

Questions and Answers
from
Round 1
Small Group Sessions
(Held January/February 2004)

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**Small Group Process --
Questions from
NCN Dept. Managers (January 28, 2004)**

1. How will NCN own up to 33% of the Project? What's the difference between NCN "can" or "will" own up to 33%?

NCN can choose to own up to 33% of the generating station. If it wants to invest less money, it can own less than 33%. If it chooses 33%, it would have to invest about \$62 million (based on 2002 dollars). Hydro is prepared to lend NCN about \$41 million. That means that NCN would have to invest about \$21 million of its own money.

2. How many approvals are necessary before the project proceeds?

Four approvals are needed. The provincial and federal governments must approve the proposed project under their environmental laws. Once the negotiations on the PDA are finished, the people of NCN will get to vote on the PDA in a secret ballot vote, maybe in the fall of 2004. Hydro's Board of Directors will also vote whether to approve the project.

3. Why will the General Partner be administered by Manitoba Hydro?

The General Partner will be a new corporation owned by Hydro. Hydro and NCN representatives will sit on the board of directors of the general partner. NCN and Hydro agreed on the idea of a partnership because there are tax advantages in this sort of arrangement. NCN wants to be a limited partner, because that will limit its potential liability. It will protect NCN from potential risks.

As a limited partner, NCN will own 33% of the business. (It may choose to own less, but let's use 33% as an example.) As a limited partner, Hydro will own 66.99% of the business. The general partner (the corporation owned by Hydro) will own 0.01% of the business.

The general partner in a partnership does not have limited liability.

4. If the composition of the Board of Directors has 1/3 representatives from Nelson House and the remaining 2/3 representatives from Manitoba Hydro, will NCN have decision-making influence in business matters? How will NCN have decision-making influence in business management?

NCN will have influence in decision-making about fundamental matters, as the PDA will provide that there will be some fundamental things about the project that Hydro will not be allowed to change without NCN's consent. For example, Hydro couldn't decide to change it to a high head (large) dam without NCN's consent. Hydro will be able to outvote NCN on some decisions but, as long as it can't make major changes without NCN's consent, NCN's interests are protected. Also, many significant issues will be agreed upon in advance by NCN and Hydro, and spelled out in the PDA - a binding agreement.

NCN will have other clear rights that will be defined in the PDA. On a number of defined matters important to NCN, there will also be dispute resolution processes that NCN can use, if necessary.

5. What are the mechanisms in place to ensure NCN will be able to compel Manitoba Hydro to address key issues of importance to NCN? How will NCN be able to influence the General Partner?

The PDA will contain protections for NCN in respect of certain very important principles. The Fundamental Features of the project are the basic aspects of the way it will be built. (The construction camp will be near Taskinigup Falls; the access road will be at Mile 17; the level of Wuskwatim Lake will usually be about 767.7 feet; there will be no more than one-half square kilometre of new flooding, etc.) Hydro can't change any of these features without NCN's consent.

The fundamental matters of the partnership are things that NCN will have a say in. (Remember: as a limited partner, NCN does not get involved in day-to-day decisions about operating the project or it will lose the protection of its limited partnership). Some fundamental matters are any change of the general partner (the corporation owned by Hydro); any sale by Hydro of its interest in the general partner; and transferring part of the partnership to anyone but NCN and Hydro. These would be such important decisions, that NCN would have to be able to participate in them.

6. How does the Limited Partnership protect NCN?

NCN, or a Trust set up by NCN, will be a limited partner with Hydro. This is a complex legal arrangement. A limited partner has limited liability. The limited partner puts up some money for a venture. The limited partner agrees not to make day-to-day decisions about how the venture is run. In return, the limited partner is protected from risk. If the venture is profitable, the limited partner gets a share of the profit. If the venture is not profitable, the worst thing that can happen to the limited partner is that it loses its initial investment. It cannot lose anything else. This will all be set out in a detailed limited partnership agreement which will be part of the PDA, and subject to approval by NCN Members.

Hydro is not allowed to change any of the Fundamental Features of the project without NCN's consent. NCN's right to its share of profits will be guaranteed in the PDA. NCN will have other clear rights that will be defined in the PDA. On a number of defined matters important to NCN, there will also be dispute resolution processes that NCN can use, if necessary.

7. What is the range of scenarios for future profit to NCN?

Profit is the amount left after all costs are paid. It is estimated that the project will start operating (and selling power) in 2010. For the first several years, NCN will have to pay back its loan. Therefore, it will receive less cash flow (maybe about \$1 to 4 million a year). As the loan is paid down, the annual amount will increase. By about 2035 (or sooner, if the loan is repaid sooner), it is anticipated NCN will likely be receiving large annual profits. From NCN's perspective, this may be the most attractive aspect of the Wuskwatim project.

8. What is the current standing on compensation packages, under Article 8.4.3 of the 1996 Agreement?

NCN and Hydro are still negotiating the compensation agreement for the Wuskwatim Generation Project. The agreement they eventually reach will be a schedule to the PDA. NCN voters will get to decide if it is satisfactory when they vote on the PDA.

Article 8 of the 1996 Agreement deals with Future Development, including Wuskwatim. It does not expressly say anything about partnership, but it certainly does not prevent NCN and Hydro from forming a partnership. It says that arrangements to compensate NCN for Future Development have to be finalized (either by agreement or by arbitration), before Hydro can start building. It says that it would be a good idea if NCN and Hydro finalized compensation arrangements before getting regulatory approval (approval by the governments) for new projects.

In the case of Wuskwatim, Hydro has agreed in principle to let NCN be a 33% partner in Wuskwatim, and has included NCN in every step of the planning process. It has agreed to NCN's position that Wuskwatim should be a low-head (small) project, which will cause less than one half square kilometre of flooding. NCN and Hydro jointly did the Wuskwatim field studies (in fact, most of the personnel were NCN members). NCN and Hydro jointly wrote the Environmental Impact Studies (EIS). Hydro and NCN have worked together as equals at the Clean Environment Commission (CEC). In light of all these factors, NCN takes the position that Article 8 has been complied with.

If NCN and Hydro had not agreed in principle that NCN could be a partner, and if NCN and Hydro had not written the Environmental Impact Statements together, and if NCN were not an equal partner with Hydro at the CEC, NCN might insist that Hydro should finish negotiating compensation arrangements before starting the environmental process. But that is not the situation today. NCN and Hydro are in the middle of negotiating compensation arrangements. They agree that it would be in their mutual best interests to keep on going with the CEC process while continuing their negotiations about compensation and other matters.

9. What is the difference between the loans from Manitoba Hydro to NCN in order to meet NCN's 25% equity contribution vs. the 75% of the Project Capital Cost being loaned to the Wuskwatim Power Partnership (owned by both NCN and Manitoba Hydro)? How are the two debts being repaid by NCN (NCN loan to achieve a 33% share in the Project, which translates to \$62.37 million based on a Total Equity requirement of 25% from the two partners, \$41.58 million of which Manitoba Hydro would loan to NCN vs. the 75% loan (\$567 million) taken out by the Wuskwatim Power Partnership to finance the Project)? Will the loan for 75% of the Project total capital cost ever be repaid, or will interest payments simply be made in perpetuity? Will NCN be liable for that debt?

