

McLeod Lake Indian Band



March 2009
Quarterly
Report

McLEOD LAKE INDIAN BAND

General Delivery
 McLeod Lake, B.C.
 V0J 2G0
 Phone (250) 750-4415
 Fax (250) 750-4420

February 2, 2009

To: Membership of McLeod Lake Indian Band
 From: Chief and Council and Board of Trustees

RE: MLIB Trust Agreement Section 10 – Annual Loan by MLIB to Trust

On January 22, 2009 the Board of Trustees held a meeting to discuss the 'Minimum Value' of the Treaty 8 Settlement Account. As stated in Section 10 of our Trust Agreement, the band has agreed to transfer monies to the Settlement Account on an annual basis with the intent of growing the principal of the Trust, therefore investing into the future generations of McLeod Lake people. The Trust's fiscal year end is December 31, 2008, when then the 'Minimum Value' is calculated. Throughout the course of that fiscal year the monies within the Treaty 8 Settlement Account are invested by means of an Investment Manager operating within the guidelines stated in our Investment Policy Statements. This amount is referred to as the 'Market Value' of the Treaty 8 Settlement Account. Once the fiscal year has come to an end, Statistics Canada releases the consumer price index for the year, which is required to calculate the 'Minimum Value'. The calculated amount is reported to the Board of Trustees who then report to Chief and Council. The 2008 Fiscal Year values for the Treaty 8 Settlement Account are as follows:

Required 'Minimum Value' for 2008	\$34,957,660.75
Year End 'Market Value' for 2008	\$26,835,305.67
Loan Amount (from MLIB payable to Trust)	\$8,122,355.08

All parties involved are fully aware of the substantial amount required to fulfill the obligations of our Trust Agreement. Both Chief and Council and the Board of Trustees are diligently working together to formulate a viable solution. We have been consulting with legal counsel on options that will help minimize the dramatic impact this could have on current operations. The Trust Agreement under Section 10 states that loan payment arrangements need to be agreed upon within 90 days of the fiscal

year end; and it is within this understanding that Chief and Council and the Board of Trustees will draft an agreement prior to March 31/2009.

In light of the circumstances Chief and Council, with the support of the Board of Trustees, feel it is our duty to host membership meetings to discuss this matter. This will provide the opportunity for membership to ask questions and understand fully the obligations within the McLeod Lake Indian Band Trust Agreement. As a group, we need to address issues contained within our Trust Agreement and discuss our priorities as membership regarding programs and services provided by the Band Administration.

The membership meetings will be hosted as follows:

Saturday, February 21, 2009 – 2 PM at Days Inn, Prince George; and,

Sunday, February 22, 2009 – 2 PM at MLIB Gym, McLeod Lake

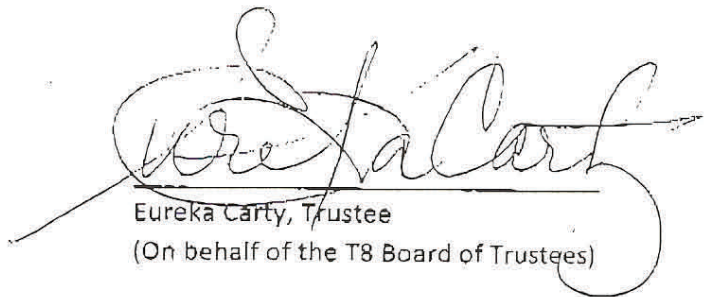
Membership participation is strongly encouraged. It is a great opportunity for us to work together and strategize a plan of action for the future. The world as a whole is in critical economic deficiency and it is during these times that we need to be pro-active to ensure perseverance through trying times. We look forward to seeing you at the membership meetings and welcome the occasion to hear your feedback and incorporate any new ideas for any new upcoming challenges.

Mussi Cho,



Derek Orr, Chief

(On behalf of Chief & Council)



Eureka Carty, Trustee

(On behalf of the T8 Board of Trustees)

Due to the current information, report and status of the Treaty 8 Settlement Account through the Board of Trustees, the McLeod Lake Indian Band will not be applying for any major funding to the Projects and Development Account with the exception of the Per Capita Distribution and Council Honorarium allocations.

For **fiscal year 2008-09** the McLeod Lake Indian Band total budget was \$7,613,496.00 of which \$3,310,594.00 was supported by the Trust which represented 43% of this budget.

For **fiscal year 2009-10** the McLeod Lake Indian Band's **initial budget** prior to learning the status of the Treaty 8 Settlement Account through the Board of Trustees was set at \$7,613,311.00 with \$3,691,431.00 (48%) to be funded by the Trust.

Due to the shortfall in the McLeod Lake Indian Band Treaty 8 Settlement Account between the minimum value and market value as reported by the Board of Trustees at the community meetings dated February 21 & 22, 2009, Council have reviewed and approved a final budget of \$5,020,174.00 of which \$652,340.00 will be funded by the Trust and \$487,666.00 by the Silviculture Trust.

Sandra Hammond, CGA, Controller has provided in summary form (attached) the detailed items that have been affected by not applying for funding from the Trust Account.

All budgetary cuts were those items funded by the Trust funds year after year.

Due to the downturn in the economy, status of the Treaty 8 Settlement Account and overall financial position of the Band, it was necessary to re-strategize for next 2-3 years to lead the Band through these tough economic times.

The Band's overall goal is to maximize all capital and human resources available in the most efficient and effective manner.

We need to ensure we work within our means by:

- Ensure budget is followed, managed and minimize contingencies.

 - Housing (i.e. repairs, maintenance arrears) & infrastructure (water system)

 - Treaty 8 Western Boundary Dispute

 - Carp South Parcel – Treaty Implementation process

- Seek all sources of external funding sources available

- Utilize political contacts and networks to tap into economic opportunities for MLIB

 - Terrane Metals

 - First Coal Corporation

 - BC Hydro Site C (Bennett Dam)

 - Enbridge Pipeline Project

McLeod Lake Indian Band

Joe Gosnell Jr.

2009-10 Budget

Due to the current information, report and status of the Treaty 8 Settlement Account through the Board of Trustees, the McLeod Lake Indian Band will not be applying for any major funding to the Projects and Development Account with the exception of the Per Capita Distribution and Council Honorarium allocations.

For **fiscal year 2008-09** the McLeod Lake Indian Band total budget was \$7,613,496.00 of which \$3,310,594.00 was supported by the Trust which represented 43% of this budget.

For **fiscal year 2009-10** the McLeod Lake Indian Band's **initial budget** prior to learning the status of the Treaty 8 Settlement Account through the Board of Trustees was set at \$7,613,311.00 with \$3,691,431.00 (48%) to be funded by the Trust.

Due to the shortfall in the McLeod Lake Indian Band Treaty 8 Settlement Account between the minimum value and market value as reported by the Board of Trustees at the community meetings dated February 21 & 22, 2009, Council have reviewed and approved a final budget of \$5,020,174.00 of which \$652,340.00 will be funded by the Trust and \$487,666.00 by the Silviculture Trust.

Sandra Hammond, CGA, Controller has provided in summary form (attached) the detailed items that have been affected by not applying for funding from the Trust Account.

All budgetary cuts were those items funded by the Trust funds year after year.

Due to the downturn in the economy, status of the Treaty 8 Settlement Account and overall financial position of the Band, it was necessary to re-strategize for next 2-3 years to lead the Band through these tough economic times.

The Band's overall goal is to maximize all capital and human resources available in the most efficient and effective manner.

We need to ensure we work within our means by:

- Ensure budget is followed, managed and minimize contingencies.

 - Housing (i.e. repairs, maintenance arrears) & infrastructure (water system)

 - Treaty 8 Western Boundary Dispute

 - Carp South Parcel - Treaty Implementation process

- Seek all sources of external funding sources available

- Utilize political contacts and networks to tap into economic opportunities for MLIB

 - Terrane Metals

 - First Coal Corporation

 - BC Hydro Site C (Bennett Dam)

Joe Gosnell Jr continued

Enbridge Pipeline Project

Review existing Protocols and MOU's with companies

Economic Benefits Agreement

The McLeod Lake Indian Band, like most organizations worldwide has been affected by the recession and has made the necessary adjustments in order to transition towards a stronger position while planning for the long term.

