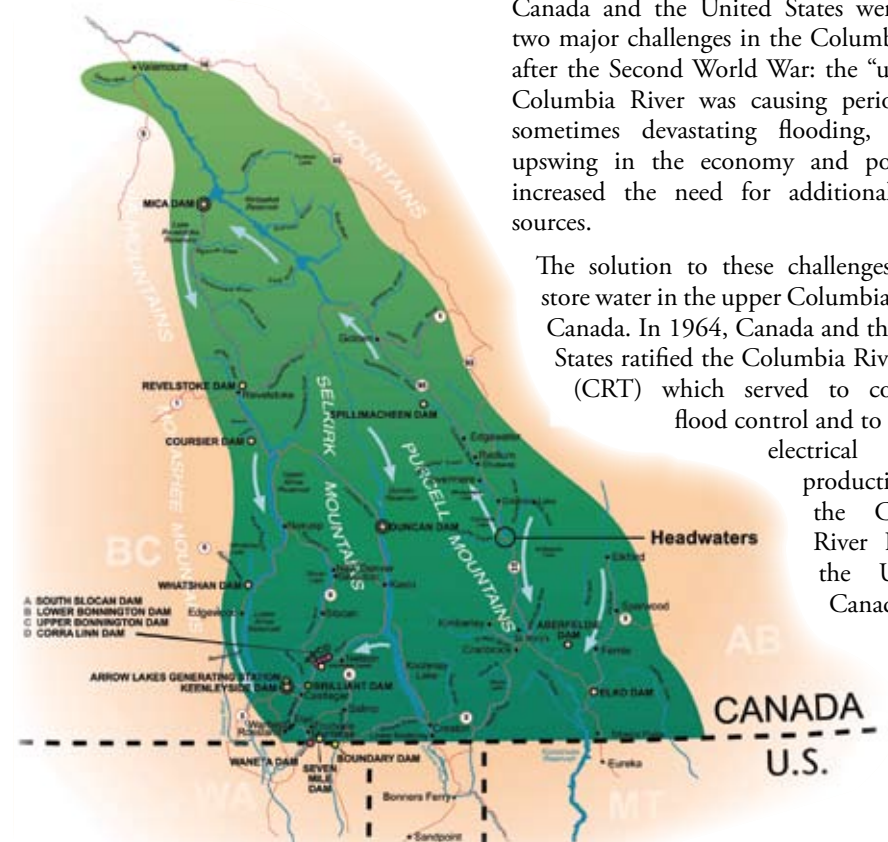
Under the CRT, Canada agreed to build three storage dams – Hugh Keenleyside, Duncan and Mica – in southeastern BC. A fourth dam – Libby – was built in the US.

In exchange for the storage of floodwater, Canada received US \$64.4 million. In addition, Canada is entitled to one half of the extra power generated at US power plants on the Columbia River (the downstream benefits) that result from the operation of the storage sites in Canada.

There is no official "expiry date" for the CRT. The CRT can be terminated or re-negotiated in 2024, if notice is given ten years prior (2014). However, certain terms of the CRT, particularly those covering flood control, change automatically in 2024.

The CRT is extremely complex and affects a wide variety of people on both sides of the border. CBT is committed to developing an effective working relationship with all levels of government to ensure the people in the Basin are consulted and engaged in the process.

Learn more about the CRT at www.cbt.org.





Columbia Basin Trust was created in 1995 to benefit the region most adversely affected by the Columbia River Treaty.

REMEMBERING OUR PAST FOR A BETTER FUTURE

Columbia Basin Trust is collecting stories from Basin residents who were affected by the construction of the Hugh Keenleyside, Duncan, Mica and Libby dams, and to share these largely unknown stories with a broader audience.

The Columbia River Treaty, signed in 1964 between Canada and the United States, resulted in the creation of three treaty dams - Hugh Keenleyside, Duncan, and Mica in southeastern British Columbia. A fourth dam, Libby, was built in Montana. The dams created the Arrow Lakes, Duncan, Kinbasket, and Koochanusa reservoirs, which displaced 2,300 Basin residents.

“It’s important to remember the stories of all those residents who were impacted by the creation of the dams and to share these stories with a larger audience,” said Wally Penner, VP of Community Partnerships. “This project will document what life was like prior to, and after, the construction of the dams and the flooding. The stories will be captured through photos, audio and video recordings, and in written form.”

Please visit www.cbt.org/The_Basin for project updates and to see and hear some of these stories. If you would like to share your story, contact Nancy Boucher at nboucher@cbt.org or call 1.800.505.8998.

Community Initiatives Program

This year Columbia Basin Trust increased annual funding by \$2 million and made a three-year, \$10 million commitment to its Community Initiatives Program, including the affected areas funding component.

The Community Initiatives Program (CIP) is CBT’s largest and longest running program, disbursing almost \$16 million dollars since it commenced in 1998. A portion of the CIP funds are allocated to affected areas, the areas of the Basin most affected by dam construction under the Columbia River Treaty, while the remaining funds are allocated throughout the Basin.

“I am pleased that we have been able to recommit to the Community Initiatives Program,” says Garry Merkel, Chair of the CBT Board of Directors. “To me, the unique and defining characteristic of the program is that it provides a tool that helps local communities shape their own futures.”

This community-based granting program incorporates residents’ input in the selection process and is delivered by the local governments. Following is the allocation of funds for each district this year:

- Central Kootenay: \$1,155,659
- East Kootenay: \$978,745
- Kootenay Boundary: \$267,623
- Golden & Area A: \$283,097
- Revelstoke & Area B: \$588,984
- Fraser Fort George Area H and Valemount: \$227,783
- Ktunaxa Nation Council: \$71,884

To learn more about the program and to apply for funding, visit www.cbt.org or call 1.800.505.8998.



**Ivan and Nancy Graham
Revelstoke**
Ivan and Nancy moved to the Columbia Valley to Sidmouth in 1956 where they bought 40 acres of land to begin a life of farming and forestry.



**Roy Coleman
Castlegar**
Roy was raised in Deer Park where his parents owned and operated the store and post office.



**Lloyd and Ruth Sharpe
Baynes Lake**
Lloyd and Ruth have lived in Baynes Lake since 1951 where they ranched 700 acres of land and remember the transition from horses to mechanized farming.



**Janet Spicer
Nakusp**
Janet still owns what is left of her parents’ farm in Nakusp which was famous for its production in the 1950s. Farming continues to be her calling.

See these and other stories online at www.cbt.org/The_Basin.

Renovations underway at Creston Museum’s South Wing

Our ability to safeguard the artifacts of our history is only as effective as the buildings we house them in.

After years of faulty electric wiring, flooding and water seepage, bat and bug infestations, and an inadequate climate control system, the Creston Museum is making a \$350,000 upgrade to the problematic south wing.

“This needs to be done,” said museum manager Tammy Hardwick. “It is a horrible building for a museum - it’s not safe for the

artifacts or for the people visiting. Really, we were less than five years away from not being able to use the building at all, which would mean losing a third of our collection.”

Local fundraising drives and large donations have made this project possible with \$76,000 from the Department of Canadian Heritage, \$40,000 from CBT and \$29,000 from the Columbia-Kootenay Cultural Alliance, an organization also supported by CBT.



Follow the progress at www.creston-museum.bc.ca.



