



New Post Creek Project News

Newsletter #9

Fall 2012

Letter from Chief and Council

To: Taykwa Tagamou Membership
Re: OPG Grievance – Outstanding balance

A message from your Chief and Council

Good day Membership. We wanted to take this opportunity to share with you that the remaining \$1.5 million payable to Taykwa Tagamou Nation is to be issued in December, 2012 from Ontario Power Generation.

After much deliberation and discussion, we, the Chief and Council, have unanimously agreed that the funds will be invested into the New Post Creek Project. There were several factors leading up to the decision that made it clear this was the best choice at this time, we wanted to explain our rationale and sincerely hope you support our decision and think about the future benefits such as:

- Financial Stability – with your investment into the New Post Creek Project, this amount shows our funders and lenders that we have a financial contribution to make. Sustaining credit and the ability to borrow from various financial institutions paves the way for a credible, financial secure Nation which can lead to other projects and Economic Development.
- Ownership – We can all see the various projects in our area always involve a partner and sharing of revenues. We can look at the New Post Creek Project as our own. We will own it, and we will gain annual revenue. We decide what we want to do with the money we will earn.
- Investment – We see the \$1.5 million as a membership investment. With any investment, one would normally expect a return. Once the dam is up and running and we start to generate money, we then decide what to do with the revenue. Council is seeking now to strategize on how the funds generated from the New Post Creek Project will be used. We can allocate specific funds for cash payouts, housing,



Some of the large rocks at the base of the New Post Creek falls.

beefing up our programs on and off reserve. The possibilities are endless and we will need your input. This is only a portion of what is required, and we will borrow the remaining amount for the investment. The more we put in now, the more we will get out of the project in the future.

- Business Opportunities and Employment & Training – In construction phase, there will be an opportunity for our band owned companies and Independent companies to be awarded contracts. Council is encouraging members to share your ideas and talk to your Business Development Advisors on how you can take advantage of your own project. The need for skilled and qualified workers will be apparent, talk to your Employment and Training Coordinators on what types of positions will be available and what will be required. The time is to start now, we want to see you succeed.

This is an exciting time for Taykwa Tagamou Nation and we genuinely believe this endeavour will be one to be proud of. It will take some time, and when you look at your children, grandchildren you can be rest assured you made an investment into their future.

Sincerely,
Chief Linda Job and Council

President's Message

This is the New Post Creek Project's 9th Newsletter since the start of the project. My, how time flies. The project team has been busy moving the project forward over the last several months. Important minimum flow discussions with MNR/Ontario Parks are continuing and we are close to reaching a consensus agreement on the flow regime.

Another sturgeon spawning study was done this past summer. To date we have not found sturgeon spawning at the base of the falls. Some Geo-technical work was also completed, including the ground water depth/pressure at the proposed powerhouse location along the Abitibi River.

The work to build political and public support for this project has commenced. TTN Chief and Council have sent letters to various ministers requesting meetings to ensure that the importance of this project for the Taykwa Tagamou Nation is recognized. The final round of Open Houses is scheduled for the late November and early December as part of the consultation process for the EA. Please come out and discuss your interests and learn more.

Coral Rapids Power supports TTN's Chief and Council in their decision to invest the OPG Past Grievance \$1.5 million into the New Post Creek Project. The rationale behind this very important decision acknowledges the commitment and long term foresight the Chief and Council have for TTN. This is essential for our investment in the project equity, and will help us to work with lenders to finance the rest of our investment.

Internally CRP has had several Board meetings this past year. I am very pleased with the professionalism shown by the Board and foresee a great working relationship developing. The next CRP Board meeting is scheduled for January 16th, 2013 in Timmins.

CRP's financial/funding advisor David Miller has moved on to another position in Nova Scotia. Although I am disappointed to see him go, I wish him all the best in his new position. I would like to add that David was very instrumental in making contacts in the various funding agencies and accessing funds for the NPC Project. To date he has helped to secure more than half a million dollars in committed or received funding. CRP and TTN are grateful for all his hard work and dedication in moving the project forward. A good note is that David Miller has agreed to work part-time on the Newsletters and funding.

Since it is near the Christmas/New Year's Season, I would like to wish all TTN membership a Merry Christmas and Happy, Safe and Prosperous New Year.

CRP Board of Directors

The Coral Rapids Power Board of Directors is an important part of the project team, providing oversight, strategic guidance, and support to the staff and consultants of Coral Rapids Power. The Board is currently made up of Robert Linklater, Arnold May, and Pat Chilton.

