

**Columbia Basin Trust
Statement of Executive Compensation
Fiscal 2008/09**

Compensation Discussion and Analysis

The Columbia Basin Trust (CBT) uses a Job Evaluation Point Factor Plan with eleven competency experience elements. CBT jobs are placed into eleven salary grades based on the point ratings. CBT currently does not offer its employees any employer paid benefits; in lieu of this, employees are provided with an additional 20% salary premium.

CBT's compensation policy is aligned with a performance based culture and ensures CBT's salary ranges are comparable to market. CBT's compensation policy is based on the following principles:

1. All salary increases are merit based.
2. CBT's job rate (the target level of compensation for each position) is set at the market average level of compensation for comparable positions.
3. An ability to pay up to 10% above the job rate for special cases is available (eg. exceptional performance or market conditions).

CBT currently has one position (excluding the Chief Executive Officer) that is ranked above the highest grade of the point ratings. The salary of this position is determined by the Chief Executive Officer and is based on the employee's years of experience, previous job performance, and to recognize the breadth of knowledge and skills the employee brings to CBT.

CBT's compensation plan does not include the Chief Executive Officer. The Chief Executive Officer's salary is set by the CBT Board of Directors considering:

1. The individual's track record in business and community development.
2. The difficulty in attracting a quality individual to the Columbia Basin. The CBT Chief Executive Officer has an extremely complex job that covers business development, investment management, community development, funding program design and administration, and political, business and community relationship development. The type of individual that CBT requires is typically someone who has many choices on where they can work. Salary is not the deciding factor but it must be competitive to attract qualified individuals.
3. The CBT Chief Executive Officer's salary must be generally in line with other administrators in the region. Part of the analysis looks at senior administrators for local government, local investment firms and local power companies.

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Executive Summary Compensation Table
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Name	Position	Salary	Benefits (20% in lieu)	Employer's Statutory Contributions	Total	Fiscal 2007/08 Total
Neil Muth	Chief Executive Officer	183,750.00	36,750.00	3,184.21	223,684.21	213,044.00
Wally Penner	VP, Community Partnerships	143,988.00	28,797.60	3,184.21	175,969.81	165,476.00
Johnny Strilaeff	VP, Investments	125,400.00	25,080.00	3,184.21	153,664.21	N/A