BRINGING HISTORY BACK TO LIFE



Supporting Heritage Tourism

The Sullivan Mine Interpretive Centre is a celebration of Kimberley's rich history and a legacy for future generations.

Once the largest underground lead and zinc mine in the world, the mine employed 65,000 workers from its discovery in 1892 until it closed in December 2001. The City of Kimberley was born through the mine's success and it continued to be a key pillar in the community's economy until it closed.

Recognizing the mine's deposits would eventually be depleted, the City of Kimberley began to consider its future as a tourist destination as early as the 1970s. With the hard work and dedication of the Sullivan Mine and Railway Historical Society, and countless volunteer hours, this vision was realized on May 19, 2007 when the doors to the Sullivan Mine Interpretive Centre were opened.

"Canada, the Province of British Columbia and the City of Kimberley are now all richer due to the preservation of the history of a significant example of Canada's extensive mining history," said Mick Henningson, President of the Sullivan Mine and Railway Historical Society.

The first phase of the Sullivan Mine Project began ten years ago, and created tours through historical sites that detail mining and describe the social history of the area. The tour includes a theatre replica that existed from the 1920s to the 1940s, a school that operated in the early 1900s, a re-creation of a typical 1920s miner's residence, and the powerhouse that provided compressed air and DC power and was the driving force of the Sullivan Mine from 1916 until 2001.

The second phase of the project, allowed visitors to tour through a one-of-a-kind, 200-metre underground tunnel, by train, to an authentic mining refuge station. Here visitors can take guided walking tours featuring live demonstrations of old-time mining equipment, as well as historical displays. This underground centre offers visitors a rare look at hard-rock mining, the industry that fuelled the growth of Kimberley.

CBT is proud to be a supporter of the centre, providing funds for the second phase of this remarkable project. A number of upgrades are planned, including the powerhouse building, which houses six massive compressors, some 100 years old, that operated until the mine closed.

Historic 'Doukhobor' Bridge Restoration

Have you ever thought about the importance the history of your family and the history of your community play in your life?

CBT believes in fostering the link we have with our region's history by supporting projects that preserve these histories so generations of Basin residents will continue to connect with our region's early struggles and successes.

That's why CBT committed \$200,000 toward the restoration of the Brilliant Suspension bridge near Castlegar.

"The Columbia Basin Trust knows what a vital link the Brilliant suspension bridge is to our local Doukhobor heritage and culture," said Wally Penner, VP of Community Partnerships. "Its restoration will connect future generations to their past, as people will be able to, quite literally, walk in the footsteps of their forefathers."

Brilliant Suspension Bridge Restoration Committee member, Lawrence Makortoff, said CBT's support was a huge boost toward helping the Committee reach its original fundraising target of \$750,000.

"The Committee has been working hard over the last few years to return this national historic site to its original form, and CBT's commitment is a significant step in making this dream a reality," said Makortoff at the time

"The Columbia Basin Trust knows what a vital link the Brilliant bridge is to our local Doukhobor heritage and culture."

Wally Penner

CBT's commitment was announced.

More than 40 groups and organizations have since committed to the project, and on August 11, the BC Government also got on board with \$451,500 from the LocalMotion program.

With finances now in place and an agreement reached with the

Regional District of Central Kootenay (RDCK) to take ownership of the project, restoration of the bridge is set to start later this year.

"This will be a regional park service for the Central Kootenays and it will be a huge cultural asset for the area," said Jim Crockett, RDCK Director for Recreation. "For the Doukhobors it will be a tie to their history, but it will also create a tie with the Trans Canada Trail system which will benefit our tourism sector."

Built in 1913 by the Doukhobors, the bridge was one of the first inland bridges constructed in the southern interior, creating a vital transportation link between communities on either side of the Columbia River. Upon restoration the site will feature benches and signage about the project and the bridge's history for users to enjoy.

For more information on the project, visit www.brilliant-bridge.ca.





More than 13,000 households or approximately 21% of all households in the Basin were spending more than 30% of household income on housing in 2006.

By bringing Basin communities together, CBT can work with residents to find solutions to shared challenges, celebrate accomplishments, and strive for greater self-sufficiency.

STRENGTHENING SOCIAL WELL-BEING

Planning for Affordable Housing

No social issue appeared on the pages of Basin newspapers this past year like affordable housing. Whether you were looking to own a home or whether you were looking for a place to rent – you would have noticed the slim-pickings and the higher-than-ever costs.

Many Basin communities are transitioning from resource to recreation and resort based economies, and while this transition has increased property values, it also reduced the housing supply and many communities have identified concerns in affordability and availability.

“This year we had workshops to find out the concerns of the communities we serve, and based on that we developed a strategy to work with the communities in resolving these issues,” said Aimee Ambrosone, CBT Policy Advisor. “Housing was head-and-shoulders above any other issue, so we knew that’s where our focus had to be this year, and now we are working on finding the best ways in which to respond and provide assistance in strengthening and enhancing the communities’ abilities in dealing with the issue.”

CBT partnered with the BC Non-Profit Housing Association (BCNPHA) to produce a report looking into the issue of affordable housing. It’s available online and is a good starting point for communities to look at existing models and strategies.

CBT also sponsored a very well-attended East Kootenay Regional Housing Forum, held in Cranbrook this past April. Hosted by

the Cranbrook Housing Coalition and Community Futures East Kootenay, with participation by BC Housing and the Canada Mortgage and Housing Corporation, the forum included provincial and municipal leaders from



A rendering for the new affordable housing units planned in Revelstoke.

the region as well as other interested parties. In addition, CBT hosted a workshop the following evening for smaller communities and groups dealing with a lack of affordable housing and in particular the impact on the seniors in their communities.

Revelstoke took a proactive approach to its pending housing crisis after the announcement of the development of a new ski resort just outside of town. The City recognized the extra stress that would soon be placed on its growing housing market and the increased housing costs would make it difficult for

those working and living in the community to afford housing.

After consulting with residents and experts, the City addressed home ownership and affordable housing options for long-term residents, and donated large parcels of land (worth over \$10 million) to a newly formed Revelstoke Housing Society (RHS). With funding provided by CBT, a site plan and design was

completed for affordable housing units that will be built and made available only to local residents. These units will also be safeguarded to ensure long-term affordability.

To learn more about CBT’s commitment to addressing housing issues in the Columbia Basin, download the social strategic plan from www.cbt.org or call 1.800.505.8998.



AIMEE AMBROSONE
Policy Advisor

Part of our mission at CBT is to strengthen the social well-being of the Columbia Basin region.

As residents of the Basin there are social issues that affect our daily lives. A number of issues impact us all, whether we are seniors who need accessible services, or young parents who want to strengthen our children’s development.

CBT has worked to improve the social well-being of the region through various partnerships with community groups and organizations, such as the Columbia Basin Alliance for Literacy, to our efforts to provide access to employment training.

This spring, we wondered what more we could do for residents of the region. We talked to over 100 Basin residents about the social issues affecting them, and ways CBT could play a role in addressing those issues.

We used the advice from these residents, and from an advisory committee of volunteers from different communities, to help build a three year strategic plan that outlines how CBT will tackle social issues.

For more information on this strategic plan, contact me for a copy.

We will continue to collaborate with organizations and communities on social issues, and lead action to build a better Basin for us all.

We are always interested in hearing from you on ways CBT can address social issues in the Basin. I can be reached at aambrosone@cbt.org or 1.800.505.8998.