It is important that Band members keep in mind that the current Council and Administration have been working hard towards the necessary changes that include overall Band operations and all Band owned entities.

In closing, we are going through the toughest situation the Band has ever experienced and with proper planning for the long term, heading towards an improved economy, the Band will experience some of the benefits it lost temporarily during these trying times.

Joe Gosnell Jr.

Band Manager

Differences between the 2009 budget and the 2010 budget:

Universal reductions:

- Reduction in office hours from five days a week to four days a week
- 10% reduction of Chief and Council Honorariums
- 10% reduction to salaried staff
- Reduction in Chief and Council Travel costs
- The closing and sale of Paxton Place
- The closing of the Prince George Satellite office
- Removal of the proposed Office Manager, Chief's Assistant, Governance Officer, Communications officer, Land Referral receptionist positions
- Reduction to both training and development and travel for all departments
- Reduction to Contract fees incurred by the band
- Reduction to legal fees incurred by the band
- Reduction to office supplies in all departments
- Annual General Assembly spending will be reduced
- Vehicles to be sold: Elders and youth vehicles

Program reductions:

- Reduction of the Youth Program, most affected will be off-reserve youth
- Extracurricular activity fees of \$400/child has been eliminated
- Reduction of the Elder's Program; only housing subsidy and wood contract left
- Removal of the non-PGNAETA Employment and Training Program; E&T position Reduce to 3 days a week
- Reduction of the Membership Administration department; part time position eliminated and will be absorbed into Finance

- Reduction of the Records Keeping Department; part time position eliminated and will be absorbed by Finance

- Project X will now employ 4 people instead of 5

- Forestry Program changes:

- GIS mapping project has been postponed

- 1 full time field position has been eliminated

- 1 part time silivculture position has been eliminated

- The annual brushing project has been reduce to project X's capacity only

- Silviculture surveys have been postponed

- Forestry & Lands assistant position has been eliminated

- Elimination of Attendance Allowances

- Elementary/Secondary program changes:

- Elimination of Annual Awards

- Reduction to Secondary off reserve school supplies

- Elimination of Secondary graduation incentive

- Elimination of Trust funded travel

- Post Secondary Program changes:

- Elimination of Trust funded Living out allowance

- Elimination of school supplies

- Finance department lost one position; more of the annual audit work to be done in house

- Health program budgets now reflect a 15% administration fee; this amount reduces health workshop expenses

- Economic development contractor fees reduced to ten days a month

- Daycare was previously partially funded by OGC, it will have to become self sustaining

- Housing off reserve renovation program has been eliminated

Controller's Report: 2009 Fourth Quarter

Topics to be covered

Finance Department Update

Total Revenue

Revenue Source

Changes to 2010 budget

Goals

Finance Department Update

Controller, Sandra Hammond, CGA

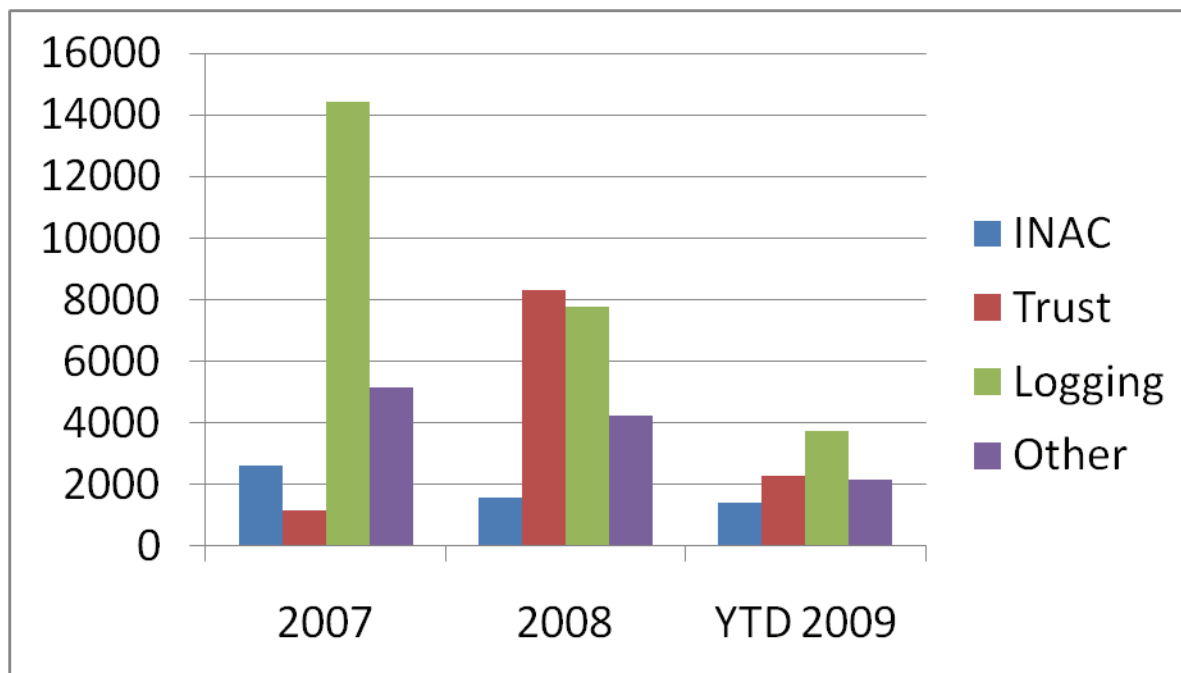
Accountant, Linda Inyallie

Paymaster/Membership, Beth Cooper

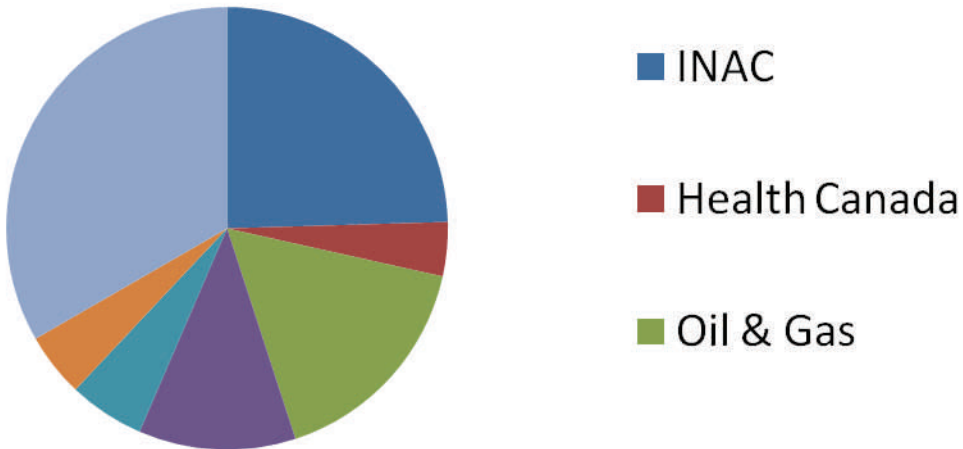
Finance Clerk, Tania Solonas

Finance Committee, Dora Chingee, Geraldine Solonas, Sandra Hammond, Joe Gosnell & Council reps: Derek Orr & Destiny Bear

2009 YTD Total Revenue



2009 YTD Revenue (Pls note that the Trust is not available next year)



Changes to 2010 budget

- Closing of PG Satellite office
- Closing and sale of Paxton Place
- Reduction to the E&T program
- Universal cuts to supplies, travel, communications, all office costs
- Elder's program reduced to wood and housing subsidy only
- All education programs were reduced
- Please see handout for list of all changes

Goals:

- Implement the Strategic planning Finance goals
- Policy Development
- New electronic time sheet
- Increase communications

McLeod Lake Indian Band Employment and Training Department

Important News – April 1st

The McLeod Lake Indian Band Employment and Training Department has gone through major funding cuts in the programs it provides, starting April 1st.