NCN will borrow money from Manitoba Hydro to make up part of its \$62 million investment (33% of 25% of the Project). These loans will be at a preferred rate of interest and will be paid off by 2035, and possibly sooner. 75% of the Project cost will be borrowed by the Wuskwatim Power Partnership (NCN and Manitoba Hydro) and will be gradually repaid over the life of the

project. Paying the interest on this loan would simply be one of the costs of doing business for the Partnership. However, if interest rates increase, the Partnership may decide to pay down the debt slightly to reduce the payments through the use of what is called a sinking fund. This is the way Hydro funds all its generating stations. The Partnership will be liable for the interest on the 75%, but our independent advisors have assured us that the profits will be sufficient to make this a reasonable arrangement for NCN.

10. What is the intended interest rate for the construction loan provided by Hydro to NCN? How can you sign an agreement where you don't know the interest rate in the long term (i.e. floating rate)? Doesn't this put NCN at undue risk?

We assume that the "construction loan" is the equity loan explained in the SOU. In a general sense, governments and Crown corporations never know exactly what long-term rates they will pay when they borrow money to be repaid over very long periods of time. For that matter, the average house-owner never knows exactly what interest rates they will pay over the full term of their mortgage. It is an accepted fact of life in the business world that interest rates vary from year to year.

Manitoba can borrow money at very good interest rates (much better than an average business would pay). Because Hydro is a Crown corporation, it can borrow money at a rate almost as good as the rate Manitoba pays. NCN will be able to borrow money at a very reasonable rate (much better than it could get if it took a normal bank loan). This rate will fluctuate over time. This is normal in business. NCN's independent advisors have advised that this arrangement is very reasonable for NCN.

11. What is the level of revenue returning to the community while the construction loan is being paid off? If a minimum \$1 million annual return to the community is funded through a dividend loan from Manitoba Hydro what are the risks and implications of incurring this further loan?

During the first years after 2010, NCN might receive about \$1 to 4 million per year. By about 2035, this could increase to about \$26-57 million a year. These are just estimates. If NCN chooses to take a dividend loan, it will repay the loan from future profits. Essentially, NCN will receive more money today and less money tomorrow. The advantage would be to make some money available for community needs in the earlier years. The disadvantage would be to have less money in later years, until the loan is repaid. After 2010, NCN will have to decide for itself where its priorities lie.

12. What is the maximum/minimum level of guarantee by Manitoba Hydro to purchase power from NCN at export prices to ensure NCN will receive revenue past 2015, when Manitoba Hydro's export power contract with Xcel Energy expires?

Hydro has several current contracts with Xcel (a Minnesota power company). None of them depend on Wuskwatim. Hydro estimates that the power from Wuskwatim will be needed right here in Manitoba after about 2020. All power generated from Wuskwatim will be purchased by Hydro at a price based on export prices. Experts have advised that future export prices will be

generally good. Hydro, not NCN, will have the task of actually trying to find buyers for the power.

13. How do revenue projections take future low water years into account? Doesn't this put NCN at risk? If NCN is protected, doesn't this put the average taxpayer at risk?

There is no doubt that some future years will be low-water years. NCN's business advisors have taken this into account. In fact, they have tried to be conservative in their analysis. They have advised that Wuskwatim will likely be a good investment for NCN over the long term. Hydro, which tries to keep rates for Manitoba rate-payers as low as possible, has reached the same conclusions.

14. How are outstanding claims being addressed outside of the PDA? Do these claims have to be settled before the PDA is completed?

There is no requirement that any claims be settled before the PDA is completed. There is an outstanding NFA claim about drinkable water at Nelson House. The dispute is between Canada and Hydro. This dispute is close to being resolved. Canada will consult with NCN, perhaps this summer.

A group called the Displaced Residents of South Indian Lake (DRSIL) has outstanding NFA claims. Some DRSIL members are NCN members. Some actually live at South Indian Lake (SIL). Some live outside of Manitoba. DRSIL members have their own lawyer and are handling their own NFA claims. NCN is not a party to their claims and has no control over them.

15. Why is there no SOU for the transmission lines?

NCN and Hydro have agreed in principle that NCN could be a co-owner of the Generation Project, but Hydro will own the whole Transmission Project. In some ways, they are part of one big picture. The station could not be built without some transmission lines. That's why the Clean Environment Commission hearings deal with both. The SOU deals mostly with partnership issues, and NCN will not be a partner in the Transmission Project.

16. Why is the employment preference geographically based? Why is preference geographically based as opposed to NCN membership based?

The Burntwood Nelson Agreement (BNA) (the collective agreement that will govern the project) now contains a preference for Aboriginal people living in northern Manitoba. The reasoning is that Hydro projects mostly affect the north, so people who live in the north should get some benefits from them. The BNA is now being renegotiated. The new BNA might contain a preference for aboriginals in a Project Region that has been affected by the Churchill River Diversion (CRD) and Lake Winnipeg Regulation (LWR) projects. This preference has the advantage of applying both to the Wuskwatim Project and to all other hydro projects that will be built during the term of the BNA. This might include the proposed Gull/Keeyask and Conawapa projects.

NCN members living in southern Manitoba can still get jobs at northern Hydro projects, if they have skills which are in high demand.

17. How will NCN members not living in the Project Region benefit from the Project?

NCN members living outside the Project Region, who are qualified in designated (skilled) trades required for the Project, will likely be able to participate in construction employment opportunities. Also, NCN may decide to use some future profits in various ways, such as creating university and college scholarships.

18. Is there a minimum level of voter turnout required for the PDA vote to be valid?

Over 50% of NCN voters will have to vote, and over 50% of those who vote will have to vote "yes". There may be some arrangements for holding a second vote if the turnout at the first vote is too low. This will likely be finalized by this fall.

19. Is preference geographically based for both contract and direct employment?

The proposal (to be confirmed through negotiation of the Burntwood Nelson Agreement) is that direct construction employment (excluding managerial and Manitoba Hydro staff) will be governed by the geographically based preference. Manitoba Hydro and NCN are currently negotiating about a number of potential contract opportunities for NCN businesses. If a negotiated contract cannot be concluded with a qualifying NCN business, then Manitoba Hydro will request bids from other qualifying businesses under a restricted tender (some businesses) or open tender (all businesses). Some direct contracts for some NCN businesses may create opportunities for some NCN members now living in southern Manitoba.

20. Have the other NFA communities agreed to the same preference scenario for potential future projects, such as Keeyask and Conawapa?

This remains in discussion. Neither NCN, nor any other First Nation, is a party to the BNA.

21. How can NCN members who do not live in the Project Region gain employment on the Project if preference does not apply to them?

The new BNA might say that first preference goes to qualified Aboriginal residents of the Project Region, second preference would go to qualified Aboriginal residents of the Northern Region (defined as all of northern Manitoba, with a boundary set out in the BNA). The preference will make a difference in those non-designated trades where there are more qualified applicants than positions available. For NCN members qualified in designated (skilled) trades, they are likely to be hired without considering the preference because there are fewer people with these qualifications.