“I wanted to express our appreciation for CBT’s work in bringing us together with other community representatives. To have the opportunity to ask questions of real people clarified some of the cloudy areas and we had a sense of what our next steps could be, how we could approach the different agencies for proposals, and also with a sense that they were there to help, that they wanted us to succeed and would also look for ways to make the projects successful.”

Alanda Green, Treasurer for the Kootenay Lake Eastshore Eldercare Association, on behalf of Chairperson Peter Duryea and the KLEECA following a CBT-sponsored forum on housing.

DID YOU KNOW?

Just over 70% of the dwellings in the Basin were detached houses in 2006, compared to just under 50% in BC. Everywhere in the Basin there were a greater proportion of detached houses than in BC.

Register now for the 2009 Youth Forum!

April 3 – 5, 2009

Join youth ages 15-29 from around the Basin in formulating ideas and moving them to action. Accommodation, food and transport are all free, so free your creative spirit and fill out the application at www.scratchonline.ca or call 1.800.505.8998 for more info!



GIVING BASIN YOUTH A VOICE

Engaging Youth: A Priority for CBT



DANA WELSH
Youth Liaison

Young people are a part of the legacy of social, environmental and economic well-being in the Columbia Basin. Involving youth in the policy decisions of today ensures they are involved in the future. That's why Columbia Basin Trust

has made an active commitment to the on-going engagement and development of young people in the Basin. It has been an enthusiastic and key component of our work since inception.

Through direct consultation and involvement with young people we have consistently developed and partnered for outstanding, nationally-recognized youth programming. It has always been our mandate to support youth-led initiatives that support the well-being of the Columbia Basin region.

We are delighted in the successes of our programs, like the leadership development of our Youth Advisory Committee program and the hundreds of thousands of dollars delivered through our youth grants program. I am continually amazed by the youth-led initiatives we see in the Basin; when given the opportunity, the means and the skills, youth are ready and willing to make a difference in their communities. You'll see some of these stories in this Report.

We are also eagerly anticipating upcoming initiatives like our municipal youth engagement strategy and the chance to engage whole systems change with our partner communities.

All these activities will continue to ensure that young people are a part of the continued social, economic and environmental legacy of the Columbia Basin Trust.

For more information about how CBT works with youth, please visit www.scratchonline.ca, our youth-specific website or call me at 1.800.505.8998 or email dwelsh@cbt.org.

The Youth Advisory Committee is an important part of how CBT engages and works with youth in the region. This group of involved, inspired, creative youth from around the Columbia Basin are interested in making a difference in their communities. Committee members could be involved in any number of projects, from cultural events and youth forums, to special projects and website moderating. In addition, members of the committee help CBT evaluate the Columbia Basin Youth Grants and help CBT set priorities in youth-focused programs. If you or someone you know would like to get involved, visit www.scratchonline.ca and download an application form.



Here's what some of our YAC-ers (as we affectionately like to call them) had to say:

Why are you involved in YAC?

I wanted to do something where I was helping my local area and community. It was also an opportunity in meeting new friends and experiencing new things.

Adam Ferch, Castlegar

It's a great way to be involved in the Basin. It makes me aware of current events in my area, and I enjoy having a say in what happens in our community.

Victoria Simmerling, South Slokan

As a youth, what is your role in shaping the future of the Basin?

I strive to be an ambassador of positivity for this region. My goal is to inspire youth to get involved within their communities, not be intimidated to do so, and not to be held back because of age.

Melissa Koftinoff, Nakusp

To be aware of relevant issues in the region and be active in the issues. It is important to lead by example and show fellow youth that we need to be involved in our community in order to create change in a positive way.

Lauren Fox, Fernie

Being on YAC! Speaking out and knowing what is going on in the place I live and being as involved as I can. Making sure my voice is heard – we are the ones that will be living here in the future.

Liv Lundh, Ymir

I like to believe that my role in shaping the future of the Basin is to offer my time, effort and ideas in any way, shape, or form to try and make the Basin even better than it already is. I know that one person cannot change everything, but I think that if we all group together and try, we can change more than we think. And I want to be a part of that.

Britney Durand, Elkford

What is a concern you have for the future of our region?

Socially, I have concerns with the urbanization of the region and the effects it will have on current Basin residents. Environmentally, I feel a changing climate will be the largest catalyst for progressive environmental awareness in the Basin.

Jordan Osiowy, Cranbrook

The environment. I am seeing more and more new subdivisions being built. Bigger stores, more restaurants, more people are moving to this beautiful part of Canada every day it seems. This means more vehicles on the road, more garbage to be thrown out, etc. It is a great thing for our economy, but I just don't want our fragile environment to suffer.

Talin Verigin, Castlegar

Why is a group like YAC important in our society?

I believe that fresh opinions and ideas are always important to keep balance and keep the world moving forward. Youth growing up in different places, surrounded with different cultures, have valuable views and beliefs to share. Groups like YAC are the perfect places to share them.

Kamilah Carter, Crawford Bay



“Awareness is the first step to changing the path this planet is on. Youth involvement and commitment will be the key to hope for our future.”

Katelyn Jmaeff, Project Coordinator, Inspiring Youth for Change

Youth Initiatives in Action



The Cranbrook Interact Group lets loose with some of the children from a Honduras orphanage they helped this past Spring.

Imagine traveling to Honduras after major hurricanes struck.

This was the mission of the Cranbrook Interact group this past Spring, supported in part by our CBT Youth Initiatives program.

The group of 15-19-year-olds were given the chance to meet and experience the rich, yet impoverished culture of Santa Barbara and small villages across Honduras after raising \$10,000 for a girl’s dormitory at a local

orphanage. Twelve members of the group and two chaperones made the trip to Honduras to deliver the funds they raised.

“This was a youth empowerment project,” said chaperone Rob Osioy. “We hope to inspire young people to come up with their own community projects, and to give them the sense that they are contributing to the world. This was also a great networking experience for them with youth from Honduras and

hopefully it will be one they will continue to learn from.”

While the main reason for the trip was to help with the construction of a dormitory and to help paint a local school, another aspect was to document it. The group completed both a video documentary and collected a photo library of the trip which toured 10 Basin communities this Fall.

Watch the video online at www.youtube.com/user/CranbrookInteract.

DID YOU KNOW?

The first CBT youth position was created to sit on the Public Advisory Committee following a 1997 public symposium. Two years later CBT took it a step further and created a Youth Task Force to create a youth strategy. That same year the Board approved the formation of a separate Youth Advisory Committee and an on-going Youth Coordinator position. Today, Youth Initiatives involve many different aspects.

- **Columbia Basin Youth Grants** is a program that funds projects and activities involving and benefiting Basin youth.
- **Youth Media** consists of scratchonline.ca and Scratch Magazine for youth to share their artwork, photography, writing, and ideas.
- **Youth Centre Coalition** works with all the youth centres in the Basin to assist in the development of a youth centre network.
- **Basin Youth Action Forum** creates a means for young people in the Basin to get together, form ideas, and move them in to action. Register for the 2009 forum at www.scratchonline.ca.
- **Youth Community Service Award Scholarship** provides \$2,000 to graduating students pursuing post-secondary education or training. The award is focused on community service rather than academic achievement. Apply online at www.cbt.org.