The programs affected as of April 1, 2009 are the Living Allowances, Mobility, and Supplies. Travel and meals are very minimal and will be closely monitored

before approval. The department will be paying the tuition on some training initiatives. The funding for members that live out of the PGNAETA catchment

area is also cut. The PGNAETA area is up north to Kwadacha, to the West as far as Granisle to the south as far as Valemont. For example: If you live in another

Province or in places like Fort St. John area, Dawson Creek Area, Chetwynd area, Smithers area, South past Quesnel areas and in and around the Vancouver area,

you will be referred to your nearest AHRDA office. Please call me at the office if you need phone numbers to your nearest AHRDA or other funding agencies.

As of April 1, 2009 the Employment and Training Department will be open at three days a week. The Employment and Training Department will be open

Tuesday, Wednesday and Thursday from 8:30 am to 12:00pm (half hour lunch break) 12:30 pm to 4:00pm.

The McLeod Lake Indian Band Employment and Training Department is doing what they can to access funds from different organization and companies to provide some assistance to members while on training. Members are encouraged to research their training and career goals because there are monies out there for training.

Application processes are not put in place to discourage clients, it is a means of tracking what training has been provided to the client.

PGNAETA is presently making a training program that starts in April. I do not have all the information yet but they are looking for participants for this project.

If you are interested in any upcoming training that PGNAETA offers, please let me know so I can keep your resume on file for an on-call basis.

For Your Information Only – *This does not guarantee sponsorship. If interested, please come see me for more details on funding opportunities*

Carrier Sekani Family Services is putting up another ***Bridging to Employment Program***. This is one program that can give some of the tickets that may be needed to employment. The contact person for this is Darlene Dunne or Jaylene Bourdon. Their number is (250) 564-0997. The first training dates are scheduled for April 1st to 10th 2009.

The Northwest Community College School of Mining and Exploration is holding an Environmental Monitor Assistant Program. This Program starts on

June 30, 09 to Aug 31, 09. It has Four (4) weeks in a camp setting, one (1) week break and four (4) more weeks in a camp setting. This program provides

the meals, accommodations and one time travel. The cost for this course is \$1500.00. To apply you can contact Northwest Community College at

1-877-277-2288 and ask for Rob Maurer at extension 5831 or Tanya Reedy at extension 5877. Their website is www.nwcc.bc.ca/ce.

Update from 08/09

For the Fiscal Year of 2008-2009 there were many successful training initiatives and some are still ongoing.

April 08 – June 08

4 member received safety tickets training and all were certified, 1 member went into trades and was certified, 1 member went into the Beauty Sector and will be certified in May 2009, 2 members went into the environmental field and was certified

July 08 – Sept 08

10 members received safety tickets training and all were certified, 1 member went for into the environmental field and was certified. 1 member went into the administrative field and completed in June 2009, 1 member went into the bartending field and was certified. 1 person accessed the mobility program and went to work.

Oct 08 – Dec 08

3 members went for safety Tickets and were certified, 5 members accessed the Mobility program and 3 were successful in training full time jobs, 2 members went into trades and will be certified in Sept 09, 1 member went into the Safety Field and was certified.

Jan 09 – March 09

2 members went for Safety Tickets and 1 was certified, 2 members went into a PGNAETA training program and 1 has retained the training and will be certified in June 09, 1 member went into trades and will be certified in June 09, 2 members went into environmental field and are certified.

That is all for now. Please feel free to call me at the office or email me at male@mllib.ca

Sincerely,

Margie Alec

Jan – Apr 2009
Quarterly Report

Danache'a Everyone,

My name is Jodie Ware; I am the Supervisor of Education & Employment/Training Department since November 2006. Wow this year is flying by so quickly, it's hard to believe that it's already coming up to 2009/2010 fiscal year.

Elementary/Secondary

Have 3 confirmed grade 12 graduates for June 2009. Please see 'Post Secondary' section for some websites to visit. You are eligible to enter most scholarship/bursaries...J!
Had 4 students accessing our tutoring 08/09 budget, 1 student's funding has been discontinued due to lack of attendance. Had 3 more requests for tutoring but nothing received to date.
Have 85 students registered; about 69 students to date have accessed the MLIB Attendance and Effort Incentives at one point from September to February.
Have 7 students who demonstrated a need for a bus pass. This budget is currently being reviewed, not sure if can fund for 09/10 yet...
Great News – all Effort Incentives will continue after April 1st. Please fax in your child's FULL report card in order to access this incentive.

Post Secondary

Have 18 students registered for the Winter/Spring 2009 semester. Out of the 18, 1 is part-time, 3 are upgrading, 7 are at College level, and 7 are at a University level.
Due to the recent announcements of budget cuts, I am encouraging all current students to start applying elsewhere for funding such as StudentAidBC, PGNAETA, Transitions, Employment Insurance, and the many scholarship/bursaries that are out there.
Student Loans, Scholarships and Bursaries
Student loans are available from the federal and provincial governments. In many cases, students who qualify for loans also qualify for special grants or bursaries, which do not need to be paid back.
Useful websites for post-secondary student funding:

www.aboriginallearning.ca for student funding and resource supports for housing, transportations, childcare, scholarships, loans, grants, bursaries
<http://sdiprod1.inac.gc.ca/abs/main.asp?lang-E> (INAC) for a searchable list of scholarships and bursaries specific to Aboriginal persons
www.studentaidbc.ca (BC Ministry of Advance Education) for student loans, scholarships and grants, including for students with disabilities and for adult students taking high school courses
www.bccampus.ca for financial aid, education planning, course search, applications, and discussion boards on housing and transportation
www.studentawards.com for bursaries and scholarships
www.canlearn.ca for loans and to search schools and programs
www.schoolfinder.com for scholarship searchable by school and area of study
www.naaf.ca (National Aboriginal Achievement Foundation) for scholarships
www.ayn.ca Aboriginal Youth Network – scholarships and awards
www.newrelationshiptrust.ca scholarships for BC First Nations post-secondary students
www.fnchc.ca First Nations Chief's Health Committee – scholarships and bursaries for students of Aboriginal ancestry enrolled in health professional programs
www.theminervafoundation.com/awards/education.html - Minerva Foundation for BC Women offers scholarships for women including Aboriginal women, single mothers, women with disabilities and women in non-traditional fields of study
www.millenniumscholarships.ca – Canada Millennium Scholarship Foundation – entrance and in-course scholarships are available for students involved in community leadership, as well as bursaries for those who apply and qualify for provincial financial aid
www.huskyenergy.ca Husky Aboriginal Education Awards
http://www.bchydro.com/community/community_investment/scholarships.html BC Hydro Scholarships
Don't forget to check out local job opportunities. Deadlines are fast approaching...

IMPORTANT NEWS STARTING APRIL 1ST

Funding Cut for 2009/2010

Elementary/Secondary

All Attendance Incentives will be discontinued as of April 1st. All attendance received has been processed until end of February 2009. If you child's attendance is received after this date, I do regret to inform you that your child unfortunately, cannot access any attendance incentives.
All requests for bus passes, and tuition will be thoroughly reviewed, if you can demonstrate dire needs, then MLIB may consider funding.

Post Secondary

Under a normal fiscal year we usually operate with a \$340,000 annual budget with \$202,000.00 coming from our trust, and another \$140,000.00 from Oil & Gas Commission (OGC). Since I have not officially received anything in writing, I can only relay what was told to me verbally of the cuts. I can also let you know that these cuts are dramatic and the number I am had to work this year is \$148,366.00. No new applications for sponsorship will be accepted.
All current students will be notified end of April 2009 whether they will be sponsored come September 2009. I as the Education Supervisor will do my best to make sure all options are considered.
I will have a recommendation ready for Band Manager review on who will receive funding.

Youth

No Extra Curricular Activities (ECA) funds available after April 1st. If you child has accessed this year's ECA budget (08/09) good! Unfortunately, if they have not, this money does not roll over into the next fiscal year or incur over the years.