22. How can NCN members living outside the preference region be expected to move their families without the guarantee of a job?

NCN members living in southern Manitoba who already have skills which are in high demand, can probably qualify for jobs without moving to the north. Others may have to make difficult choices about their long-term future careers. Even if Wuskwatim is never built, they would have to make these choices as soon as Hydro decides to build its next northern project.

23. Should NCN have a separate letter attached to the BNA that sets out the preference?

NCN is not a party to the BNA. NCN has made known to Manitoba Hydro its perspectives about the preference and other BNA issues. These perspectives are being reflected in the negotiations with unions.

24. When does a community member seeking employment on the Project have to join a union?

Once an NCN member is hired, they must join the relevant union.

25. What are the Union Dues for periods of layoff?

This varies from union to union. In many cases, there may be no dues.

26. Does a member need to pay Union Dues when laid off but wanting to be re-hired on the Project in next construction season?

This varies from union to union.

27. Will income tax be deducted from NCN members working on the Project?

The general rule is that "Indians" do not have to pay income tax for income earned on a reserve. It is currently anticipated that all workers, including NCN members, who earn money at Wuskwatim will have to pay income tax on that money.

28. What is being done to maximize and ensure NCN members are trained and qualified on time to benefit from Project employment? What communications and coordination is currently underway for training?

NCN has developed a multi-year training plan targeting occupations that will be in demand during Wuskwatim construction as well as in Nelson House and other communities in northern Manitoba. NCN's training process includes life skills training and work experience components in addition to the in-class technical training required for these occupations. The life skills training is designed to ensure that NCN members have the ability to deal with potential challenges related to the new employment opportunities, while the work experience is intended to provide the trainees with the on-the-job qualifications that will be needed to secure employment on the construction of the Wuskwatim Generation Project.

NCN has hired a portion of the staff that will be required to run the ATEC centre once it is fully operational. These staff members have made interim arrangements for classroom space in Nelson House as well as training outside the community in Thompson, and in some cases Winnipeg, to ensure that training can proceed before the facility is ready for use. Successful pre-project training programs have been completed for a variety of the occupations identified in the multi-year training plan, including heavy equipment operators, truck drivers and security guards. Training is ongoing for designated trades, which require multiple years of training and work experience, including carpenters and electricians.

The Director of ATEC, Ezra Bogle, and the Retention Support Worker, Jackie Scott, are in the process of developing a newsletter on Wuskwatim pre-project training. They can be reached at the Band Office in Nelson House and are always happy to answer any questions that people might have about the training opportunities.

29. Where are the 5 Cree Nations in their negotiations with MB Hydro, MB Advanced Education & Training and the federal government for coordination of training money?

Commitments for funding have been made by Canada, Manitoba and Hydro. It is anticipated that construction of the ATEC Centre at Nelson House will begin soon.

30. How will restricted tendering take place? What contracts will be included as restricted tendering?

We don't know yet exactly which contracts will be subject to restricted tendering. We may have more information by this fall.

31. What monitoring and safeguards are in place to ensure water quality does not worsen? Why won't water quality improve in the community?

Wuskwatim will have no effect at all on Footprint, Threepoint or Southern Indian Lakes. It will not make the water either better or worse in these lakes. There will be water quality monitoring both during and after construction. The details of this monitoring are still being discussed.

32. How will revenues from the project be distributed in the community?

That is up to NCN members as a whole. It is anticipated there will be some form of community approval process, maybe similar to the one now used to make spending decisions in respect of the 1996 Nisichawayasihk Trust. NCN members will have to decide what their spending priorities are. The PDA will set out how the Trust will operate.

33. What resources will the Coordinated Response Committee have in being able to implement action to deal with issues they identify (i.e. in migration -- strain on housing)?

NCN will discuss this matter during the course of finalizing the Project Development Agreement.

34. Will someone from Finance be involved in planning the Coordinated Response Committee?

This suggestion has been made and will be considered by Chief and Council in establishing the Coordinated Response Committee. This may be an internal NCN committee, but it may include some Hydro representation.

Small Group Process --
Questions from
Meeting with Economic Development/Education and Training Staff
(February 10, 2004)

1. How is NCN going to raise the \$62.37 million?

NCN has saved some money from interest on the Nisichawayasihk Trust (the Trust created by the 1996 Agreement), and can save more before 2010. NCN will also borrow some money from Hydro. NCN is hoping to obtain some money from the federal government, but this is still uncertain. All the financing arrangements for the partnership will be set out in the PDA.

2. What will be the compensation package for the transmission line?

Details have not been finalized. One possibility is that groups like the trappers' association might get some funds every year. There will be more detail in the PDA.

3. Will there be a web page for the CEC hearings?

There already is: www.cecmanitoba.ca. This site can also be reached via www.ncncree.com and www.hydro.mb.ca.

4. What are the timeframes for the Minister of Conservation to make a decision about the project?

The CEC may finish its report in the summer of 2004. The Minister may make his decision on licensing in summer-fall 2004. These are just estimates.

5. Does NCN get royalties for the project?

No. This might cause various problems. Firstly, when they approved the 2001 AIP, NCN voters endorsed the concept of a partnership. Secondly, the environmental assessment to date has been based on the concept of a partnership. If this were to change, the assessment process could be delayed, and delay would be expensive. NCN has chosen to pursue partnership because the project appears to be a very good investment. Being a partner makes good financial sense.

6. Where is NCN borrowing the money from?

NCN has saved some money from interest on the Nisichawayasihk Trust (the Trust created by the 1996 NFA Implementation Agreement), and can save more before 2010. NCN will also borrow some money from Hydro. NCN is hoping to obtain some money from the federal government, but this is still uncertain. All the financing arrangements for the partnership will be set out in the PDA.

7. Why is NCN only getting 33% and not more?

NCN may choose to own less than 33% of the project. It would have to invest less money, but it would make less profit. Hydro is prepared to invest 66.99% of the money needed to make the project happen, and is also prepared to lend NCN part of the money NCN would need to invest. In return, Hydro will own about 2/3 of the business, and will get about 2/3 of the profit. These arrangements were arrived at through the give and take of negotiations. Both NCN and Hydro consider these arrangements to be fair.

8. When will the 75% of the project cost borrowed be paid back?

Hydro always borrows money to build its generating stations. It pays the interest and gradually pays down the principal (the original amount). This will be the case for the Wuskwatim project, too. The partnership will put some money into a sinking fund. The partnership could periodically use money from the sinking fund to pay part of the principal and reduce the need to borrow in the future to gradually pay down the principal.

9. What are the tax advantages of the partnership structure?

Tax laws are quite complex. Essentially, NCN (as a First Nation) does not pay income tax. The partnership structure helps reduce the risk that NCN might have to pay tax on its share of Wuskwatim profits.

10. Who decides on what percent of the profits will be saved in the rainy day fund?

The partnership will decide. There will be more details in the PDA.

11. What will happen beyond what has been predicted with respect to the water level?

NCN's own engineers have carefully studied this issue. They confirm that Wuskwatim is not anticipated to have any effect on Footprint, Threepoint or Southern Indian Lakes. They also confirm that, after the station is built, water levels on Wuskwatim Lake will not vary from season to season like they do now. Generally, they will rise a few inches every night and drop a few inches every day. If the governments licence Wuskwatim, the licences will almost certainly contain some rules about water levels.