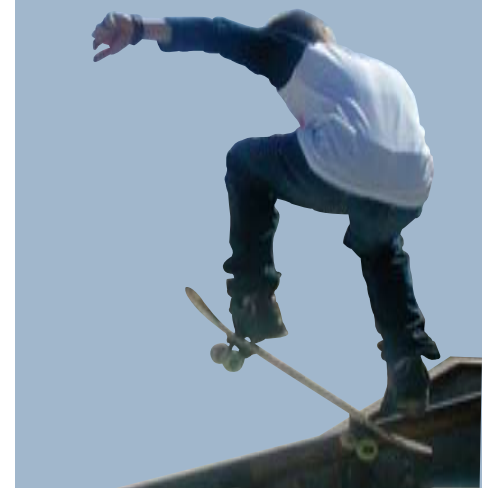
YOUTH INSPIRING YOUTH

Columbia Basin Trust is taking an active role in developing opportunities for young people in the Basin by investing in projects and ideas brought forth by young people 15-29 years old and through a variety of programs and initiatives which encourage youth engagement, like the Environment, Peace and Social Justice Conference, organized by Inspiring Youth For Change (IYC) in 2007.

More than 800 youth gathered to discuss ways to take action in creating a better world.

During the conference the youth drew up a declaration mapping their vision for a perfect world and steps on how to achieve it. Six months later this declaration was hand-delivered to parliament.

“Awareness is the first step to changing the path this planet is on,” said Katelyn Jmaeff, project coordinator for IYC. “Youth involvement and commitment will be the key to hope for our future.”



A Strategic Plan for the Environment

CBT has created a draft strategic plan for the environment with considerable input from residents, partners and an advisory committee of volunteer Basin residents. To receive a copy of the plan, contact Rina Gresiuk at rgresiuk@cbt.org or call 1.800.505.8998.



CONSERVING THE BASIN; SECURING OUR FUTURE

Protecting our land, our way of life



KINDY GOSAL
Director of Water and Environment

Much of the work we do around water and the environment involves building awareness, partnerships and collaboration, as well as acting as a facilitator or convenor when necessary.

In the area of water, CBT is working in partnership with a variety of community groups, local governments, First Nations, and provincial and federal organizations to increase residents' understanding of water issues in the Columbia Basin. We are starting to work cooperatively towards a common agreement for the future management of our shared water resources.

In order to build a better understanding of climate change in the Basin, CBT has convened a number of educational forums featuring some of North America's foremost experts to help residents and communities understand what these changes mean for them. We are currently working with the communities of Kimberley and Elkford on a year-long initiative to see what actions communities can take to minimize the impacts of climate change as well as increase their resiliency.

On the environment side, CBT partners with groups like Columbia Basin Environmental Education Network (www.cbeen.org) or Wildsight's Classroom with Outdoors Program (www.wildsight.ca) to provide environmental education opportunities for the young and more seasoned residents of this Basin. In addition, CBT's Environmental Initiatives Program provided nearly \$350,000 this year for 34 projects around the Basin and our land conservation efforts have protected a dozen critical areas to date.

It's critical that we create a foundation for a healthy environment with a commitment to long-term and enduring stewardship of the Basin's natural biodiversity, its water resources, and sufficient ability to meet environmental challenges. Together we can make this happen.

Contact me at kgosal@cbt.org or 1.800.505.8998.

The Columbia Basin is home to an abundance of natural resources, critical habitats and diverse species. The spectacular natural surroundings and the associated opportunities and way of life are what draw visitors and inspire many to stay and reside in this region.

"We recognize environmental health is strongly linked to human health and welfare, as well as the health of the regional economy," said Kindy Gosal, Director of Water and Environment. "If we are to ensure the social and economic well-being of people and communities in this region, we must continue to work to maintain and improve the environmental integrity of the Basin."

Residents of the Columbia Basin are fortunate to live in region full of ecologically significant areas that also have a rich culture and history and CBT continues to engage residents in the long-term stewardship of our natural resources. To ensure the integrity of these areas, CBT works with land conservation organizations to identify properties with social, economic and environmental significance to Basin communities with the aim of conserving these values for future generations.

Partnering with CBT in this initiative is the East Kootenay Conservation Program (EKCP). Made up of 46 different land conservation, industry, and government organizations, the EKCP works to identify biologically significant parcels of land to protect in the Basin.

Dispelling the myth: land conservation doesn't mean "no access"



SABRINA CURTIS
Director of Policy and Planning

"Acquiring land for conservation purposes too often gets wrongly interpreted as 'locking up the land,'" said Sabrina Curtis, Director of Policy and Planning. "In fact, this is not the case with the types of projects CBT engages in. Our initiative is about participating in efforts which will maintain a range of community values on lands in the Basin. For example, if a tract of land has



"We recognize environmental health is strongly linked to human health and welfare, as well as the health of the regional economy."

Kindy Gosal

"In the past, land conservation was done in a more ad hoc fashion, with each group working on its own," said Sabrina Curtis, CBT Director of Policy and Planning. "Groups were essentially competing for resources as they worked in isolation from one another. The EKCP program changed all that as the groups now work cooperatively to conserve important areas in the Basin."

The EKCP works across the region in their

been identified for conservation and part of it has a working ranch on it, in all likelihood, the activities of the ranch do not comprise the intended conservation efforts, and business will continue as usual for that ranch. The same applies to existing hunting, non-intrusive recreational use and First Nations use. Just because land is being conserved, does not mean that all other activity in that area stops. It's about balancing usage and maintaining biodiversity."

The main objective within CBT's land conservation strategy is to provide funding

land acquisition efforts and ensures an inclusive land management planning process.

"We are at a critical juncture in our development as a region," said Nancy Newhouse, EKCP program manager. "Land conversion and loss associated with unprecedented rates of commercial, residential and recreational growth and development call for coordinated action, and the fundamental challenges are that the highest value wildlife habitat is concentrated in the valley bottoms, much of which is privately owned."

Robin Rivers is with the Nature Trust of BC, one of the partner groups under the EKCP, and said this program is the framework for success amongst conservation groups, industry and government.


"Land has become much more expensive on a per acre basis and there are more competing uses for these important lands," said Rivers. "Highways, power lines and similar right of ways, dams, forestry roads, mineral development and residential development all have had a major impact on the wildlife corridors that have been used for thousands of years in the Kootenay region."

Committed to building this program, CBT has increased its annual budget for 2008/09 to \$535,000. To date, CBT has provided more than \$1.4 million to land conservation initiatives in the Basin and protected a dozen critical areas throughout the region.

towards community-supported, multi-stakeholder land conservation efforts, which will assist in maintaining a range of community values on lands in the Basin.

Retaining biodiversity on private land can be effectively achieved through a number of tools such as land acquisitions, conservation covenants, landowner stewardship and education programs.

Learn more about our land conservation program online at www.cbt.org.



CBT has provided more than \$1.4 million to land conservation initiatives in the Basin and protected a dozen critical areas.

CBT has made it a priority to help Basin residents understand climate change and how the predicted changes will impact you, your family, and your community.

Taking action on Climate Change

Communities Adapting to Climate Change is a new planning and action initiative for local governments in the Basin being spearheaded by CBT with input from an advisory committee consisting of a number of provincial, federal, and academic organizations as well as First Nations and local governments.