Under a normal fiscal year we usually operate with a \$167,000.00, with \$81,000.00 coming from OGC, and \$86,000.00

coming from our trust. Once again, because I have not received anything in writing, I can only communicate verbally what was told to me. The number I have to work with for 09/10 is \$9000.00. Our current Youth Worker, Sharon Dugan will still be hired full-time under the Social & Health Department. Her main focus will be on-reserve however, once we settle back into a routine with new office hours, Sharon & Meaghan will be working due diligence to get seek outside funding.

Planning Committee

I currently sit on this committee along with fellow staff members to help organize birthday day recognition for staff, and upcoming Band events.

Big Event Coming Up:

9th AGA & 21st Education Celebration **August 6th & 7th** in McLeod Lake, BC. On Aug 6th it will be a day of reporting. Aug 7th will be the Education/Family Day. Many activities planned, suggestions are welcomed.

You can email me your suggestions; I will bring to the committee for review.

Keep an eye on future newsletters for more info!

Thank you for taking the time to read this report, if you have any further questions or concerns, please feel free to phone me at 250-750-4415 or email jware@mllib.ca, I would be more than happy to clarify.

In Friendship,

Jodie Ware

Supervisor of Education & Employment/Training

Social Development and Health

This past quarter has been an exciting and productive time of the health team. It remains an honor for each one of us to have the opportunity to continue working with the members in this community.

The Health team continues to be comprised of:

Meaghan Van Somer – Social Services and Health Manager (1/3 position paid through proposal writing)

Wiona (Ware) George – Social Development Worker. (funded through INAC) Wiona has sadly (for us) given her notice and has decided to move on. She will be replaced April 1, 2009, by Jolene Solonas. Wiona's commitment, hard work, and great sense of humour will be missed by us all. We wish her and her family well and look forward to her promised visits. Thank you, Wiona. We will miss you!

Cindy Berg – Community Health Representative (funded by Health Canada)

Norm Strand – Long-term Care Aide (funded through Health Canada)

Colin Haugen – Drug and Alcohol Counselor (funded through Health Canada)

Lauren Sevigny – Social Worker and Counselor (position paid 100% through proposal writing)

Stephanie Rocheleau – Infant and Family Development Worker (position paid 100% through proposal writing)

Sharon Dugan – Youth and Family Worker, on-reserve (position paid 100% through proposal writing)

Vince Sherry Mental Health Therapist (position paid 100% through proposal writing)

Sharon Kennedy- Community health Nurse (funded through Health Canada)

Deb Lewis -Primary health care Nurse (funded through Health Canada)

We have an exciting new development for McLeod Lake. Dr. J. Price through Northern Health, located in Mackenzie, has confirmed that he will attend McLeod Lake on a monthly basis. This will be a huge benefit to the health and well-being of community members. He attended our community in March and will now come out on a regular basis. Welcome to our team, Dr. Price! Next date in McLeod Lake is April 23, 2009, see Cindy to make an appointment!

I am currently working on securing funding for a life skills teacher who could provide a practical, meaningful experience for membership who are currently on income assistance.

Our desire is to provide a catalyst for change: freeing the participants for greater personal development, ability to control their own lives and most of all to be proud mentors for the community itself. I am excited about this endeavor and truly believe that it is of utmost importance to the individuals themselves as well as to the community as a whole.

Besides the day to day activities performed by members of our team, several workshops and ongoing activities have been offered this past quarter. Among them are:

Depression and anxiety screening education

Truth and reconciliation process workshop

History and effects of residential schools

Budgeting and money management workshop

Recycling/Composting Workshop

Heart check clinic

Blood pressure/heart health clinic

Flu clinic

Pandemic influenza planning workshop

Swim lessons for children

PRIDE – positive respectful individuals discovering empowerment – community gathering

PRIDE came about through the leadership, administration and staff of the McLeod Lake Indian Band sharing a vision for the strengthening of community to support a promising environment for children and families within McLeod Lake.

We recognize that to create this healthy infrastructure capacity building at all levels of the community is required. The PRIDE was a gathering that enabled us to introduce the PRIDE concept and to celebrate all that is “right” with our community! It was a great success and we look forward to building on this positive direction with the help of membership. (Tremendous gratitude to Eureka Carty!)

Thursday evening language class alternating with community kitchen

Thursday 5-7 pm, men's activity group

Ladies nights

Bingo, Last Friday of the month

Breakfast program three times a week for children attending school

Smudging ceremonies performed by Colin Haugen upon request

We look forward to hearing any feedback and/or suggestions about how we can continue to work with the McLeod Lake community members in the most effective and respectable way possible.

**MLIB Forestry Department
Report by Ryan Bichon, Forestry Manager**

The depressed state of the forest industry and the current financial challenges faced by the Band have left the Forestry Department with something of an uncertain future. At present, we have no definite sale of wood from the Band's lands. We are pursuing every possibility to sell some wood, but many mills are closed right now and the ones that are open are not buying wood.

The plan for this coming summer is to run the forestry department rather than shut it down. Cutblocks need to be laid out and timber cruised so that we have wood to sell if the market improves and mills start up again. We also plan to plant trees this year so that we can keep up on our reforestation obligations. Planting cutblocks promptly after logging them is the best strategy to reduce costs over the long term. Our seedlings are also grown already because they have to be ordered and grown a year in advance of when we plant them. Some plantation tending (brushing) work will also be done.

Despite continuing our planned work for layout, timber cruising, tree planting, and brushing we have had to make some cutbacks to deal with financial shortfalls. The grazing program (using goats to eat weeds in plantations) has been cancelled. Manual brushing will only occur in limited areas where it is needed the most. The number of staff working for the Forestry Department this summer will be reduced. Staff hired for the summer will have to switch back and forth between block layout and tree planting to ensure that both aspects of our program get completed. Any work that does not need to be done immediately will be deferred to a later date.

In addition, we are looking at a number of potential contract opportunities and government programs that will allow us to employ people during the summer and pay them with money from external funding sources. Travel and training will be restricted and wages or work hours will be reduced to save money. The Forestry Department is committed to running its operations at minimal cost while still achieving what critically needs to be done. Hopefully we will see significant improvements to the economy, the forest industry, and the Band's financial situation over the next year. Until then we are (unfortunately) in survival mode.

McLeod Lake Indian Band

Quarterly Report on Housing and Capital Assets

March 2009

Housing

McLeod Lake Indian Band owns 18 on-reserve houses outright, 31 on-reserve houses with Canada Mortgage and Housing Corporation (CMHC) mortgages; and through the McLeod Lake Indian Band Development Corporation, 3 elder houses, 1 guest house, and 1 lower end-of-market rental house. The Band also manages 2 houses on Certificate of Possession Lands for members.

Housing Committee

Chief and Council has appointed the following persons as members of the Housing Committee:

Margie Chingee, Chair person
Jamie Ware
Doris Jackson
Margaret Solonas
Geraldine Solonas
Jessica Solonas

The role of the Housing Committee is to advise the Band on housing policies, priorities, and solution to problems. One of the housing committee members will be leaving the committee – Chief and Council will be seeking a new member to participate in the committee for an appointment that would end in 2011.

Housing Staff

Jolene Solonas is transferring to another department.

Geraldine Solonas has joined the Housing Department and will be the main contact in housing. Her role is to work with members to find housing on reserve, with tenants to identify problems with their housing, to keep track of housing payments, and perform other duties relating to housing.

Guy Rocheleau has been hired as the Village Maintenance Supervisor. In addition to his work in Village Maintenance, he has assisted the Housing Department by doing repairs on the houses and by providing training to member's in house maintenance. This has reduced the need for outside contractors. Some of the work that has been done over the past quarter includes:

- Inspection and repair of wood stoves and wood burning furnaces;
- Flushing of water tanks, which cleans sludge from the tanks and extends useful life of the appliance
- Replacement of leaky washers in faucets and toilets, reducing electric hot water costs and pressure on septic systems; and,
- General repairs.

Bob Inkpen is providing training and is seeking additional funds for housing. There are new repair and maintenance funds which are being made available through Indian and Northern Affairs Canada as part of the Government of Canada Stimulus Initiatives. Details of the program will be made known soon with the deadline for applications May 31st. Canada Mortgage and Housing Corporation will also be providing renovation funds.