Robert Linklater

Robert Linklater is a member of the Taykwa Tagamou Nation, and lives with his wife Irene in Cochrane. Robert was first appointed to the Board at Coral Rapids Power by former Chief Dwight Sutherland, who was instrumental in the MOU and grievance settlement process with OPG in 2006. Robert was one of the first Board members for CRP and has served for many years on the Board in various roles.

Robert has previously worked for the forestry company owned by TTN and has sat on other Boards for TTN owned companies over the last few years.

Prior to being involved with TTN Robert resided in Moosonee and was a Board Member for the James Bay Lowlands Secondary School Board and also a Board Member for the Moosonee Development Area Board. Robert also worked for Trans-Arctic Capital Inc., a company which was owned by Waskaganish Band Council in Moosonee. This included setting up a Radio Shack in Moosonee.

Robert is also an Ordained Minister with the PAOC (Pentecostal Assemblies of Canada) and works with his brother who is also Pastor in Cochrane.

Arnold May

Arnold May has more than 35 years of experience in power plant maintenance, training, capacity development, negotiation, and mediation. After retiring from Ontario Hydro/Ontario Power Generation 11 years ago Arnold has operated Beed-aubun Enterprise, a consulting business, and has been working with Gemini Power Corp. for the past several years providing advice, guidance, and acting as a facilitator with respect to First Nations initiatives.

Arnold is presently an active community member and Councillor at Nipissing First Nation. His portfolios are Economic Development, Energy, Culture, and Constitution. He serves as Director on the Anishinabek Nation 7 Generations Charity and Wigwamen Inc. (Aboriginal Housing Toronto).

Arnold is certified in Training System Design, Development and Delivery, and Conflict Resolution. Arnold is also a qualified Industrial Mechanic Millwright and Machinist.

Pat Chilton

Pat Chilton, Executive Director of the Misiway Milopemah-tesewin Community Health Centre has 40 years of progressively responsible experience in management, directly responsible for as many as 240 employees in organizations with annual revenues in excess of \$42 million. Pat has led these organizations through start-up, survival, turnaround and growth modes.

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Project Ownership Update

This 25 MW waterpower project is an exciting opportunity for the Taykwa Tagamou Nation (TTN) to enter the waterpower industry as an equity owner in a major project, and earn revenue for decades.

It is expensive to develop and construct a waterpower project. These facilities take a long time to permit and obtain all the necessary approvals, and are capital intensive. However waterpower facilities are relatively inexpensive to operate and can generate electricity for many decades with only infrequent re-investments of capital.

The investment for the New Post Creek (NPC) project will include significant debt that will have to be repaid over a long period of time. The remainder of the money will have to be invested by the owners as equity in the project. TTN will need to borrow money for its equity investment, and it will have to pay this back before earning its full profit from the project.

In order for TTN to maximize its ownership in the project, we will likely use a variety of sources of money to invest. The goal is to get the best deal for the community in the long term, and ensure that the project revenues will be secure and relatively stable for the life of the project.

The project team has been working to obtain funding from various government programs in order to reduce the amount that TTN will need to borrow. Reducing the total amount borrowed is important because every dollar that is borrowed has to be paid back with interest, and this reduces TTN's revenues until the debt is fully repaid. To date, we have received, or been allocated, more than \$500,000 in funding. Additional applications for the next fiscal year will also be prepared with a goal of obtaining more funding for the project work.

The remainder of the project equity investment will have to come from TTN, or will be borrowed. It is important to invest directly in the project using the Final Settlement Agreement, other IBA dollars, gaming fund revenues, or other sources of cash. This will provide a better revenue stream for TTN, and it will also demonstrate to project lenders the commitment of the community to the project.

Borrowing for the project investment will focus on obtaining loans at the lowest cost, from the most flexible source. The Ontario Aboriginal Loan Guarantee Program provides access to low cost debt for First Nations to invest in the equity of energy projects, and an application will be prepared as soon as we have the necessary information. There are other loan opportunities that may provide TTN with a good deal.

TTN and CRP will work to obtain the lowest cost financing, and maximize the profit to TTN. While TTN and CRP are paying off the loans required for the project equity investment there will be less profit. Once these are paid off, the profits will increase.

The NPC Project is a capital intensive project that has a large upfront cost, but long term, stable, revenues. The investment will take time to provide a good return, but in the long run, the project will be an important

source of income for TTN, and it is an opportunity to build capacity in the waterpower sector and potentially pursue other opportunities.



Engineering contractor conducting the pump test in early November 2012.