“Decisions made today about how we manage our community growth, utilize our natural resources, and deliver essential services shape how resilient we will be to climate variability and change in the future,” said Kindy Gosal, Director of Water and Environment. “That’s why we’re supporting the efforts of Basin communities to begin to address climate change impacts at a local level.”

The initiative provides financial, technical resources and expertise to support the communities of Elkford and Kimberley, the two communities selected to take part in the 18-month project, to develop local climate change adaptation plans which will identify practical actions that can be taken at the community level to adapt to local climate change impacts.

“There’s been nothing like this done in BC for us to copy,” said program coordinator Michelle Laurie. “We’re working on something that’s very real to people. Local residents are going to be the ones to feel the impacts of climate change, and it is the responsibility of local government to ensure their communities are prepared for it.”

Corien Speaker, Chief Administrative Officer for the District of Elkford, said this initiative came at the ideal time, as the District was initiating a review of its official community plan (OCP).

“Elkford has completed a number of projects to reduce our impact on the environment, and this initiative

appeared to provide the means for the District to incorporate climate change impacts (into our OCP), while obtaining assistance via CBT for the process,” said Speaker.

The City of Kimberley joined the pilot program with the intent to learn more about adaptation and how to share the information with residents, while also learning from its residents what their concerns were on this topic.

“Our project is all about community learning and sharing,” said Ingrid Liepa, project coordinator for the City of Kimberley. “Kimberley decided to do the project because of its reliance on natural assets and resources for much of its economy - tourism, outdoor recreation, amenity migration, and forestry – and we believe it is important to understand what the long term prospects are vis-à-vis climate change and adaptation.”

Currently Elkford is developing a detailed work plan to carry out the climate change impacts and adaptation planning process. This will include developing a public consultation process, and coordinating the OCP review with the adaptation planning.

Kimberley has developed their work plan with a focus on planning a community engagement program to review the range of predicted climate change impacts and identify local priorities for adaptation planning.

One of the most innovative aspects of this initiative is the creation of its Learning Network. Fully supported by CBT, a number of interested municipalities are kept up-to-date on

the challenges and the solutions experienced by the two participating communities. The goal of this network is to educate its members, so that they can better prepare their municipalities to undertake similar processes, and do so without repeating mistakes. Learn more about the adaptation project and follow Kimberley and Elkford’s progress online at www.cbt.org/climatechange.



Columbia Basin Trust (CBT) is taking action on climate change. From coordinating research documents on regional climate change impacts to working with communities on adapting to anticipated changes, CBT is helping Basin residents understand climate change impacts and helping communities move to action.

CBT’s current climate change projects include:

- Working with communities to help them plan how they will adapt to anticipated climate change impacts;
- Helping local governments understand ways to document community carbon footprints and reduce emissions;
- Hosting a climate change website that will respond to the information needs of residents; and
- Producing science-based, technical research documents to help residents understand what climate change will mean for the Columbia Basin and translating them into plain language.

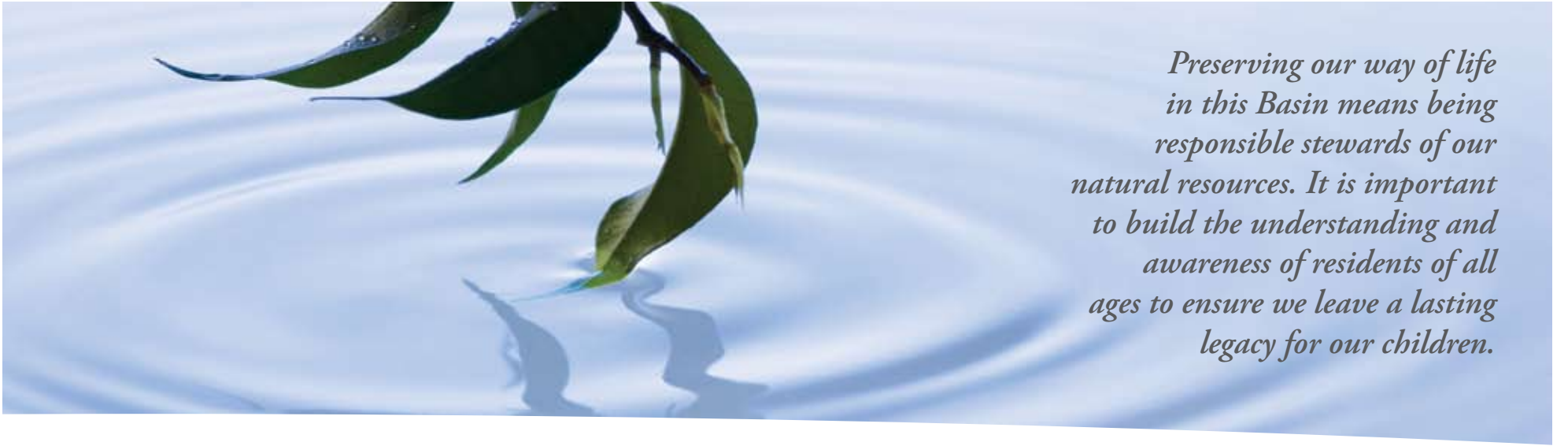
To learn more about CBT’s climate change initiatives, or to download research documents on what climate change will mean for the Basin, visit www.cbt.org/climatechange or call 1.800.505.8998.

DID YOU KNOW?

In the last century the average temperature in the Basin increased 1.5 C.

Glaciers in the Basin have shrunk on average 16%, based on a 15-year period (ending in 2000).

The Slocan and Bull River watersheds lost 47% and 60% of total ice area in recent decades.



Preserving our way of life in this Basin means being responsible stewards of our natural resources. It is important to build the understanding and awareness of residents of all ages to ensure we leave a lasting legacy for our children.

WATER STEWARDSHIP IN THE BASIN

CBT releases report on Basin water quality



Columbia Basin Trust released an easy-to-read Water Quality Report about the factors that affect the quality of water in the Columbia Basin.

“Water is the lifeblood of the Columbia Basin and residents value it in many ways: from safe drinking water, to irrigating crops and raising livestock, to opportunities for recreation,” said Neil Muth, CBT President and CEO. “That’s why CBT is pleased to release this report which aims to help residents learn more about the factors that affect water quality, where contaminants come from, and what each of us can do to help protect water quality in the Basin.”

The 20-page report provides a brief overview of factors that affect water quality. These include physical factors like temperature and chemical and biological factors (both synthetic and natural) such as sediment and pesticides. It also provides information on potential sources of contaminants such as industrial effluent and urban land development.

“The protection and improvement of water quality requires collaboration amongst industry, all levels of government, and individual citizens to promote best management practices,” said Kindy Gosal, CBT Director of Water and Environment. “CBT can play a role in bringing all these groups together to improve our collective understanding of the importance of water quality how we impact it, and how we can all help protect it.”

The Report also provides a list of steps individuals can take to make a difference in protecting water quality in our day-to-day lives, including avoiding hazardous household products, alternatives to pesticides in the garden, and practicing water conservation.

CBT teamed up with the BC Ministry of Environment, the Columbia Kootenay Fisheries Renewal Partnership, Interior Health, University of British Columbia, and Environment Canada to produce the Report.

Download the report and learn more about CBT’s water initiatives at www.cbt.org/water.