12. What kind of cultural ceremonies and programs are in place to preserve cultural and spiritual integrity of the Wuskwatim area and the people?

NCN is committed to undertaking appropriate ceremonies before construction begins at the Wuskwatim site and, during the course of the construction project, before each new area is disturbed. Protecting cultural and spiritual sites in the Wuskwatim area that are sacred to NCN, in particular the dancing circle area, is essential. Although it is not expected that water will move anywhere near this area once the project begins operating (in about 2010), the area will be closely monitored and, if any problems should occur, then steps will be taken to protect the area. In addition, an Access Management Plan was developed for the access road to deal with

newcomers to the area. In addition, a Culture and Heritage Resource Management Committee will be put in place before construction begins to oversee these steps and to identify others that may become apparent as the project unfolds. These steps will be in addition to ceremonies and programs currently underway at Nelson House that are designed to strengthen NCN's culture – for example, the Granny and Grandpa Program that is supported by the 1996 NFA Implementation Agreement, Cree language included in the school, drum groups and others.

13. Where are the money and resources coming from for planning for Wuskwatim and for the environmental studies?

Manitoba Hydro is providing the resources for planning and for environmental studies. If the project goes ahead, these costs will be charged to the Project.

14. Will the project go ahead without NCN approval?

No. The project will not go ahead at this time without NCN approval. It is hard to say what will happen in the long term.

15. How will the PDA vote be conducted?

It will be a fair, democratic, secret-ballot vote. This is the sort of vote used in every federal, provincial and municipal election. It means the voters mark their ballots in private -- no one can see how they're voting. For the PDA vote, there will probably be polling stations at Nelson House, SIL (unless contrary arrangements are made due to the establishment of O-Pipon-Na-Piwin), Thompson, Winnipeg and Brandon.

Small Group Process --
Questions from
NCN Youth (February 18, 2004)

1. What will be done with the profits and how will they be spent?

That is up to NCN members. It is anticipated there will be some form of community approval process, maybe similar to the one now used to make spending decisions in respect of the 1996 Nisichawayasihk Trust. NCN members will have to decide what their spending priorities are. The PDA will set out how the Trust will operate.

2. Do I have to be certified to work at the project?

Some jobs will be for certified trades (e.g. carpenters). Of these, some jobs will be for certified "journeymen" only, and some jobs will be for apprentices. Some jobs will be for non-certified trades (e.g. labourers).

3. Will there be money from the profits for better housing?

NCN will have to make this decision after 2010. NCN's priorities may vary from year to year. In some years, housing may be an NCN priority.

4. What happens with respect to NCN's \$21 million contribution if something goes wrong during construction?

NCN only has to invest \$1 million before the end of construction. If NCN decides to back out, it gets its \$1 million back. The other money doesn't have to be invested until construction is finished (about 2010).

5. When will ATEC be constructed?

The planning and design process for the ATEC facility is nearing completion. It is expected that construction will begin before the winter of 2004 and be completed in 2005.

6. I hear that there are ancestors buried at Wuskwatim: What will happen to them?

Since 2000 archaeological field surveys for the Environment Assessment have investigated the area that would be disturbed by the Wuskwatim Generation Project.

The archaeological studies done for the Project asked key persons about the possibility of gravesites being located in areas to be disturbed by constructing the project. This included discussions with elders during overflights of the area. None were identified at that time.

Field studies, with participation of NCN members, were also undertaken by heritage resource consultants. Shovel tests were dug along straight lines (transects) from the shoreline back into

the bush and have used a soil probe to get an idea of what kind of soil is present. To date, no evidence of graves has been found. If graves were present, there would be different colours of soil, such as very mottled soil (a mixture of organic and clay) with a very dark organic soil beneath this. Sometimes, with more recent graves there may be nails and other metal hardware or wood fragments that would be from a coffin. Because of the acids in the boreal forest soils, bone does not preserve well. There are some places where there may be very good drainage or a thick anaerobic clay (without oxygen) deposit. In these instances, bone may be preserved. Forest fires will often remove surface evidence of graves – picket fences and crosses are burned, trees fall across graves and then the moss covers the tree. This makes it almost impossible to recognize a grave feature.

However, because of the continued concern for graves that may be situated at the site of the Wuskwatim Generation Project, additional fieldwork will continue this summer. Further transects with shovel testing will take place. Elders will be asked once again to recollect what kinds of activities did take place at the site of the Wuskwatim Generation Project.

If the project does go ahead the archaeologists can be on-site during the removal of the vegetation and topsoil to ensure that any found human remains are handled with care and respect until the NCN cultural leaders arrive to perform the proper ceremonies and rebury the remains. Strict procedures must be followed -- both provincial laws and NCN's own requirements for ceremonies.

The Churchill River Diversion Archaeological Project, which has been mitigating archaeological and burial sites at Wuskwatim Lake as a result of erosion from the Churchill River Diversion, will continue to collect artifacts and remove endangered human remains on a regular basis. The policy for dealing with exposed burials is handled by NCN in cooperation with the Historic Resources Branch and Manitoba Hydro. This process will continue regardless of whether or not Wuskwatim is approved.

If Wuskwatim does go ahead, a Culture and Heritage Resource Management Committee will be put in place to deal specifically with these matters.

The grave-site recently reported in the Winnipeg Free Press was not in any of the areas to be disturbed by Wuskwatim. It was at the eastern end of Cranberry Lakes.

7. Why would we move the ancestors' burial sites?

There is no reason to remove ancestors' burial sites if they are not in danger of falling into the lake, or if they occur outside of the area affected by the Wuskwatim Generation Project. If there are graves well removed from these areas, the Culture and Heritage Resource Management Committee may decide that these areas should be fenced off and maintained as historic cemeteries.

8. How much flooding will take place and how do you know it will only be a half square kilometre?

NCN's own engineers have carefully studied this, and they confirm that there will be less than one-half square kilometre of flooding. It should be noted that opponents of the project have not been able to provide any evidence to the contrary.

9. What if the predictions are wrong about the flooding?

Opponents of Wuskwatim have hired experts to help them attack various aspects of the project. None of these experts have even suggested that the predictions about flooding might be wrong.

10. What kind of contracts will there be (negotiated contracts)?

NCN hopes that there will be negotiated contracts for things like catering, security and road construction. These have not been finalized yet. There will be more information by the time the PDA is ready.

11. Will the workers get a pension plan on the project?

The Canada Pension Plan will apply to work done at Wuskwatim. Some of the unions have group insurance plans, including pension plans.

12. Why is the dam being built at this particular location?

In general, hydro dams are built at places where a lot of water flows quickly, to turn turbines in a power-house. This includes places like waterfalls and rapids. Taskinigup Falls is a good location for this reason. It is also a good location because it is possible to build a dam there without causing a lot of flooding (less than one-half square kilometre).