The housing group will be inspecting all band and CMHC owned houses to determine what renovations are required. If you are a tenant and have some thoughts regarding renovation needs for your housing unit, please contact Geraldine Solonas.

;

ISSUES

Renovations

The housing department understands that many of the houses are in disrepair. Over the past 6 months, repairs and renovations have been done on a number of homes, and work will continue. Some of the homes require major renovations such as new windows or roofs, new heating systems, cabinets, flooring, etc. We will need help from government complete major works.

Arrears

The Housing Department is running major operating deficits because a number of tenants are refusing to pay rent and because of problems inherent in the Canada Mortgage and Housing Corporation programs. Both problems will be addressed.

Housing arrears are a problem, being \$136,853 in 2006-07, increasing to \$171,000 for 2007-08 and again increasing this fiscal year. The highest individual arrears are over \$20,000. Without the revenue from tenants, the Band does not have the funds to do all the necessary repairs. As Band houses become more run down, tenants are more reluctant to pay rent. Also, it is difficult to finance new houses if the Band is showing a deficit in housing as it indicates to lenders that there is a high risk of default.

For those tenants who are employed, the Band will be expecting that rent be paid. Tenants who should afford to pay rent but refuse will be asked to leave so that paying tenants can be housed. We will try to find alternatives for those tenants who cannot afford to pay the rent.

Some tenants are hard on the houses. Willful damage or neglect of the home is the responsibility of the Tenant. Failure to pay for damage may result in eviction.

Because of falling interest rates, the CMHC operating subsidy also reduces. We will be meeting with them to negotiate different arrangements to help cover the costs.

Recognition

Some members are very contentious in paying their rent on time and in full. In the past, all our available funds have gone to fix the worst houses. Priority renovations will now be given to those who pay their rent.

Housing Policy

The Band's housing policy is quite old and no longer serves the Band well. The Committee is reviewing the policy and will be making recommendations to Chief and Council.

The draft Housing Policy is available for members and input is sought. Should you have any concerns or suggestions, please contact Geraldine Solonas, Committee Members, or Bob Inkpen.

Off Reserve Housing

Regrettably, the Band can no longer afford to keep Paxton House and will formally close for visitors at the end of March 2009.

The house has been listed for sale with an asking price of \$260,000.

Capital Assets

The Capital Assets Department of the McLeod Lake Indian Band is concerned with the Band's on-reserve physical assets such as roads, water systems, and public buildings. Guy Rocheleau has been hired as the Village Maintenance Supervisor and is responsible for the care of non-housing assets.

By having a program of regular maintenance, small issues will not become large problems. New Government of Canada regulations for water will require the Band to have professional maintenance of our water system. Members will be trained to perform these tasks to set standards.

Capital projects undertaken by the Band this quarter include:

Water-

Indian and Northern Affairs Canada (INAC) have funded the Band to conduct a study of water quality on MLIB Indian Reserve #1. Results from the study will determine if our water system meets safety standards, and if not, what measures must be taken to remedy deficiencies. The study will be completed during 2009. Should improvements be required, a funding proposal will be made to INAC. Our water is tested weekly and meets Health Canada standards for bacteria.

This has been a cold winter. An ice block formed in the water tower on IR#1. Fortunately, this was attended to and damage was minimized. There will be some repairs done during 2009.

Buildings

Future work on the Band Office will include repair and painting of the side and back of the building, rebuilding of the handicapped access ramps to meet Canada standards, and a review of the wood heating system. Funds to do these renovations will be sought from the Government of Canada. A program of regular maintenance of the building has been put in place to ensure that small problems will be corrected before serious structural problems occur.

There will be community meetings to discuss future public buildings for the Band. Some of the facilities that may be priorities for the community include a new community hall with youth centre, daycare and primary classrooms, fire hall, elders centre and lodge, store and repair shop. Planning is important so that sources of funding can be secured.

The Government of Canada is providing funds through Indian Affairs for on-reserve capital projects. We will apply for any funding that applies to the Reserves.

For information on Capital projects, please contact Bob Inkpen

McLeod Lake Indian Band

Businesses

Quarterly Report

Spring 2009

Board of Directors

Duz Cho Logging Ltd.

Duz Cho Construction Ltd.

McLeod Lake Indian Band Development Corporation

McLeod Lake Indian Band Exploration

Role:

The role of the Board of Directors is to oversee and direct the operations of its companies on behalf of the shareholders (which ultimately are the members of McLeod Lake Indian Band).

COMPOSITION OF THE BOARD OF DIRECTORS

The Chief and Council of McLeod Lake Indian Band, representing the shareholders of the companies, will appoint at least five (5) directors for each of the companies or corporations.

In choosing members of the Boards, the Chief and Council of McLeod Lake Indian Band will look for qualities in Directors that will provide sound management for each of the companies and represent the interests of the shareholders.

At least one of the Directors for each Board will also be a member of Chief and Council and will be the spokesperson that reports back to Chief and Council on matter relating to the company and/or corporation for which they are a director.

The current Board of Directors was appointed in September 2008 and is comprised of:

President, Ken Gebauer

Secretary, Gary Gurnsey

Director, Mike Richard

Director, Aaron Flett

Director, Derek Orr

DUTIES AND OBLIGATIONS OF MEMBERS OF BOARD

Board Members will perform the duties of their positions conscientiously, loyally and honestly, remembering that the primary work task is to serve the Band membership to the best of their ability;
Board Members will ensure that the integrity and dignity of McLeod Lake Indian Band's businesses and corporations, and McLeod Lake Indian Band's local government, tradition, members and staff;

Convene all meeting of Board in accordance with established procedures – the managers of each affected entity should be consulted to determine that they can be available for the Board Meeting;

Act as the political representative and spokesperson of the company or corporation, leaving the company manager free to run the business separate from politics.

Ratify strategic plans and budgets;

Review and sign documents, such as permits, contracts, bank loan agreements, on behalf of company or corporation in so far as they are consistent with decisions of Board;

Provide the company manager with broad direction and advice regarding issues relating to the business;

Ensure that the business is operating in a legal, ethical, moral and safe manner;

The Board will recruit, hire and/or terminate company managers, negotiate engagement contracts and performance expectations

Be the final step in the grievance procedure for personnel in the company or corporation;

Board members will demand that all relevant information important to the prosperity or detriment of the business be made known to them in advance of meetings;

Board members will hold the company manager responsible for the performance of the manager's company or corporation.

Board members will approve or deny all capital purchases in excess of a limit to be set for each company or corporation, and insure adherence to the Finance and Personnel policies.

Board members will approve, modify or deny budgets, strategic plans, business plans, and policies put forth by the company manager for the company or corporation.

At least one Board member will have signing authority for all contracts and banking transactions.

The Board of Directors will not:

Undermine the authority of the MANAGER. Issues regarding the MANAGER that may arise will be dealt with in camera at regular or special Board meetings and not in a public forum;

Engage in managerial activities relating to the internal workings of the business unless so requested by the MANAGER;

Commit the company or corporation to a course of action without the knowledge and input of the MANAGER;

Instruct the MANAGER to perform any activity which is illegal, immoral, unethical or dangerous to life; and,

Harass the MANAGER or the staff of the business.

Conduct of Directors

Members of Board are required to set an example of good conduct, citizenship and brotherhood within the community.

Board members will attend all regularly scheduled meetings of Board, either by telephone conference or in person. No Member of the Board will miss more than one consecutive meeting of Board without justifiable cause.

Board Members will conduct themselves, while on duty and in public, in a manner that will bring credit to themselves, their company or corporation, and the McLeod Lake Indian Band, and Band Membership.

A delegate of the Board will attend all Community meetings where at least two week's notice of a Community Meeting involving the companies or corporations has been given, unless there is a justifiable reason for their absence.

Board members are encouraged to attend in person or by telephone, special meetings that may be called by the Chairperson.

All Board members have a primary responsibility to make themselves available and accessible to the shareholders who are the Members of McLeod Lake Indian Band.