Community-based Water Monitoring

Responding to input received from Basin residents, CBT has provided funding to four community-based watershed groups (the Slocan River Streamkeepers Society, Salmo Watershed Streamkeepers Society, Mark Creek Recovery Program, and the Joseph Creek Community Action Team) to launch a three-year community-based water quality monitoring program last April.

“Water is the major issue of the century,” said Jim Duncan, Joseph Creek Community Action Team. “There has been work done to monitor larger rivers in the Basin, but there has been very little work done to look at the tributaries and that’s where the trends (in water quality) show up first. That’s what is important about this program and about local community groups working together with support from provincial and federal agencies in an interlinking network with each other. This kind of network is cutting edge – and that’s very exciting.”

The program has been a long time in the making, starting in 2005 when CBT hosted a gathering of organizations, groups, and individuals who all shared an interest in the protection of Basin watersheds. The symposium created the Columbia Basin Watershed Network (CBWN).

From the outset it was clear that a major concern among members was the ability to monitor the changes to local water quality. With help of CBT and Environment Canada, representatives from a number of community groups were trained in the Canadian Aquatic Biomonitoring Network (CABIN) monitoring method and four groups agreed to enter into a pilot program to establish an integrated water quality monitoring program.

“This project is about establishing a way for grassroots groups to be able to perform scientific water quality sampling, and to have that data shared with other groups in the area,” said Kindy Gosal, CBT Director of Water and Environment. “It is important work that these groups do, mostly on a volunteer basis, and it is CBT’s goal to support local community efforts, and to create networking opportunities for them so they can support each other.”

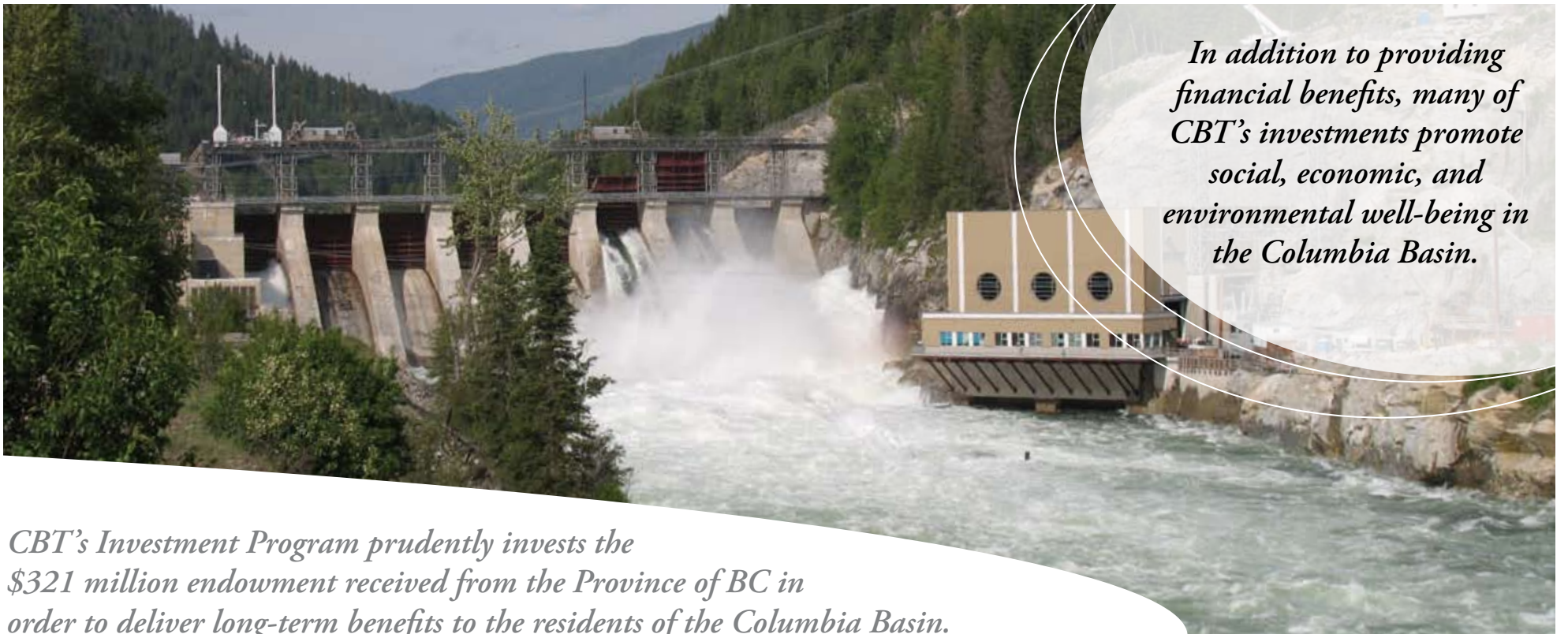
The CBWN’s Water Quality Monitoring Program hopes to have 12 more watershed groups join their efforts. Training in CABIN will be provided at no cost to those groups selected. For more information, email Jim Duncan at waterjim@shaw.ca.



WATERSHED NETWORK KEY ISSUES AND RECOMMENDATIONS

The Columbia Basin Watershed Network is a capacity-building and networking project designed to support community level watershed groups involved in stewardship, restoration, and planning activities in the Basin, funded by CBT. In May, watershed groups, agencies, and local governments came together to discuss shared challenges and opportunities for watershed management in the region in a forum of information sharing and partnership building. Following are the key issues and recommendations identified at the event:

1. Develop a citizens’ guide on the Independent Power Production (IPP) process that outlines how the application process works and highlights where the public can have input;
2. Develop a best practices guide customized for the Columbia Basin on managing urban and rural development in watersheds;
3. Improve the working relationship between local governments and community watershed groups;
4. Expand the number of groups participating in existing community-based water quality monitoring project; and
5. Improve public education and awareness of watershed issues.



In addition to providing financial benefits, many of CBT's investments promote social, economic, and environmental well-being in the Columbia Basin.

CBT's Investment Program prudently invests the \$321 million endowment received from the Province of BC in order to deliver long-term benefits to the residents of the Columbia Basin.

HOW WE'RE ABLE TO SUPPORT YOU

CBT's Investment Program working for you


In 2007/08, CBT delivered over \$6 million in direct funding benefits to Basin residents, thanks to the positive performance of CBT's Investment Portfolio.

"We've experienced a total revenue increase of 20 per cent this past year," said Johnny Strilaeff, CBT's VP of Investments. "We anticipate continued financial growth, with a \$3 million increase to CBT's programs and initiatives to support people and communities."

This means CBT's Delivery of Benefits program will see a total of \$10 million in 2008/09 followed by \$12 million in both 2009/10 and 2010/11.

So how does it work? In 1995, the Province of British Columbia endowed CBT with \$321 million. \$276 million was initially restricted to investment in regional hydro-electric projects, with the remaining \$45 million available for broader investment.

CBT established the Investment Program to prudently invest the \$321 million endowment in order to deliver long term benefits to the residents of the Columbia Basin. The objective of the Program is to generate a predictable, sustainable, and appreciating income stream to fund CBT's current and future Delivery of Benefits obligations and corporate operating expenses.



The Statement of Investment Policies and Procedures defines a governance and compliance framework that clearly establishes authority levels and responsibilities of staff, the Investment Committee, and the CBT Board.

In 2007, the CBT Board adopted the Statement of Investment Policies and Procedures (SIPP) which defines a governance and compliance framework that clearly establishes authority levels and responsibilities of staff, the Investment Committee, and the CBT Board.

