

“Building a legacy”

A submission in the “Joint venture of the year award” category to the B.C. Aboriginal Business Awards

STZ’UMINUS FIRST NATION

SEPTEMBER 2010

SPECIAL POINTS OF INTEREST:

- **SFN ownership stake worth up to \$18 million**
- **Construction revenues of over \$7 million in first 3 years**
- **\$40,000 a month salaries earned by employees**
- **“Skill Builder” program trains 15 employees**



Mt. Hayes joint venture: an introduction

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“Win win” is a business phrase that borders on cliché, but for Deer Point Developments LLP (DPDLLP) and Terasen Gas, the phrase may actually understate the benefits of the over \$190 million Mt. Hayes joint venture.

By working together, a gas storage facility on south-central Vancouver Island has been fast-tracked through regulatory approval and construction.

This provides Terasen Gas with ample capacity to meet the needs of the utility’s 80,000 current customers on Vancouver

Island and the future needs of a customer base growing by more than 2,500 accounts per year.

For DPDLLP the joint venture has been the impetus to set up a construction company that has generated more than \$7 million in revenues over 3 years and employed more than 15 Stz’uminus First Nation (SFN) members on a continuing basis.

The greatest dividend for DPDLLP, however, will come from a planned equity stake in the project that was negotiated as part of the joint venture.

When finalized, the ownership share will generate \$18 million for the SFN over 50 years—an income stream that will go a long way to guaranteeing the financial health of the Stz’uminus First Nation for generations to come.

This newsletter provides full details on the joint venture and letters of support in application for the “Joint Venture of the Year” category of the B.C.

Aboriginal Business Awards.



The bottom line goes beyond profits



The profits produced by the Stz'uminus First Nation through the Mt. Hayes joint venture are very impressive. Social and business benefits, however, may have an even greater lasting impact on the future success of the SFN. One of these are the skills and training provided to SFN members.

Terasen Gas, through the "Skill Builder" program, created an industry collaboration to promote meaningful jobs for SFN members. BC Hydro, Fortis BC, BCTC, Spectra Energy, Kinder Morgan Canada, TransCanada, Corix Utilities and Enbridge were also involved in the program. "Skill Builder" trained several dozen SFN

members in a wide range of construction-related skills, that included traffic control, first aid, materials handling, heavy equipment operation, trucking, security and materials handling.

The intent of the program was to develop certified, transferable skills that SFN members could use while working at Mt. Hayes and then transfer to other jobs.

The result is a pool of skilled SFN workers who can now compete for jobs locally as well as work on future Deer Point Development projects.

One of the SFN graduates from "Skill Builders", Lawrence Harris, is now attending BCIT to become

qualified to work permanently at the Mt. Hayes site when it becomes operational. Lawrence is one of two SFN members who will be working at the gas storage plant.

Also to be considered are the strong commercial ties established by DPD with local businesses. These relationships are already leading to several opportunities to partner on other construction projects on Vancouver Island.

Combined with planned road, sewer, commercial and residential development projects on SFN land over the next few years, the business prospects for DPD in the near future may be even greater than in the past two years.

Since the start of the Mt. Hayes joint venture in 2008, Deer Point Developments LLP has generated about \$7 million in revenues. On average, about 15 SFN members are working at any one time, with a monthly payroll of about \$40,000.

DPDLLP has the majority of the contracts related to road work, site clearing, traffic control and security at Mt. Hayes. It also has

several contracts with Horton Chicago Bridge and Iron (the design-builder of the gas storage facility).

Contracts include:

- Project management, including recruiting, training, supervising crews, payroll and scheduling for the DPDLLP
- Installing amphibious fencing
- Providing security and related services

- Monitoring for cultural and environmental factors
- Site clearing
- Road and pond clearing
- Maintenance of access roads
- Supplying and installing about 5.5 km of 25 kv power line
- Restoration of right-of-ways and roads
- Transportation for pipeline construction.

Reference letters



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September 13, 2010

To Whom It May Concern,

It is a pleasure for me to provide a letter of support for the nomination of Deerpoint Developments, one of the operating entities of the Coast Salish Development Corporation (CSDC), owned by the Stumin'uz First Nation.

Over the past several years, Terasen Gas (Vancouver Island) has developed a working relationship with the Stumin'uz First Nation and its economic development corporation that we believe is an exceptional model for industry-First Nations working together. While there were tough issues to work through, tight time frames to manage, project implementation changes and the usual cost constraints, the CSDC and Terasen team were able to create workable solutions in a professional and collegial way.

We found that the Stumin'uz First Nation was strongly committed to doing a quality, professional job and provided its workers with the required training, quality supervision and support to ensure their ability to deliver the results they were contracted to provide. Should future opportunities arise, Terasen would look forward to working with Deerpoint Developments and the Stumin'uz First Nation again, and would not hesitate to recommend them to others.

Yours truly,

TERASEN INC.

A handwritten signature in blue ink, appearing to read "Roger Dall'Antonia", written over a light blue horizontal line.



Royal Bank of Canada
Aboriginal Banking
205 Commercial Street
Nanaimo, BC V9R 5G8

September 14, 2010

To whom it may concern,

It is with great pleasure that we provide this letter of support for the nomination of Deer Point Developments LLP (Deer Point Developments) to the BC Aboriginal Awards committee.

Deer Point Developments is an entity of the Coast Salish Development Corporation and in turn the Stz'uminus First Nation. Deer Point Developments operates as a Real Estate Development and Contracting arm of the First Nation. Some of the project work it undertakes includes:

- Road Building
- Traffic Control
- Brushing and Site Clearing
- Pipeline Connectivity Work
- First Aid

Deer Point Developments has proven itself to be a profitable entity of the First Nation. In addition Deer Point Developments has had a positive track record from a community perspective in that it continues to train and develop community members for the future.

Congratulations on taking the initiative to make a difference.

Yours truly,

M.J. (Moir) Jenkins
VP, Aboriginal Financial Services- BC District
Royal Bank of Canada

P.R. (Pete) Allison
Account Manager
Royal Bank of Canada