Board members are prohibited from personal use or distribution of confidential or privileged information obtained by virtue of their position on the Board.

Board members will not engage in any activity that can be reasonably construed to misrepresent the Board or its Companies.

Board members will neither publicly criticize employees of the companies or corporation for which they are a director, nor the policies of the Board of Directors. If a Director has a concern, he/she will bring the concern to the manager of the company or corporation or to a meeting of the Board.

Should a Director wish to publicly criticize the Board for which they are a member, they should first resign from that Board. After deciding on a course of action, all Board members should act as one in their presentation of issues to the public.

Conflict of Interest

For the governance of conflicts of interest and unless otherwise provided for in this policy:

A member of Board will disclose in writing or verbally to the Board any interest, financial or otherwise, direct or indirect that he or she may have in any matter before Board, if such could in any way influence the decision making process of the Board or the management of a company or corporation for which they are a director.

After disclosure, the said Board member will not take any part in discussions on the matter or vote on the matter if it is before the Board unless a quorum of the members present at the meeting permits him or her to do so.

Such interests must be disclosed to Board, at the first meeting at which such matter is before the aforementioned body and before there is any discussion on the matter or before any confidential material is distributed.

A member of Board will be prohibited from advancing his or her own interest, whether direct or indirect, in matters before Board. If a Board member seeks a particular result from a Board decision for a personal reason, the member must apply to present his or her case before Board as a private citizen of the community.

Board members will refuse any personal fees, significant gifts, or other tangibles offered in reward by third parties for duties performed through their director positions. (Exceptions are made for minor items such as baseball hats, pictures or for meals.)

2. Board members will refuse acceptance of an additional office or position outside the McLeod Lake Indian Band company or corporation if the position conflicts with the goals or operations of any business for which the member is a director; or they will resign from the Board.

RENUMERATION

Board members are paid \$300 per meeting plus any travel and accountable expenses. The Board should meet at least once per quarter.

PRESENT AND FUTURE

This is the first professional Board of Directors that McLeod Lake has had. They had a late start due to an appeal of the last Chief and Council election and encountered numerous problems with the companies. They have been working hard to correct problems and to meet the challenges of a poor economy.

Funding has been obtained from Indian and Northern Affairs to provide the Board of Directors and Chief and Council with rules of governance. Mr. Albert Peeling has been retained to lead this project.



Duz Cho Construction Ltd.

Duz Cho Construction Limited Partnership (*DCCLP*) is a legal entity owned by the McLeod Lake Indian Band (*MLIB*).

The partners are: Duz Cho Construction Ltd.– General Partner; and
McLeod Lake Indian Band Business Trust – Limited Partner.

Duz Cho Construction Limited Partnership was formed to facilitate the McLeod Lake Indian Band's move into the eastern portion of its traditional territories, specifically the area north of the Pine Pass and including Dawson Creek and Tumbler Ridge.

The business was formally established in December 2002, and is located in a shop and office at 4821 South Access Road in Chetwynd, BC.

The creation of this business was to meet a number of goals:

Diversification

There was concern in 2000 that the Band was too dependent on logging for its income. With the pine beetle infestation, there was concern that logging would no longer be able to produce the large profits that it has because of a decrease in wood supply. The Band's business strategy was to establish a second company that would work primarily in the oil & gas industry to take advantage of an emerging industry and to engage in other industries that required earth work.

Title and Rights

McLeod Lake Indian Band's Traditional Territory includes land south of the Peace River and extends to the border between BC and Alberta. Over 150 years, other First Nations such as Moberly Lake First Nation, Saulteau First Nation, and Kelly Lake Cree Nation have migrated to the south Peace. There was a political decision to occupy the Territory and exert the rights of McLeod Lake Indian Band. Establishing a company very visible in Chetwynd was an effective way to give prominence to McLeod Lake Indian Band.

Business

In the seven full years since the inception of Duz Cho Construction, the firm has grown from nothing to a company with the following:

Safety Program

DCCLP is proud to have been one of the first companies in BC to receive their Certificate of Recognition through Work Safe BC.

Under the direction of Suzanne Carlson, Safety Coordinator, DCCLP provides an effective health and safety program that complies with government legislation and industry standards.

Equipment and Availability

DCCLP currently owns 26 pieces of equipment (list attached), including excavators, dozers, scrapers, rock trucks and a loader. The company also has 20 field service trucks.

1994 Cat Crawler Tractor - D5H LGP	2006 Volvo Excavator EC330
2002 Cat Crawler Tractor - D6M LGP	2006 Volvo Excavator EC290
2004 Cat Crawler Tractor - D6N LGP	2006 Volvo Excavator EC360
2005 Cat Crawler Tractor - D6N LGP	2004 Volvo Excavator EC290BLC
1992 Cat Crawler Tractor - D6H LGP	2005 Volvo Excavator EC330BLC
2004 Cat Crawler Tractor -- D6R XL II	2005 Volvo Wheel Loader - L45B
1998 Cat Crawler Tractor - D6R LGP	
2004 Cat Crawler Tractor - D7R XR	1985 Cat Motor Scraper - 621B
2005 Cat Crawler Tractor - D7R XR II	1985 Cat Motor Scraper - 621B
2006 Cat Crawler Tractor - D7R LGP	
2000 Cat Crawler Tractor - D8R	2004 Volvo Articulated Hauler A30D
2000 Cat Crawler Tractor - D8R	2004 Volvo Articulated Hauler A30D
2003 Cat Crawler Tractor - D8R	2004 Volvo Articulated Hauler A30D
	2004 Volvo Articulated Hauler A30D

DCCLP has a proactive maintenance program with a maintenance crew including a heavy duty mechanic and a welder.

Present Situation

At the December Quarterly meeting, it was reported that Duz Cho Construction was in serious difficulty resulting from the Court Approved Creditor Protection of Earth First (Dokie Wind Energy). Accounts receivable of some \$3,600,000 was owed to Duz Cho Construction for work that has been done. It was also reported that the manager and his assistant were released and that Mr. Jim Humphreys was hired as interim manager. There was some question as to whether or not DCCLP could be saved or if assets could be liquidated and the company closed.

Since December 2008, a number of measures have been taken:

Audit

Deloitte Touche conducted an audit of Duz Cho Construction, which is to be submitted to Canada Revenue Agency by the end of April 2009 and will be available to the membership after review and acceptance by the Board of Directors of Duz Cho Construction.

Management

Management has made a number of changes, including:

Governance

- Policies have been introduced regarding the expenditure of funds, including the requirement of purchase orders, control of credit cards and guidelines for travel;
- Increased oversight regarding executive pay and expenditure;
- Increased financial monitoring of accounts receivable; and,
- Monthly reporting to the Board of Directors and Chief and Council.

Finances

Finances are tight.

The Earth First receivable is held up by the Alberta court Under Creditor Protection. We understand that a purchaser has been found for Earth First but has not been announced. We are to have our accounts receivable claim to the Court Receiver by May 1st, after which a settlement will be given. It is not known at this time how much would be paid on the receivable. The financial statements reflect a complete loss of the receivable. Should funds be paid, then the financial statements for 2009 -2010 would be adjusted accordingly.

Equipment

- Surplus equipment has been sold;
- Surplus rental equipment has been returned;
- Vehicles not in use are in storage and are not insured for highway use;

Staffing

- Non-essential staff have been laid off;
- Management has taken a pay reduction of 25%

Future Prospects

Oil and Gas Construction

The main oil and gas exploration companies have been contacted in the South Peace. Few are operating today with most putting their plans on hold until the selling price of oil or gas increase substantially. Those that may work on their permits have indicated that they want a discount in cost for any work that is done. Some firms have indicated that they may do some work in summer or fall of 2009, but the likelihood is that this construction work will be delayed to 2010 or 2011.

Firms from Alberta have moved to British Columbia. With construction businesses desperate for work, competition may result in no profits to be had this year with oil and gas work.

MLIB's Land Referral Office reports a decrease in oil and gas permit applications of some 15% from previous years.