13. What will the mercury level be as a result of the project?

Based on observed changes in mercury in Wuskwatim and other lakes following CRD, the predicted mercury concentrations in Wuskwatim Lake fish are:

- lake whitefish will just exceed 0.1 parts per million [ppm] - (the domestic consumption level is 0.2 ppm);
- pickerel may reach 0.35 ppm (the commercial sales limit is 0.5 ppm); and
- jackfish could increase to slightly below 0.5 ppm.

The "worst case" scenario, which assumes that all peat islands will die off (we don't expect this will occur), would cause somewhat higher levels -- lake whitefish (0.14 ppm); pickerel (0.39 ppm) and jackfish (0.56 ppm).

14. Will the project affect the water?

During some construction activities (when temporary dams are being constructed or removed from the river), there will be more sediment in the water at the construction site and downstream of the site in the Burntwood River – this will occur for several weeks during the summer during the second and fifth year of construction. After the station is in operation, no effects to overall water quality in Wuskwatim Lake or in the Burntwood River downstream of the station are expected, though there will be some local effects (e.g., water off of currently eroding banks in Wuskwatim Lake may become more muddy). Water quality will remain as it is today in Footprint and Threepoint Lakes – the Wuskwatim Project will make it no better and no worse.

15. Why would we allow the project to go through?

In the end, that is up to NCN voters. The project represents a good business opportunity for NCN - one that will not come along every day. It will also provide training, job and business opportunities. The downside is that it will have some effects on the environment, such as less than one-half square kilometre of flooding, and the building of an access road and transmission lines through the Nelson House Resource Management Area (RMA). NCN voters will have to weigh the pros and cons.

16. Who will get to vote on the PDA?

All adult NCN members.

17. Why would NCN continue to build a dam with Manitoba Hydro if they have ruined everything for us previously?

That is up to NCN voters to decide. There is no question that CRD caused many adverse effects at Nelson House, SIL and elsewhere. But it is absolutely crucial to realize that Wuskwatim is not CRD. As hydro projects go, Wuskwatim is a small one. Unlike CRD, Wuskwatim provides NCN with an excellent investment opportunity. Again, voters will have to decide whether they are so angry about CRD that they are prepared to pass up this new opportunity.

18. Why make the same mistake in signing this agreement as we did before in signing the NFA?

Again, Wuskwatim is not CRD. There are enormous differences.

19. What is being done to make the water safe?

The water consumed by workers at the construction camp will be treated at an on-site water treatment plant. Wuskwatim will have no effect on the water quality at Nelson House.

20. Is shoreline debris clean-up ongoing?

A Debris Management Program is currently underway in the Nelson House RMA and elsewhere to address debris problems caused the Churchill River Diversion. Every year, NCN tells Hydro

which areas are the highest priority for debris management. This will continue with the Wuskwatim Generation Project.

21. Will the Wuskwatim project result in a greater impact on the shoreline debris?

There will be some effect on debris in Wuskwatim Lake and just downstream from the station. There will be no effect on Footprint, Threepoint or Southern Indian Lakes.

22. How can this get cleaned up and not be a build up of debris?

First, trees along the shoreline in the area affected by the one-half square kilometre of flooding will be cleared before construction begins. In addition, debris will be monitored by Manitoba Hydro and NCN and appropriate action will be taken under the Debris Management Program.

Small Group Process --
Questions from
Trust Office and Band Office Staff (February 19, 2004)

1. Why is NCN's share 33%?

NCN may choose to own less than 33% of the project. It would have to invest less money, but it would make less profit. Hydro is prepared to invest 66.99% of the money needed to make the project happen, and is also prepared to lend NCN part of the money NCN would need to invest. In return, Hydro will own about 2/3 of the business, and will get about 2/3 of the profit. Both NCN and Hydro consider this arrangement to be fair.

2. Is the land where Wuskwatim will be built considered part of NCN's assets?

The land is in the Nelson House RMA. A good argument can be made that NCN has various treaty rights in this area. Whether this constitutes an "asset" is an abstract question.

3. When will the three turbines go into operation?

If construction starts in 2004, the station will start operation in about 2010.

4. What qualifications will be needed for jobs?

Job qualifications will vary depending on the occupation. For some non-designated trades positions like labourers between zero and six months of basic training and job experience would be all that is required. For highly skilled occupations in the designated trades, like carpenters, electricians and pipefitters, a person would need at least two full years of training and education to work as an apprentice and at least four full years to become certified and work as a journeyman. An Advisory Committee on Employment will be in place during the construction of the Project to make sure that job descriptions from the contractors ask for qualifications that are reasonable.

5. Why doesn't NCN use its own trust money rather than borrowing from Hydro?

Under the current terms of the 1996 Trust Agreement, NCN can spend the interest and capital gains on the money in the Trust (to date, roughly \$4 million a year), but not the principal. To own 33% of Wuskwatim, NCN would need over \$60 million dollars. It doesn't have this much money available under the terms of the existing Trust, so it has to borrow it.

6. Will the Woodland caribou be affected by the transmission lines?

There are 4 woodland caribou ranges in the vicinity of the area through which the Wuskwatim transmission lines will cross. Based in part on NCN concerns about the importance of Partridge Crop Hill for woodland caribou, the proposed transmission lines were routed away from this area. Environmental studies concluded that woodland caribou may avoid the rights-of-way during construction of the transmission lines, but will cross the lines after construction. Following construction, there may be some decrease in their use of habitat near the

transmission lines. NCN has committed to preparing access management plans for portions of the transmission lines in the Nelson House Resource Management Area, in part to protect woodland caribou in the area.

7. How will NCN raise the \$62.37 million it needs to finance Wuskwatim?

NCN has saved some money from interest on the Nisichawayasihk Trust (the Trust created by the 1996 Agreement), and can save more before 2010. NCN will also borrow some money from Hydro. NCN is hoping to obtain some money from the federal government, but this is still uncertain. All the financing arrangements for the partnership will be set out in the PDA.

8. How will Wuskwatim affect the water quality in the area?

During some construction activities (when temporary dams are being constructed or removed from the river), there will be more sediment in the water at the construction site and downstream of the site in the Burntwood River – this will occur for several weeks during the summer during the second and fifth year of construction. After the station is in operation, no effects to overall water quality in Wuskwatim Lake or in the Burntwood River downstream of the station are expected, though there will be some local effects (e.g., water off of currently eroding banks in Wuskwatim Lake may become more muddy). Water quality will remain as it is today in Footprint and Threepoint Lakes – the Wuskwatim Project will make it no better and no worse.

9. When will Hydro settle the claims outstanding under the NFA, particularly the drinking water claim?

There is an outstanding NFA claim about drinkable water at Nelson House. The dispute is between Canada and Hydro. This dispute is close to being resolved. Canada will consult with NCN, maybe this summer.

A group called the Displaced Residents of South Indian Lake (DRSIL) has outstanding NFA claims. Some DRSIL members are NCN members. Some actually live at South Indian Lake (SIL). Some live outside of Manitoba. DRSIL members have their own lawyer and are handling their own NFA claims. NCN is not a party to their claims and has no control over them.

10. What about the grave sites at Wuskwatim?

Since 2000 archaeological field surveys for the Environment Assessment have investigated the area that would be disturbed by the Wuskwatim Generation Project.

