

BURRITTS RAPIDS RENEWABLE ENERGY ASSOCIATION (BRREA)
BOARD MEETING (#42)

Thursday, 24 April 2014, 19:00 - 21:00
David Simpson's home; 11 Centre Street, Burritts Rapids

MINUTES

Present: Muffy Koch, Bob Gaudette (by phone), David Simpson, Michael Harrington, Mary Hegan, Marianne Fizet

	Item
1	<p>Welcome and Review of Agenda</p> <p>Muffy Koch welcomed the members and noted that Bob Gaudette was joining the meeting by phone. New Board member Marianne Fizet agreed to take Minutes for this meeting.</p>
2	<p>Appointment of Officers for 2014 (Chair, Treasurer, Secretary)</p> <p>Muffy Koch elected as Chair: nominated by Mary Hegan, seconded by Michael Harrington. Bob Gaudette elected as Treasurer: nominated by Muffy Koch, seconded by David Simpson. Michael Harrington elected as Secretary: nominated by Mary Hegan, seconded by Marianne Fizet.</p>
3	<p>Meeting with Equinox</p> <p>Steve McNeill and Sébastien Vittecoq of Equinox, a Montreal based developer, were to join the meeting and introduce their company as well as discuss the possibility of collaboration with BRREA.</p> <p>Prior to their arrival, Board members spent a few minutes on background information. It was noted that following the signing of a non-disclosure agreement, Ossberger obtained permission from BRREA to share with Equinox an abridged version of the Genivar report, and the table on costs of civil engineering. Further, Board members agreed that the "Fact Sheet" provided by Muffy Koch is a good reference as to what BRREA would bring to the table in a partnership.</p> <p>Mary Hegan reported on her call the previous day with Parks Canada (also attended by David Simpson) confirming, among others, that the permit re-application is not a competitive process but termed "unsolicited;" and that the current 9.25% "royalty" policy on gross revenue would <u>not</u> be waved.</p> <p>Steve McNeill and Sébastien Vittecoq arrived at 19:40. Board members learned that Equinox is a property developer who, among others, works with Ossberger on a number of projects including the Norland hydro project in Northern Ontario. Mr McNeill works on the financial side of the consultancy while Mr Vittecoq, formerly of OEL Hydrosys (who successfully built the 800</p>

kW South River project near North Bay, and with whom he retains a partnership independent of his collaboration with Equinox) has the technical expertise. This is their first joint venture.

Steve McNeill explained that typically, when entering into a partnership, Equinox takes on 50% of the total project costs including the costs of civil engineering on and around the site (including road, river bed digging, etc.), installation of the turbine, and testing. There was some discussion around possibilities of financing the other 50% (e.g. partnerships with the region, municipalities). Also, Mr McNeill clarified that permits and related administrative tasks would preferably be handled by the partner (i.e. volunteers) as they tend to be labour intensive and significantly drive up overall project costs. Consequently, the community – in this case BRREA – would take the project up to the point of construction, with Equinox taking over at that stage. The Board was told that tying in local expertise, contractors and resources is another way Equinox typically tries to keep costs down.

According to Mr McNeill Equinox is interested in projects they can help get off the ground, while recovering their investment and rendering them profitable in the shortest possible time. As such, rather than profit sharing over the longer term their preference is to earn 100% of the revenue for a brief period of time and then sell their stake for \$1 to the other stakeholders, i.e. pull out of the project entirely and hand it over as a legacy to the community.

Board members outlined BRREA’s founding principles and objectives; Parks Canada’s priorities re first and second mandates (flooding and boaters); and they pointed out the lack of available funds that would cover priority permit and FIT contract fees (amounting to close to \$20,000). However, with a confirmed partnership with the private sector in place (which would confirm the “opinion” that this is a viable project) it may be possible to attract co-investors (such as regional or municipal, or from the community).

Mr Vittecoq noted that Genivar’s assessment was very conservative. Asked by the Board what in his mind would be the challenges particular to this project, he noted the low head and that Parks Canada’s raising and lowering of the water levels at various times would have a big impact on the bottom line. He also pointed out that solid rock would be a positive. Either way, a bulb pit turbine appears to be the most suitable technology in his opinion.

The Chair thanked Mr McNeill and Mr Vittecoq for their visit and interest in BRREA’s hydro project. Mr McNeill will provide BRREA with a bullet-point term sheet within the next few weeks following the meeting. It was agreed that should both sides be interested, a memorandum of understanding would be the first step in working together through pre-development and development stages. The Equinox team departed at 20:55.

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Approval of Previous Minutes

The minutes from the meeting of February 6, 2014 (BRREA Board meeting #41) were approved as written (moved by Muffy Koch, seconded by Bob Gaudette) and will be posted on the web-site.

5	<p>Input into the Carleton University Projects</p> <p>Prior to the arrival of the Equinox team Mary Hegan provided some information re the Carleton U. collaborative projects under discussion since early winter with Prof. Metin Yaras, Dept. of Civil and Environmental Engineering, and Lisa Meyer, Coordinator of Linguistic and Language Studies.</p> <p>Mary confirmed that the schedule of deliverables on the BRREA project undertaken by Lisa Meyer’s two communications classes for 2nd year engineering students has been set, and Board members signed up to represent BRREA at the classes’ first meeting on May 5, as well as their last, on June 12 (which subsequent to the Board meeting was moved to Monday, June 9). Board members asked Mary to go ahead in finalizing specific project subjects matters which would be of interest and value to BRREA.</p> <p>Board members also asked Mary to give the green light to graduate student Eric Singhroy who will be undertaking a summer project the Board hopes will summarize technology options for the BRREA hydro project.</p>
6	<p>Next Board Meeting</p> <p>The next Board meeting was set for Wednesday, May 21 at 19:00 (location to be confirmed).</p>
7	<p>Other Business and Adjournment</p> <p>Michael Harrington agreed to look further into the by-laws update required this fall.</p> <p>The meeting was adjourned at 21:35 pm.</p>