

May 8, 2019

PSEC Secretariat
2nd Floor, 880 Douglas Street
Victoria, BC V8W 2B7

Attention: Christina Zacharuk, President and CEO

Dear Ms. Zacharuk:

Re: 2018/19 Executive Compensation Disclosure – Columbia Basin Trust

Enclosed please find the Executive Compensation Disclosure report for Columbia Basin Trust (Trust) for fiscal year 2018/19.

I confirm that the Trust's Board of Directors is aware of the executive compensation paid in the prior fiscal year and that all compensation disclosed is accurate. Due to the unique arrangement wherein the President and CEO of the Trust is also the Acting President and CEO of Columbia Power, and compensation for this role is shared by both organizations, all compensation is disclosed in the attached report for transparency purposes. The CEO's compensation is paid 50% by each corporation. There were no pre-employment payments made prior to the employment contracts. All compensation provided was within the Trust's approved compensation plan and complies with the Public Sector Executive Compensation Reporting Guidelines dated April 2019.

Sincerely,



Rick Jensen
Chair, Board of Directors

COMPENSATION PHILOSOPHY

INTRODUCTION

This policy regarding the establishment and adjustment of salary levels shall apply to all employees of the Trust, subject to the provisions of specific employment contracts, Public Sector Employer's Council (PSEC) approvals and guidelines and budget approvals.

POLICY

1. CORE PRINCIPLES

The following core principles guide the design, implementation and administration of the Trust compensation philosophy:

- a. Performance: Compensation programs support and promote a performance based (merit) organizational culture. All salary increases are merit based.
- b. Differentiation: Differentiation of salary is supported where there are differences in the scope of the position and/or due to superior individual performance.
- c. Accountability: Compensation decisions are objective and based upon a clear and well documented business rationale.
- d. Transparency: Compensation programs are designed, managed and communicated in a manner that ensures the program is clearly understood by employees and the public while protecting individual personal information.

2. MARKET COMPARATOR GROUPS

- a. The Trust's job rate (100%) reflects the target level of compensation for each position and is set at the market average level of compensation (P50) for comparable positions. The comparator group selected includes all sectors in the BC job market including Lower Mainland, and outside BC.
- b. Salary ranges for each position correspond to a point range distribution reflected for each of the 14 salary bands. Each band has a salary range between (85%) minimum and (100%) maximum. There is an ability to pay up to (10%) above the job rate maximum for special cases (e.g. exceptional performance or market conditions). The Trust does not offer bonus, incentive, holdback or any other related compensation.

3. BENCHMARKING

- a. The Trust evaluates and compensates positions using the Hay job evaluation methodology and jobs are placed into one of 14 salary grades based on the point ratings. A job is evaluated by looking at the knowledge required to do the job (whether practical or intellectual), the kind of thinking required to solve the problems which the job commonly faces, the responsibilities (accountabilities) assigned, and the work environment in which the work is performed. The Compensation Plan is approved by the Public Sector Employer's Council.

4. PERFORMANCE MERIT INCREASES

- a. Performance merit increases provide the opportunity to increase their compensation to the top of their position's salary range (100%) on an annual review of their performance in their position. The employee must have successfully completed their probationary period to be eligible for a performance merit increase. The effective dates of the performance merit increases will be effective April 1st of each year. The Trust will fund performance merit increases within their existing budgets.
- b. Performance merit increases are earned by demonstrating good and superior performance during the performance review period. The following guidelines will be used for performance merit increases:

Developmental: 80% - 85%

Target pay for individuals who are new or developing in the job and are not yet performing the full breadth of duties and responsibilities for the expected role level.

Market: 85 - 100 %

Target pay for employees who are fully seasoned in the job with the combination of experience and requirements needed to perform all duties and responsibilities expected of the job.

Innovative Practice: 100- 110%

Target pay for employees who consistently exceed all expectations through a unique and exceptional application of knowledge, skills and/or effort over a consistent and sustained period that justifies the use of this level.

5. CURRENT COMPENSATION INFORMATION

- a. There are 14 salary ranges. The lowest minimum (85%) salary range starts at \$34,800 and the highest maximum (100%) salary range is \$170,100.

JG	Minimum (85%)	Maximum (100%)
JG15	144,600	170,100
JG14	132,800	156,200
JG13	109,400	128,700
JG12	97,800	115,000
JG11	88,000	103,500
JG10	79,300	93,300
JG9	68,100	80,100
JG8	63,200	74,300
JG7	56,400	66,400
JG6	49,800	58,600
JG5	43,600	51,300
JG4	37,000	43,700
JG3	36,700	43,200
JG2	34,800	40,900

4. ELEMENTS OF THE TRUST COMPENSATION PLAN

a. Base Pay

b. Leave and Statutory Holidays:

a) Statutory Holidays: The Trust observes the following 12 statutory holidays:

- New Year's Day
- Family Day
- Good Friday
- Easter Monday
- Victoria Day
- Canada Day
- BC Day
- Labour Day
- Thanksgiving Day

- Remembrance Day
 - Christmas Day
 - Boxing Day.
- b) Vacation
- Employees will earn vacation based on total years of service to the Trust to a maximum of 35 days per year. This accrual will continue to end of employment or until otherwise amended by mutual agreement.
- c) Special Leave
- Eight days per year, not cumulative, for family emergencies, or unplanned obligations.
- d) Sick Leave
- Eight days per year cumulative to a maximum of 85 days.
- e) Flex Days
- Management roles only. Maximum of seven days per year, not cumulative.
- c. Benefits include:
- MSP
 - Extended Health
 - Dental
 - Life
 - Dependent Life
 - Accidental Death and Dismemberment
 - Short Term Disability
 - Long Term Disability
 - Health Spending Account
 - Employee Family Assistance Program
 - Healthy Active Employee Policy.
- d. Pension:
- A defined benefit pension plan through the Public Service Pension Plan (PSPP) is available to all Trust employees.
 - Employees hired prior to June 30, 2012 were provided the option to receive a (20%) benefit allowance to cover pension and benefits and not subscribe to the pension and benefits plans.

Columbia Basin Trust

Summary Compensation Table at 2019

Name and Position	Salary	Holdback/Bonus/ Incentive Plan Compensation	Benefits	Pension	All Other Compensation (expanded below)	2018/2019 Total Compensation	Previous Two Years Totals Total Compensation	
							2017/2018	2016/2017
Johnny Strilaeff, President & CEO	\$ 208,573	-	\$ 45,390	-	\$ 6,470	\$ 260,433	\$ 259,780	\$ 215,025

Summary Other Compensation Table at 2019

Name And Position	All Other Compensation	Severance	Vacation payout	Leave payout	Vehicle / Transportation Allowance	Perquisites / other Allowances	Other
Johnny Strilaeff, President & CEO	\$ 6,470	-	\$ 6,470	-	-	-	-

Notes

Johnny Strilaeff, President & CEO

General Note: Statutory and Health Benefits of \$45,390 includes Benefits Allowance plus statutory benefit premiums (EI, CPP, WCB). Johnny Strilaeff is the CEO of the Trust with a salary of \$194,997. On April 10, 2017, Johnny was also appointed the Acting CEO of Columbia Power Corporation and receives an additional 10% of his Trust salary as compensation for this role. For transparency purposes, his total compensation is disclosed by both organizations.