The archaeological studies done for the Generation Project asked key persons about the possibility of gravesites being located in areas to be disturbed by constructing the project. This included discussions with elders during overflights of the area. None were identified at that time.

Field studies, with participation of NCN members, were also undertaken by heritage resource consultants. Shovel tests were dug along straight lines (transects) from the shoreline back into the bush and have used a soil probe to get an idea of what kind of soil is present. To date, no

evidence of graves has been found. If graves were present, there would be different colours of soil, such as very mottled soil (a mixture of organic and clay) with a very dark organic soil beneath this. Sometimes, with more recent graves there may be nails and other metal hardware or wood fragments that would be from a coffin. Because of the acids in the boreal forest soils, bone does not preserve well. There are some places where there may be very good drainage or a thick anaerobic clay (without oxygen) deposit. In these instances, bone may be preserved. Forest fires will often remove surface evidence of graves – picket fences and crosses are burned, trees fall across graves and then the moss covers the tree. This makes it almost impossible to recognize a grave feature.

However, because of the continued concern for graves that may be situated at the site of the Wuskwatim Generation Project, additional fieldwork will continue this summer. Further transects with shovel testing will take place. Elders will be asked once again to recollect what kinds of activities did take place at the site of the Wuskwatim Generation Project.

If the project does go ahead the archaeologists can be on-site during the removal of the vegetation and topsoil to ensure that any found human remains are handled with care and respect until the NCN cultural leaders arrive to perform the proper ceremonies and rebury the remains. Strict procedures must be followed -- both provincial laws and NCN's own requirements for ceremonies.

The Churchill River Diversion Archaeological Project, which has been mitigating archaeological and burial sites at Wuskwatim Lake as a result of erosion from the Churchill River Diversion, will continue to collect artifacts and remove endangered human remains on a regular basis. The policy for dealing with exposed burials is handled by NCN in cooperation with the Historic Resources Branch and Manitoba Hydro. This process will continue regardless of whether or not Wuskwatim is approved.

If Wuskwatim does go ahead, as Culture and Heritage Resource Management Committee will be put in place to deal specifically with these matters for the project.

The grave-site recently reported in the Winnipeg Free Press was not in any of the areas to be disturbed by Wuskwatim. It was at the eastern end of the Cranberry Lakes.

11. Will people who work on the project be unionized?

Generally, yes. Almost all workers at Wuskwatim will have to join unions in order to work there. NCN members will not necessarily need to be union members to get a job, but they will become union members upon being hired.

12. Who will be responsible for insurance for members of NCN who work on the project?

Workers will be covered by Workers Compensation. Depending on their union, they will also have group insurance as set out in their collective agreements.

13. Are outstanding claims filed with Hydro all settled?

There is an outstanding NFA claim about drinkable water at Nelson House. The dispute is between Canada and Hydro. This dispute is close to being resolved. Canada will consult with NCN, maybe this summer.

A group called the Displaced Residents of South Indian Lake (DRSIL) has outstanding NFA claims. Some DRSIL members are NCN members. Some actually live at South Indian Lake (SIL). Some live outside of Manitoba. DRSIL members have their own lawyer and are handling their own NFA claims. NCN is not a party to their claims and has no control over them.

14. Can we have an information session for the membership of NCN on training opportunities?

Yes. The people responsible for training will be alerted to this request.

15. What jobs will there be available for disabled people?

Workers with disabilities will be eligible for any of the jobs that they are able to perform. For people with physical disabilities these could include some of the clerical jobs that are available during second stage of construction when the dam, powerhouse and other major construction works are being built.

16. Will FAS people be entitled to training?

People with FAS are eligible for any training that they have the ability to complete. The specific type of training they would be eligible for would depend on the extent of their symptoms.

17. How can I get involved in the trades?

All NCN members are eligible for pre-project training. All you have to do is contact the staff of the Atoskiiwin Training & Employment Centre (ATEC) at the Band Office in Nelson House and fill out a form to register for training and meet with a career counsellor. NCN members in South Indian Lake can go to the Training & Employment Office in that community and do the same thing. The career counsellor will assist you to identify your current level of experience, your training needs and help you get your training started in the trade that you're interested in.

18. Is the Summary of Understandings confidential?

No. It was provided to every NCN household in Nelson House and South Indian Lake, made available to members in Winnipeg, Brandon and Thompson and was filed with the Clean Environment Commission. It is now on NCN's website.

19. What does the general partner do?

This is a bit complex. The general partner in a partnership runs the business on a day to day basis. However, unlike a limited partner, it does not have limited liability. Hydro will create a new corporation to be the general partner in the Wuskwatim partnership. Hydro will own the

new corporation. This general partner will run the business -- it will make day to day decisions about operating the generating station.

As a limited partner, NCN will own 33% of the business. (It may choose to own less, but let's use 33% as an example.) As a limited partner, Hydro will own 66.99% of the business. The general partner (the corporation owned by Hydro) will own .01% of the business, and will operate the business day to day.

20. What is the interest rate on the loan?

If NCN chooses to invest, it would only have to invest \$1 million before the end of construction. If NCN decides to back out before construction is finished (about 2010), it gets its \$1 million back. If NCN decides to be a 33% partner, it will have to borrow about \$41 million from Hydro. NCN will have to pay interest to Hydro at Hydro's borrowing rate plus a small percentage. This is very reasonable from NCN's perspective. The latest projections are that, during the first years after completion (about 2010), NCN will likely get about \$1-4 million per year. After about 2035, NCN will likely get about \$26 million to 57 million per year.

Again, if NCN chooses to own 33%, Hydro would lend NCN about \$41 million, and NCN would use about \$21 million of its own money. During the construction period (about 2004-2010), NCN would pay interest on the loan at the Canadian Construction Rate (a floating rate) plus 1%. During the next ten years (about 2010-2020), NCN would pay the Canadian 30 Year Rate in effect at the start of that period (about 2010) (a floating rate) plus 1%. After that, NCN would pay the Canadian 30 Year Rate as of the end of construction (about 2010) plus 3%. These are rates governments pay to borrow money. From NCN's perspective, these are favourable rates.

Hydro has to borrow money. Because it is a Crown corporation, it can borrow money at about the same rate that the Manitoba government would get. This rate changes from month to month and year to year. Hydro is prepared to lend money to NCN at the floating rates set out above. This is a reasonable arrangement, and is fair to both NCN and Hydro.

21. What if the interest rate spikes while NCN is paying back the long-term loans?

In analysing Wuskwatim, both NCN and Hydro have assumed that interest rates will be high in some future years, and low in others. They have been conservative in their assumptions. They have both concluded that Wuskwatim is a very good investment opportunity.

22. What if customers won't buy the power?

In short, this is Hydro's problem. The partnership gets paid on the basis of electricity prices in the export market (the United States) even if Hydro doesn't actually sell all the power.

23. If the Minister of Conservation rejects the report will NCN still vote on the project?

In theory, if either the provincial or federal government refuses to licence the project, there will be no project and no need for a vote.

24. Will we be able to hear the turbines at Nelson House?

No, noise from the turbines will not be heard at Nelson House.