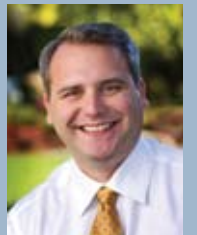
"In the past, CBT had one investment performance objective: nominal annual return on non-power Investments," explained Strilaeff. "But in order to provide broader and more meaningful information to residents, we have refined our investment performance objectives to reflect the individual risk and return profiles for each of the three general categories of our investments."

CBT's investment portfolio includes:

- Power Projects – Regional hydroelectric projects developed in partnership with Columbia Power Corporation.
- Private Placements – Direct investment in Basin-based businesses.
- Market Securities – Investment in publicly traded financial instruments.

Learn more about CBT's investments at www.cbt.org or call 1.800.505.8998.

The objective of CBT's Investment Program is to deliver a predictable, sustainable, and appreciating income stream for the benefit of Basin residents.



With our newly adopted Statement of Investment Policies and Procedures (SIPP) now in place, we can focus on building CBT's investment portfolio and delivering on this objective through investments in Power Projects, Private Placements and Market Securities.

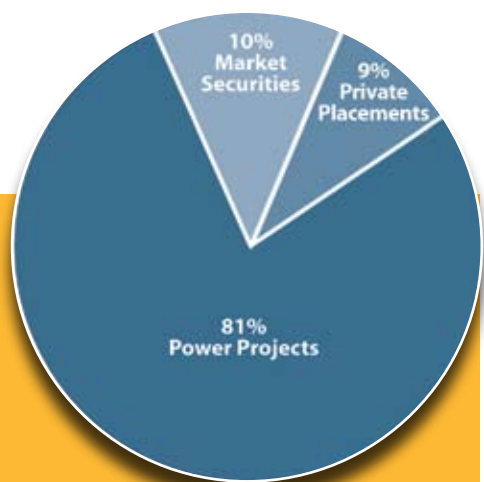
Many of CBT's accomplishments come as a result of building strong external partnerships and this holds true for the Investment Program. Our Power Project investments with Columbia Power Corporation are built on the foundation of an open and respectful partnership.

Many of the investments in the Private Placement portfolio are also made in partnership with other organizations. Our seniors facilities are jointly held with groups of local investors and many of our commercial loans are made in partnership with Basin-based Credit Unions.

I understand the importance of maintaining these relationships and consider them key to our future success.

The policy framework required for successful investment is in place, the forecasted returns from our investments are strong, and the relationships that make the whole process possible are well established. I'm confident the pieces are in place for us to deliver on our mandate.

Learn more about CBT's investments at www.cbt.org or call 1.800.505.8998.



Market Securities:

- Short term deposits, bonds and equities.

What are our Investments?

Power Projects:

- Brilliant Dam
- Arrow Lakes Generating Station
- Brilliant Expansion Project
- Waneta Expansion Project

Private Placements:

- Real Estate – seniors care facilities
- Direct Lending – on a select

basis, CBT invest directly in Basin-based businesses, exclusively managed by CBT so all risks and returns accrue fully to CBT.

- Loan Syndication – Investments made in Basin-based businesses in partnership with regional credit unions, managed jointly with the credit unions.



THE FACE OF CBT INVESTMENTS

REDSTONE GOLF AND LIVING DEVELOPMENT

Working in partnership with Rosland Property Investments Ltd., CBT is pleased to invest in the expansion and development of the 554 acre Redstone Resort in Rosland.

This development is expanding on the already popular golf course and will be adding a much needed cross-section of homes to the area's real estate market.

Robert Felsch, President of Rosland Property Investments Ltd. said this development will ultimately mean more options for locals to remain in the area permanently.

"There seems to be a demand on our market for retirement living," said Felsch. "There's nothing directly available here for those who are retiring at 55 and who would like a smaller home, but who are not ready to move into a seniors' facility. We are hoping to develop 200 units of low maintenance, single-floor, retirement-style living for recreational retirees."

All together 450 units of estate, single-family, condo and duplex lots will be developed. Home sites offer sweeping southeastern views of the Redstone Valley and depending on the style of living, are all located minutes from the golf and recreational activities, which will include 12 kms of walking and biking trails, a tennis court and cross country skiing when the development is completed.

"People are beginning to choose lifestyle and overall quality of life when looking at where they want to live," said Felsch. "And being a small community, we can't focus on just one thing – we need to have this broad range of living options to offer people."

For an in-depth look at the real estate options and recreational opportunities at Redstone, visit www.redstoneresort.com.

Investing in seniors quality of life

CBT has ownership interest in eight seniors' care facilities located in the Basin, offering a total of 685 living suites with a range of services depending on the needs of the residents.

These facilities are designed to provide seniors with a carefree lifestyle that is still independent, vibrant and fun while offering the support and security of on-site aid.

"I can not think of a better place to be," said Norm Palmason, a resident of Castle Wood Village in Castlegar. "I knew I was home from the moment I saw it."

Independent, supportive care is a relatively new idea in seniors' housing and is very different from the residences many of us saw our parents and grandparents enter into 20 years ago. Managed by Kootenay-based Golden Life Management, the facilities offer apartments to seniors to manage on their own with the freedom to choose their level of added support.

"People ask me, how long did it take you to get used to it? And I say, I was used to it from the moment I moved in," said Anne Fomenoff, a resident of six years at Castle Wood Village. "We have a sense of freedom here."

Jane Philips, one of the managers of Castle Wood Village, explains the Village acts as a community within itself where residents take care of one another, form friendships and offer support and acceptance.



"People ask me, how long did it take you to get used to it? And I say, I was use to it from the moment I moved in."

Anne Fomenoff

"It really is a continuation of their lives, but when something happens, like losing a partner, you have a support system of staff and other residents who care about you immediately available," says Philips.

"We are a family," voiced Bernice Rudashy, another resident. "We care about each other, and I can completely enjoy my individuality here. This is the only place women can truly retire."

Theme nights, entertainment nights, and evenings spent on the dance floor are but a few light moments these three seniors shared with us. It is this spirit of friendship and laughter that is the real story of what residences like these have to offer seniors in our communities.

Features of the residences include a location central to the community's core, entertainment nights, crafts, a library, card and game nights, an onsite manicurist and hairdresser, fitness classes, gardening, monthly tours and a shuttle bus.

CBT's newest seniors' care facility is set to open later this year in Fruitvale and will include 53 suites. A new residence has also been announced for Nelson in 2009.

For more information on these facilities, visit www.cbt.org or www.goldenlife.ca.

Below L to R: Anne, Norm and Bernice



In 2007/08, CBT committed over \$6 million in direct funding benefits to Basin communities by supporting a range of programs and leading a variety of initiatives.

Managing investment risks is as important to CBT as generating returns. CBT therefore observes the principles of commercial market due diligence when investigating investment opportunities.

A milestone year, a bright future

Looking ahead, CBT is expecting to receive strong revenues from all areas of investments. The power revenues are based on a full year of operations for both Arrow Lakes Generating Station and the Brilliant Dam. A partial year of revenues is forecasted for the Brilliant

Expansion Power Corporation as operations will be suspended for a period of time while in-stream work related to the tailrace repair is done. Real estate revenues will continue to increase as congregate care facilities become operational. Business loan revenues are expected to remain stable; however,

forecasted revenue from Market securities have become less certain given recent market volatility.