Engineering Update

As part of the geotechnical program the Owner's Engineer, KGS Group, recommended that an additional field pump test be undertaken. This work was completed between November 1 – 5, 2012 to determine water table characteristics and estimate the possible dewatering /depressurizing that will be required during construction of the project. This data will help us ensure that the designs correctly reflect the water pumping requirements for the powerhouse area and help determine overall cost estimates related to the powerhouse. KGS organized this work and obtained a Permit to Take Water from the Ministry of Environment. The results are currently being analyzed and will be incorporated into the project design.

EA Next Steps

Aboriginal Community Meetings on reserve and in Moosonee, and the Public Open Houses in Smooth Rock Falls and Cochrane are important to the project because the consultant team will take the feedback received from community members and use this information to start writing the Environmental Report. These meetings will take place at the end of November 2012 and early December 2012.

The Environmental Report will be based on all of the fieldwork and research that has been conducted over the last several years and the Technical Supporting Documents that will contain detailed information on subjects such as the Terrestrial, Aquatic, Cultural Heritage, and Socioeconomic environment. Once these documents are completed, they will be provided to the regulators, including the Ministry of the Environment, Ministry of Natural Resources, Ontario Parks, Department of Fisheries and Oceans, Environment Canada and Transport Canada for their review and comment. The project team will revise the documents based on any input received from the regulators, and the updated documents will be provided to the Aboriginal Communities and the public for their review. Once these reports are ready for review, notices will be printed in local newspapers, on the Coral Rapids Power website (www.coralrapidspower.com) and the New Post Creek EA website (www.newpostcreek.com). Individuals will be able to download and read the reports. Copies of all materials will also be made available at the TTN Band Office, and the CRP office.

Board Profiles: Pat Chilton continued

Pat has held senior executive positions in management for 39 years, beginning at the age of 18 when he was asked to be the Acting Business Administrator and Secretary-Treasurer of the Moose Factory Board of Education in 1973, which then became a permanent position. He then went on to work for the Federal Government at senior levels, including the position of Regional Director of Indian and Northern Affairs in the NWT. As the first and founding Executive Director of the Mushkegowuk Tribal Council, he started up the operations which included the eventual transfer of programs to the First Nations. Other positions included Hospital and Zone Director, CEO for the Sioux Lookout Zone Hospital, the CEO for the Weeneebayko Health Authority.

For his work and dedication in First Nations health, Pat received the Assistant Deputy Minister's Recognition Award in 2007. In 2008, he received the Deputy Minister's Award for Excellence, from Health Canada.

In his 40 year working career, Pat has also been appointed to numerous Boards and Committees. He has gained a significant amount of knowledge and understanding of First Nation issues, including issues in aboriginal health and corporate matters.

Pat has been married to his wife Audrey for 40 years. He has 5 sons and 5 grand-children. He is Cree from the Kashechewan First Nation.

Environmental Assessment Fieldwork

In August and September 2012, additional terrestrial, cultural heritage and aquatic field work was undertaken to study the area of New Post Creek upstream from the intake. This work is important to help understand if there are any impacts from the intake upstream approximately 6 kilometres that will be created by the project.

The proposed powerhouse area along the Abitibi River is characterized with black spruce, jack pine and balsam fir. Some of these trees and other flora will be removed to allow for the excavation for the powerhouse construction. The intake area on New Post Creek consists of young to mid-aged secondary hardwood forest. Findings to date indicate that the vegetation communities along New Post Creek are generally tolerant to periodic flooding. Speckled alder and willow swamp thickets and intolerant hardwood forests and swamps were identified along the Creek. None of the species of plants or trees identified during field surveys over the last two years are designated as species at risk.

The aquatic fieldwork undertaken since 2009 and through to 2012 indicates that above the New Post Creek Falls, the Creek has a simple and sparse fish community. Walleye spawning is known to occur at the base of New Post Creek Falls, but all of the research conducted for this project indicates that whitefish and sturgeon do not spawn in this location.

The field work for the Cultural Heritage Assessments, which were undertaken in conjunction with TTN, has helped to identify some of TTN's historic portages in the area.

Overall the environmental assessment findings indicate that:

- The proposed project occurs in an area previously impacted by forest harvesting and there are no particularly rare, endangered or unique plants or plant communities that would be impacted by the project.
- Given the recent forest harvesting, the area is not suitable for woodland caribou.
- New Post Creek has a fairly impoverished fish community and therefore impacts on fish would be minimal.
- No effects are expected on archaeological resources.
- The project will allow for a new and safer portage around New Post Creek Falls.

For project information please contact:

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