25. Are there higher than normal mercury concentrations in the water level itself or is mercury just found in fish?

Mercury levels in the water are very low – the problem with mercury arises because it accumulates at all steps in the food web. In other words, there is some mercury in the water, then somewhat more in the little bugs, more in the fish that eat the bugs and the most in fish (like pickerel) that eat other fish. Mercury consumed directly in drinking water is not a health issue in Wuskwatim Lake. Mercury levels in Wuskwatim Lake fish went up after CRD, but have now generally returned to pre-CRD levels.

26. Are there any outstanding claims on water quality in the community?

There is an outstanding NFA claim about drinkable water at Nelson House. The dispute is between Canada and Hydro. This dispute is close to being resolved. Canada is consulting with NCN this summer.

27. Should these claims be settled prior to the PDA?

The NFA claim on drinkable water in Nelson House will probably be settled before the PDA vote.

28. Have caribou south of here been studied?

The Wapisi woodland caribou have been studied extensively, by using Traditional Knowledge, aerial surveys, ground surveys and radio-collaring techniques. There are about 200 animals living in two winter groups; one group near Partridge Crop Hill and another group near Harding Lake.

29. Where is their calving area?

Calving areas are expected mainly in large 'muskeg' areas, and occasionally, on islands in lakes. Many calving areas are expected to be scattered throughout the Region. Because this document will be widely circulated, the exact locations of calving areas will not be mentioned. The routes for the road and the transmission lines were chosen to avoid these areas.

30. How many caribou are going to drown in the lake?

No caribou are expected to drown in Wuskwatim Lake.

Small Group Process --
Questions from
Resource Harvesters (February 19, 2004)

1. Who has the water rights in the Nelson House RMA?

Generally, the provincial government controls water rights throughout the province. NCN may well have various treaty and aboriginal rights in the RMA. NCN also has some specific rights through the NFA and the 1996 Agreement.

2. Does Manitoba Hydro through the 1996 Agreement have an ongoing commitment to deal with liability claims and provide compensation for death related to previous projects?

Yes. The 1996 Agreement says that NCN members may still bring claims against Hydro for personal injury and death, methyl mercury, reburial of human remains, and effects that could not have been foreseen, caused by previous and future projects.

3. Will there be evening courses offered through ATEC?

No evening courses are currently planned for the upcoming year. However, the ATEC staff are happy to meet with you to discuss your scheduling needs.

4. Will ATEC address special education needs for NCN members with learning disabilities?

ATEC training plans are currently focused on occupations that are required for construction of the Wuskwatim Generation Project, many of which require educational qualifications at the high school level or higher. There are no current provisions to address special education needs, but to the extent that any learning disabilities do not prevent a person from meeting the educational qualifications needed for training they would be able to take advantage of training programs through ATEC.

5. Does the job preference include that those from NCN would be the first on the job but last to be laid off?

The Burntwood-Nelson Agreement is the collective agreement that will be in effect for the construction of the Wuskwatim Generation Project. It is currently being re-negotiated and it is expected that a first employment preference will likely be for Aboriginal residents in the region around the Burntwood and Nelson Rivers. Lay-off provisions are expected to be included in the details of the employment preference and will likely apply to the same group of Aboriginal residents. However, the exact details won't be known until the re-negotiation process has been completed.

6. Who is going to take on the personal liability when dealing with dangerous jobs?

Safety will be a priority on the job site. Workers will be covered by Workers Compensation. This is a "no-fault" system. Injured workers are automatically paid by Workers Compensation, whether or not anyone is to blame, in a legal sense, for their injuries. This "no fault" system replaces lawsuits against workers and employers. As for damage to equipment and other things, subcontractors will have some types of insurance. The partnership will look at the option of buying additional insurance.

7. Will the unions, NCN or Manitoba Hydro get workers insured prior to their working construction on the Wuskwatim project?

Workers on the construction of the Wuskwatim Generation Project will be covered by Workers Compensation and public health insurance (Medicare) that are standard in Manitoba. Some unions' collective agreements contain group insurance plans.

8. Can NCN get life insurance for NCN members?

Workers Compensation laws include payments to the families of workers killed on the job. Past Hydro projects had very good safety records, so it is not anticipated that this will be a major concern. The collective agreements which apply to workers contain various group insurance plans. Some may include life insurance. If, after 2010, NCN wants to use some of its profit to buy group insurance for all NCN members, NCN may decide to do so.

**Small Group Process --
Questions from
Wellness Centre Staff (February 23, 2004)**

1. Was the community development plan completed?

Phase 1 of the community development plan was completed. This set out the scope of the plan – e.g., the main topics it should cover, the main approach to community development, etc. Further work is needed to complete the full community plan.

2. How has the planning for Wuskwatim taken into account the effect of members returning to the community and the increased pressures that will place on housing issues?

Planning for the Wuskwatim project has included analysis of the possible scale of return migration to Nelson House and the reasons that people may return. It is difficult to estimate the level of migration precisely, so careful monitoring will provide important information to NCN during the early stages of the project. Planning has also included ways to reduce in-migration (mitigation measures) and the development of a Coordinated Response Committee (made up of NCN service providers) to monitor and address in-migration as it unfolds.

3. Will the changes caused by Wuskwatim be like those caused by the CRD?

There is no question that CRD caused many adverse effects at Nelson House, SIL and elsewhere. But it is absolutely crucial to realize that Wuskwatim is not CRD. As hydro projects go, Wuskwatim is a small one. With NCN's involvement in planning for the Wuskwatim Generation and Transmission projects from the outset, great effort has been spent in having as little effect on the environment as possible and, where possible, reducing current adverse effects of CRD. This has included choosing a "low head" design that causes less than one-half square kilometre of flooding. Road and transmission line routes were chosen with great care to avoid environmentally sensitive areas and areas of great cultural importance to NCN. At the same time, as a possible partner in the Project, NCN has made an effort to obtain the maximum economic benefit for NCN. Unlike CRD, Wuskwatim provides NCN with an excellent investment opportunity.

4. When will NCN start to see profits?

This is the estimate of the actual annual profit that NCN will receive after about 2035 (after NCN's loan from Hydro is paid off). This is profit -- the amount left after all costs are paid. It is estimated that the project will start operating (and selling power) in 2010. For the first few years, NCN will have to pay back its loan. Therefore, it will receive less cash flow (maybe about \$1 to 4 million a year). As the loan is paid down, the annual amount will increase. By about 2035 (or sooner, if the loan is repaid sooner), NCN will likely be receiving large annual profits. From NCN's perspective, this may be the most attractive aspect of the Wuskwatim project.

5. What other benefits besides profits will NCN get from the project?

There will be training, job and business opportunities. The ATEC centre will be a permanent facility in Nelson House. NCN members who get work experience at Wuskwatim can use that experience to get jobs at future hydro projects or other construction projects.

6. If NCN members vote no, can the project go ahead?

No, it cannot go ahead. That does not mean Wuskwatim will never be built. Maybe in the distant future, NCN and Hydro may decide to look at Wuskwatim again, but that is just speculation.