The combination of these expected revenues have allowed CBT to forecast a further increase of \$3 million to be committed to Delivery of Benefits programs and initiatives in 2008/09.

This increased funding will result in a total of \$10 million available to Delivery of Benefits programs and initiatives for Basin communities. CBT has also committed to a funding increase of an additional \$2 million for a total of \$12 million for Delivery of Benefits programs in each of 2009/10 and 2010/11.

CBT hired an Investment Manager this year who is responsible for developing a relationship with financial partners and local businesses in much the same way as our Community Liaisons to originate quality investment opportunities.



TIM O'DOHERTY
Investment Manager

Contact Tim at todoherly@cbt.org

Consolidated Statement of Financial Position as at March 31, 2008 (in thousands of dollars)

Assets	2008	2007
Current	\$40,358	\$32,642
Investments	\$456,695	\$438,354
Other	\$27,257	\$24,798
	\$524,310	\$495,794
Liabilities and Net Assets		
Current	\$28,538	\$13,939
Long-term Debt	\$128,246	\$128,038
Net Assets	\$367,526	\$353,817
	\$524,310	\$495,794

Consolidated Statement of Operations for the year ending March 31, 2008 (in thousands of dollars)

	2008	2007
Revenues	\$23,186	\$19,273
Operating Expenses	\$4,513	\$4,382
	\$15,015	\$12,255
Recoveries	\$713	\$453
Operating Income	\$19,386	\$15,344
Delivery of Benefits	\$5,350	\$5,256
Excess of Revenues Over Expenses	\$14,036	\$10,088

Investment Highlights

If all the pre-development criteria are satisfied, the Waneta Expansion Project would be the most significant new investment for CBT in the coming years. Much pre-development work remains; however, the current schedule has construction commencing as early as mid-2009. It promises many benefits for our region, as the project will create approximately 600 person-years of direct employment during the four-year construction period, most of which will be filled by local trades people. The economic spinoffs include an estimated \$90 million in direct employment income and local procurement.

The Brilliant Expansion Project reached commercial operation in September 2007.

CBT and joint-venture partner Columbia Power Corporation celebrated the grand opening with a Community Day in June with tours of the new facility and a special visit from the Minister of Energy and Mines, Richard Neufeld.

We increased our investment in seniors' care facilities (Private Placements) by way of a 32-unit expansion to the existing Crest View Village in Creston, an 11-suite expansion of Rocky Mountain Village in Fernie, and the construction of a new 53-suite project in Fruitvale. With these additions our seniors housing portfolio now includes more than 680 living suites in seven different communities with another one about to break ground in Nelson.

In total, the Power Projects portfolio generated a return of 6.62% and the Private Placement Portfolio saw 12.7%.

Market Securities is a new category of investment for CBT. Previously, considerable deposit and short term balances were held with Banks and Credit Unions and although the money was secure, it generated a low rate of return. The Statement of Investment Policies and Procedures provided the framework required to establish a more balanced approach to managing these funds, and in June 2008 CBT engaged B.C. Investment Management Corporation ("bcIMC") to manage this portfolio. Our first report on financial performance will be included with the 2008/09 Annual Report.



For more detailed information on our investments, report on performance and financial statements, download the 2007/08 Annual Report from www.cbt.org or call 1.800.505.8998 to request a copy.



CBT PROGRAMS AND INITIATIVES

Columbia Basin Trust develops, implements and manages programs and initiatives that respond to community needs, working closely with Basin residents throughout this process. CBT addresses local priorities, brings people together around key issues, distributes information, encourages collaboration, and provides funding. This work is how CBT delivers social, economic and environmental benefits in the region, creating a legacy for present and future generations.

CBT partners with existing groups across the Basin in delivering benefits. By partnering with and supporting local organizations, everyone achieves greater results. A sincere thank you to CBT partners and advisors, including each of the five regional districts in the Columbia Basin, along with the Ktunaxa Nation Council, Columbia Kootenay Cultural Alliance, The Land Conservancy of BC, Columbia Kootenay Fisheries Renewal Partnership, Columbia Basin Environmental Education Network, Steele O'Neil and Associates, East Kootenay Conservation Program and Columbia Basin Alliance for Literacy for working with CBT to advance the social, cultural, economic and environmental health of Basin communities.

Working With Us

CBT has four Community Liaisons (CLs) located around the Basin working with and supporting the efforts of residents, organizations and communities.

"The Basin is rich in its human resources and to bring those resources together for the benefit of a community is to me, the ultimate in building community partnerships," said Lynda Lafleur, Community Liaison in Nakusp. "By building partnerships locally and regionally, there is a greater chance a community can continue to thrive."

Our CLs are hired based on their abilities to work with a broad range of individuals and organizations, their program administration experience, and their abilities to act as a representative.

"I enjoy being part of the empowered actions taking place within the Basin," said Katherine Hamilton, Community Liaison in Golden. "I believe the effective delivery of opportunities that engage community groups and individuals to improve quality of life, will encourage sustainable results. I am here to help you, Basin residents, in leading the way to what you think are possible – and it is all possible."

Wayne Lundeberg, Community Liaison in Castlegar, said groups should consult with CBT staff early on.

"We can have the greatest impact when groups involve us as ideas are emerging. This way, ideas can evolve as a collaborative effort where we provide guidance and advice in developing an initiative that meets community needs while fulfilling CBT's strategic goals."

While CBT can't extend financial support to all the projects our CLs come across, our CLs can assist in finding other partnerships and support-sources.

"We may not be able to fund every project, but collectively we have the ability to be more than just a funder - we can help groups in so many other ways," said Jennifer Krotz, Community Liaison in Cranbrook. "Seeing a community group or a community-created initiative succeed, and the sense of pride and accomplishment that happens with that success, is very exciting."

Community Liaisons can be reached by calling 1.800.505.8998.

COMMUNITY LIAISONS ARE HERE FOR YOU 1.800.505.8998

Southwest Basin



Wayne Lundeberg
Community Liaison



Megan Catalano
Assistant

Northeast Basin



Katherine Hamilton
Community Liaison



Tracy Aimes
Assistant

Northwest Basin



Lynda Lafleur
Community Liaison



Merrilla Thorp
Assistant

Southeast Basin



Jennifer Krotz
Community Liaison



Rhonda Gilbertson
Assistant

Contact our Community Liaisons to learn more about our programs and how to apply for funding, or visit www.cbt.org

Programs

- Arts, Culture and Heritage
- Basin Business Advocates
- College Community Service Award
- Columbia Basin Youth Grants
- Community Development
- Community Initiatives
- CBT Sponsorship
- Endowment Support for Community Foundations
- Environmental Initiatives
- Training Fee Support
- Youth Community Service Award

Initiatives

- Columbia Basin Environmental Education Network (CBEEN)
- Classroom with Outdoors
- Land Conservation
- Literacy
- Water
- Youth

Win a CBT Prize Pack!

Simply fill in the enclosed survey card or visit www.cbt.org/R2R and let us know what you think about the 2008 Report to Residents; you'll be automatically entered into a draw for a CBT prize pack.

Stay in touch

Keep up-to-date on the work CBT is doing by subscribing to our electronic newsletter online at www.cbt.org.

Check the website regularly as we update the Spotlight Gallery with projects from every corner of the Basin.

Call us at
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