First Coal Corporation (FCC)

Chief and Council has endorsed an initial coal project that will be done south of Chetwynd. MLIB will be signing a Memorandum of Understanding with First Coal Corporation for this initial phase. The MOU reflects much stronger Aboriginal involvement and provides increased safeguards for the environment. First Coal has also provided some funding for MLIB community projects and have agreed to negotiate a Socio-economic Impact Benefits Agreement should the full mine proposal proceed.

The initial project is the construction of a haul road and the production of a test sample. The haul road is estimated to cost from \$7 to \$10 million and the test sample of 100,000 tonne is estimated cost of \$10,000,000 to mine; hauling to the rail load out near Chetwynd of some 2,500 truck loads is estimated at \$2 million. The project would start in May weather permitting. It is our understanding that First Coal Corporation has the funds to build a new haul road and do a test sample. If the project proceeds after the test sample, the expected mine life of Central South is 15 years, then production would move to other sites providing an expected life of operations of some 100 years.

Duz Cho Construction is confident that FCC will provide the company with work if FCC gets its permits. FCC has toured some the work that Duz Cho Construction has done at Dokie Wind Energy and has talked to an engineer from that project. Their mine operations manager has indicated that Duz Cho Construction has the expertise and wherewithal to do a significant portion of the work that FCC requires. In the MOU, FCC establishes McLeod Lake Indian Band in lead role for Aboriginal involvement in the project.

Duz Cho Construction's and Duz Cho Logging's equipment is one class lighter than much of the equipment needed for the actual mine project. All of Duz Cho's existing equipment would be employed in the building of the haul road. For other work, equipment would be rented. Given the poor state of the economy, there is a lot of equipment available for rent.

Duz Cho Construction is approaching Aboriginal Business Canada for funding to prepare a Phase I business plan for the Board of Directors, the Royal Bank of Canada, and the Chief and Council. This Phase I plan would focus on the haul road and test sample, and would indicate what equipment would be needed, whether the equipment should be rented or purchases, what working capital is required, and other factors required for a successful business. A phase II business plan will be prepared outlining in detail the needs of Duz Cho Construction should the business be involved in the operations of the mine. This business plan will define the capital requirements of Duz Cho Construction.

The First Coal Corporation project has the potential to save Duz Cho Construction in the short term and to provide McLeod Lake Indian Band with revenues well into the future. There will be significant job opportunities of MLIB members to obtain employment, both with Duz Cho Construction and the mine, be members will have to become resident in Chetwynd and area.

Dokie Wind Energy Project

The creditor protection of Earth First Energy had caught Duz Cho Construction and its subcontractors with significant accounts receivable. There will be an announcement made shortly of the sale of Dokie Wind Energy to a major buyer. After the sale and as part of the creditor protection, funds will be returned to creditors based on a percentage of funds owed by the project. We will not know the extent of our loss if any until at least April or May when the sale and its details has been made public. Duz Cho Construction has changed the way it will do business by:

Requiring a bank credit check prior to engaging in major contracts; and,

Enforcing payment of accounts receivable in a timely way.

Notwithstanding the problems of Earth First, there will be opportunities to make money with the new buyers of the project as the Dokie Wind Energy project still requires completion.

It is unknown but expected that the new buyers will accommodate First Nation interests. There will likely be negotiation to this effect as the project does impact on the rights of West Moberly First Nation, Saulteau First Nation, and McLeod Lake Indian Band.

Other

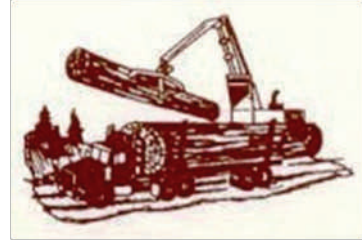
Duz Cho Construction has crawler tractors and excavators. This type of equipment is used in other areas for all types of earth works. Accordingly, DCC has provided an estimate for the demolition of a fire damaged house and will be bidding on site development work for institutional building construction. The recently announced infrastructure funding by the Governments of Canada and British Columbia will provide general construction work – Duz Cho Construction with help from Duz Cho Logging will bid on these jobs if work can be profitable. Duz Cho Construction will not limit its activities to only the South Peace but will seek out other opportunities in British Columbia and Alberta if it makes financial sense to do so.

Challenges

The current economic circumstances of Canada in general and British Columbia in particular pose challenges for all companies. Duz Cho Construction has some special opportunities with First Coal Corporation and others that could provide the company and Band with revenue security for the balance of this recession. Careful management of assets, cash and people, and reduction of waste will reduce expenses and allow DCC to maximize its revenue.

Duz Cho Construction LP has had a difficult time recruiting and retaining McLeod Lake Indian Band members, but will seek new band employees as contracts are obtained. Members will have to be willing to relocate to the Chetwynd area and abide by industry regulations. Training will be available.

Duz Cho Logging Ltd.



Duz Cho Logging was created in 1988 with an initial contract to log some 60,000 cubic meters of timber with sales to Mackenzie. Duz Cho operates primarily in the areas of McLeod Lake and Williston Lake Reservoir in north central British Columbia and on McLeod Lake Indian Band's Settlement Lands. Duz Cho Logging was originally an incorporated business but was de-incorporated in the early 1990's and operated as a proprietorship. Because of difficulties operating as a proprietorship, in 2003 the business was re-incorporated. The Band owns 100% of the company.

In 1996, Duz Cho was awarded contracts with Royal Oak Mines Ltd. for the clearing of a 341-kilometer right-of-way for a hydroelectric line from the Kennedy substation near Mackenzie to the Kemess Mine. This contract represented the harvest of some 300,000 cubic metres of timber and the construction of over 200 bridges. The work was valued at \$26.5 million, met all regulatory requirements, and was successfully completed within a year.

Over time, Duz Cho Logging has developed a reputation for quality logging and has grown into one of British Columbia's largest logging companies and annually logs some 800,000 cubic metres of timber and constructs up to 200 kilometres of logging roads.

In 2001, Duz Cho Logging won the prestigious *Aboriginal Business Award of the Year* at a ceremony in Kamloops, BC. In 2002, Duz Cho Logging was awarded the *Enterprise Business of the Year* at a ceremony in Fort St. John, BC.

Duz Cho Logging owns some 40 pieces of heavy equipment including crawler tractors, loaders, excavators, Log and service trucks including a Hiab equipped self-loading truck; skidders, and low-bed trailers.

Duz Cho Logging has provided the Band with millions of dollars for its programs and members.

Industry and Economy

The lumber industry in British Columbia has faced severe challenges over the past few years. These include:

- Pine beetle infestation

- Punitive American tariffs

- Increasing value of the Canadian Dollar *vis-a-vis* the United States dollar

- Collapse of the American housing market

The result of these economic pressures has been the collapse of the export market for interior processed timber and the closure of most sawmills in Canada. In Mackenzie, only East Fraser is operating a chipping facility. Dunkley Lumber of Quesnel has been purchasing logs, but they are now curtailing operations. Those mills that are operating are demanding wood at or below the cost of harvesting.

The prospects for Duz Cho Logging this year are bleak as it is not expected that the mills will resume historic operations soon. The fate of the two pulp mill operations in Mackenzie is not known, although the restart of both are rumoured. Economists expect that the recession will reverse in Canada by 2010 and in the United States sometime later.

Duz Cho Logging has idled most of its equipment and has laid off much of its staff. There also have been pay cuts. The company is looking for any work that will employ its equipment, whether in Forestry or not, as is working with sister company Duz Cho Construction to secure non-traditional work.

The Mount Milligan copper and gold mine will offer significant work once the mine starts development. Terrane Metals Corporation has recently obtained its BC permit and is awaiting permits from Canada. Depending on the availability of cash and the price of metals, the mine is expected to start in 2010 - Duz Cho Construction anticipates that it will be a major contractor on this project.

For more information regarding Duz Cho Logging, please contact Mr. Humphreys, General Manager, at [250] 997 8299.

McLeod Lake Indian Band

Development Corporation

McLeod Lake Indian Band Development Corporation was established in 2002 as an incorporated entity entirely owned by McLeod Lake Indian Band. The Development Corporation's purpose is to conduct business and make investments on behalf of the Band where an incorporated company is required.

Economic Development

The McLeod Lake Indian Band Development Corporation is concerned with the growth and development of the economy of McLeod Lake Indian Band and its members. The Development Corporation arranges funding for various economic, business and capital projects of the Band, and provides business training and advice for McLeod Lake Band Members. The Development Corporation also seeks business investment ventures, which meets the Band's requirements of profitability and job creation. The Development Corporation also provides funding and services for the Board of Directors, and is currently engaged in a project to provide structure and oversight for all of the companies.

The Development Corporation has reduced its hours of operation.

Funding agencies, such as Aboriginal Business Canada, have available funds for Bands and individuals to start or expand its businesses. Applications are being made to help Logging and Construction, as well as providing assistance for several individual Band members. Opportunities in the industrial first aid sector and in tourism are being researched.

The joint venture with ESS Support Services Worldwide is still in its beginning phase. Meetings have been had with Terrane Metal Corporation and other firms to provide them with crew camp services. The downturn in the economy has postponed many of the planned resource developments.

It is tax time. The Development Corporation assists members to complete their Government of Canada tax filing and assists elders to obtain their Guaranteed Income Supplement.

Real Estate

The McLeod Lake Indian Band cannot hold real estate, as for these purposes it is not considered to be a legal entity. Accordingly, this responsibility has been assigned to the Development Corporation.

Real estate holdings include:

Commercial Property

The Chetwynd shop and office is a metal building comprising of 15,300 square feet and containing 4 units of office and workshops, on 2.58 acres of land. The units consist of a front office/storefront and an industrial shop with access from a fenced back yard. The units are well appointed for businesses that repair or store equipment and require an interface with the public.

Undeveloped fee simple land is owned at Mackenzie Junction, Summit Lake, and Chetwynd. The land is suitable for commercial or residential construction. McLeod Lake is willing to joint venture with investors to develop the holdings.

Residential Property

Four houses have been purchased in the Prince George and McLeod Lake areas for rental to Band members.

Paxton House

The Band's Paxton House is currently listed for sale. Proceeds from sale will be used to reduce the Band's debt and cover operational costs.

Once the house sells, most of the furnishings will be sold, with members given the first opportunity for purchase. Notices will be placed in the Band's newsletter.

Paxton is a purpose built house that will be hard to sell – too many bedrooms. The Band's asking price of \$260,000 is a fair price for a house of this quality in Prince George.

For more information regarding the McLeod Lake Indian Band Development Corporation, please contact Bob Inkpen at [250] 788 8823, cell [604] 839 9051; or write:

McLeod Lake Indian Band Development Corporation
4821 South Access Road
Box 64
Chetwynd, BC
V0C 1J0

MLIB Land Management Department

Modification Agreement:

- Work with INAC to have the 4 new reserve parcels (Sas Mighe, Mackenzie, Findlay and Weston Bay parcels) under the authority of our Land Code and Individual Agreement.
- Council signed BCR for acceptance of the legal descriptions report for the 4 parcels, formal reports were submitted by INAC/NRCAN;
- Monica Karbozski and Roger Cote (INAC) are the contact persons for the file.

Last report in mid-March was the file was being reviewed by DOJ (Justice Department)

Land Management Committee:

- Committee meets monthly on the first Saturday of the month.
- Review of a Band member's Internment – family's request to have him interned at his 'old home site?' or at the 'cemetery site on IR #1?
- The committee's recommendation to Council is to have member interned at the existing cemetery and not at his 'old home site'.
 - o It could establish difficult precedent if other members wished to be buried at large anywhere on reserve land
 - o A gravesite would effectively preclude future development of the suggested site;
 - o Overtime gravesites could become lost and forgotten;
 - o Further recommendations include that the Band develop a policy to deal with internment on reserve land for band members and non-members.

And that the committee identifies an area for a community cemetery.

Update – the land manager drafted a burial policy and currently is being reviewed by technical advisor from the Lands Advisory Board Resource Centre.

The committee is reviewing the current options (to expand the existing cemetery or area behind the ball field).

Review the Post Historical Site Project on the refurbishing of the cemetery site, (new fencing and brushing), interpretative trail and signage.

Access Permit has to be granted and formalized to the Post Historical Society because they are trespassing on reserve land to get to their Site. The land manager will be working with the BC Heritage to get this done.

Currently reviewing the MLIB Forest Management Planning and Cutting Permit Approval Process with Rick Krehbiel and the Forestry Manager.

Land Use Planning and Zoning presentations from Daniel (LAB-RC).

Land Manager Training:

- LM successfully completed the National Aboriginal Land Managers Association Professional Land Management Certification Program Level 2.
 - o History & Legislation
 - o Fundamentals of Land Management
 - o Collective & Individual Interests
 - o Leasing I
 - o Leasing II
 - o Permits
 - o Land Registry Training – attended 1 day training, with L&R Assistant, @ BC Region.

INAC and Environment Canada – New Tank Regulations on reserve lands.

Environmental Management Agreement meeting with INAC (Tim Powers and Darquise Lalonde):

- Discussions on MLIB involvement and project on Step 1
- What were our successes and challenges
- INAC agreed to fund Step 2 – which is the actual negotiations of finalizing an environmental management agreement
- FN to be funded up to \$118K to do Step 2
- FN and INAC to agree on EMA Model Template

EMA to be on the agenda for the Lands Advisory Board Technical Meeting held in February and March (Chief Orr and Jenine Solonas attended)

Carp South Mediation – Meeting in Vancouver with reps from MLIB, Canada, BC and mediator (Gordon Sloan).

- MLIB & Province – mainly reps from MOF to work on plan to fix up Carp South parcel and get it back to a productive state?
 - o There is unwillingness to move because of jurisdictional uncertainty?
 - o If Band is not satisfied then the Band has to decide if we want to enter into litigation against Canada and Province for compensation of Carp South?
 - o Opinion from a former judge supports that MLIB has a strong case to take on Canada and BC on the transfer of Carp South?
 - o Or we can accept Carp South as is and get it back to productive state on our own?
 - o We need to issue the writ in April so we can be within the statute of limitations timeframe?

Spectra Energy – Protocol Agreement Review:

- Meeting with Steve Henderson, Troy Wilbur, other staff.
- MLIB to facilitate, through the Protocol Agreement, possible contracts with Spectra for Summit Pipeline Services.
- Spectra has not awarded the maintenance contract on the North line (Fort Nelson and the tributaries) to Summit Pipelines, top decision makers at Spectra are reluctant to contract to a new company?
- Spectra's budget have not been approved, pending, to finalize the work at Station 1 Project – recoating, they will looking at Summit to complete.
- No commitment from Spectra to provide the employment and business opportunities for Summit.
- Upcoming meetings to deal with Protocol Agreement- should the Band provide notice to terminate the Agreement?

Annual funds for \$50K, specific to terms of the Agreement and should the Band be demanding more money?

Treaty 8 Implementation:

- Memo sent to Canada and Province asking for their commitment so we can finalize the implementation of our Treaty Agreement;
- 9 Years later we still have outstanding issues on land transfers, Pipeline Right of Way, Silviculture Obligations, Mineral Sharing Agreement.

Council and Band Manager recommended that Adele work on this file?

Western Boundary:

Attended updates from lawyer, Gary Nelson.

Operating Budget for 2009/10 Fiscal Year:

- Submitted and discussions with Controller on GL Listings and assumptions.
- Revamped after decision to not fund Department from Oilhead Revenue. Additional funds from Spectra Funds are unknown at this time.
- Manager to seek outside funding sources.

Manager attended community meetings on the Trust Updates.

Meeting with Pat Bell – Informal meeting on issues with Carp South

The Land Manager participated in the MLIB Strategic Planning Session.

A letter to INAC was submitted to resurvey IR No, 2 (Pack River parcel) and IR No. 5 (there is a discrepancy about 1 of the band houses, it maybe encroaching on Crown Land).

Participated in Chief & Council, Staff and Community Emergency Meetings.

Arranged meeting with RDFFG, PEP and FNESS to attend Community Emergency and Evacuations Planning meetings.