7. Why is it that there are so many immersed trees around Nelson House?

There is a certain amount of natural erosion and occasional flooding on any lake. CRD caused flooding and increased erosion on Footprint and Threepoint Lakes. Immersed trees are one result.

8. Why hasn't Manitoba Hydro cleaned up the immersed trees before it goes ahead with Wuskwatim?

Manitoba Hydro has an annual Debris Management Program that is designed to address debris issues in consultation with affected communities. Every year, NCN tells Hydro which are the priority areas for cleanup. This is an ongoing challenge.

9. What will be the effect of Wuskwatim on the level of methane gas in the area around Nelson House?

Wuskwatim will not affect the level of methane gas in the area around Nelson House.

10. Has the rapids area upstream of Wuskwatim been cleaned up since there was a drowning a few years ago?

This area remains a difficult area for navigation. There is some debris cleanup every year, but this is an ongoing challenge.

11. Why aren't the people here at this meeting who can answer the questions?

Wuskwatim is a complex project. Engineers, lawyers, business advisors, biologists, scientists, and many specialists have had various roles in planning Wuskwatim. They all have busy schedules. It is very hard to get specialists from every area together in the same room at the same time. Questions which couldn't be answered at the time of the meeting were written down, and written answers are included in this document. The advisors did attend a Band meeting in Nelson House on June 17th and it is anticipated there will be other meetings where advisors will be present.

12. Will Thompson get more benefit than Nelson House because of the lack of available housing in Nelson House for workers returning to the area?

Great efforts are being made both by Manitoba Hydro and NCN to maximize the benefits of the project for NCN. This includes an effort to negotiate contracts directly with NCN, to develop pre-project training to improve skills of NCN members and to negotiate preferential hiring for all those who reside in the CRD/LWR area. More significant than these, however, is the potential partnership arrangement that is expected to generate substantial revenues for NCN in the long term. The City of Thompson is also expected to see some economic benefit from the project, given its role as a regional transportation and service centre, but the City will not be a potential partner in the development.

13. What supports will be in place to make sure that workers succeed at the dam site?

There will be a committee set up to keep the partners informed about the progress of construction and to give the partners a chance to share their views. NCN will appoint about 60% of the members of the committee, and Hydro will appoint about 40%. In addition, substantial efforts are being made by NCN, Manitoba Hydro and others to prepare members for employment through training and education (e.g., development of the ATEC facility).

14. What happens if after the project starts running there is a drought of two to four years in a row? What will happen to NCN's investment?

In analysing Wuskwatim, NCN and Hydro have both assumed that some future years will be drought years. Even so, they both anticipate that the project will be profitable over the long term. This will be the case whether the first few years have low water or high water.

15. What has been done to protect our environment and our people?

Since the early stages of planning for the project, NCN and Manitoba Hydro have worked together to reduce adverse effects on the environment and on people within and beyond the Nelson House RMA. The Wuskwatim Generation Project was designed to be a low impact project by the selection of a "low head" design, which limited the amount of new flooding to less than one-half square kilometre. This, in combination with other planning (e.g., careful routing of the access road and transmission lines) has reduced the effect of the Project on the environment. Environmental Protection Plans and an Access Management Plan for the construction and operation of the project contain additional measures to protect the environment, including everything from the correct procedures for handling dangerous substances such as gasoline, to identifying sites with rare plants.

16. How much does NCN have to pay to start construction? Why was it a million dollars?

If it chooses to invest, NCN will invest about \$1 million of its own money during this time. This figure was arrived at through the give and take of bargaining.

17. What if NCN pulls out before the turbines start operating?

NCN will get its million dollars back.

18. Why don't we get interest on the million dollars?

This is the agreement that was reached through the give and take of negotiation. In general, the business arrangements are fair to NCN. In fact, some critics of the project have complained that Hydro is giving NCN too sweet a deal.

19. What is the current value of \$56.8 million (i.e. that would be received in 2035)?

No one knows for sure what the rate of inflation will be between now and 2035. A rough guess might be that inflation will average about 2% per year. If that's the case, the current value of \$56.8 million is about \$30.1 million.

20. Can I buy a share in the partnership between NCN and Manitoba Hydro?

No. NCN will own its share collectively. Individual NCN members will not own shares.

21. When will the PDA vote be?

NCN will control the timing of the NCN PDA ratification vote. We're not sure exactly when Hydro's board of directors will officially vote on the PDA. However, once Hydro's negotiators are satisfied with the PDA, it is likely that Hydro's board will also be satisfied. PDA ratification is completely separate from the environmental assessment process. The provincial and federal governments will have to make their own decisions about whether to licence the project. As of now, we hope the government decisions will be made before fall 2004. The NCN PDA vote might be in the fall of 2004, maybe a bit later. As of now, we hope that, by the time NCN votes on the PDA, the governments will have already approved the project.

22. Has the road been started?

No. The centre-line has been cleared, and the route is now being surveyed, but no construction will start until late 2004 at the earliest.

23. Will the off-reserve status Indians that belong to NCN benefit from the distributions that will occur as a result of Wuskwatim in the future?

It is not anticipated that there will be any per-capita distributions. NCN will probably use its share of the profits for the benefit of all members. It is anticipated there will be some form of community approval process, maybe similar to the one now used to make spending decisions in respect of the 1996 Nisichawayasihk Trust. NCN members will have to decide what their spending priorities are. They may choose some programs, such as scholarships, which will benefit NCN members in Nelson House and elsewhere. The PDA will set out how the Trust will operate.

24. What will be done to protect the cultural sites near Wuskwatim to ensure they are not destroyed like the site in the Whiteshell area?

Several measures have been taken to protect important cultural sites in the Wuskwatim Lake area. Routing of the access road and transmission lines was planned by NCN and Manitoba Hydro in such a way as to avoid important sites. An Access Management Plan has been developed by NCN and Manitoba Hydro to manage road access, particularly by non-NCN members; a transmission line access management plan is also being prepared. All construction workers will be given orientation to the sensitivity and importance of the Nelson House RMA and need for respect of the area. Careful monitoring of important cultural sites (e.g., in relation to water levels) will be undertaken; although effects are not expected at the dancing circle area, if monitoring shows any problems, then contingency measures will be taken to protect the area. A Culture and Heritage Resource Management Committee will be struck prior to construction, to oversee the protection and management of cultural sites in the area.

Two tangible (physical, archaeological) sites identified during archaeological field investigations are the Taskinigup Log Cabin and the Wuskwatim Stone Waymarker. Both these sites were scientifically excavated and will be re-constructed at a location decided on by NCN members. As well, the portage between Wuskwatim Lake and the Burntwood River below Taskinigup Falls has been identified.

As for the intangible (cultural) sites, the legend of Misipisew at Taskinigup Falls, and the mermaids at Wuskwatim Falls must be kept alive through the oral tradition, through the development of interpretive displays, and through other ways that the Culture and Heritage Resource Management Committee in consultation with the NCN membership sees fit.

25. Will the PDA indicate that the dam is in our traditional territory?

The dam will be in the Nelson House RMA. NCN feels that its traditional territory is larger than the RMA. Some people might disagree. For the purposes of the PDA, it is not necessary to settle this debate.

26. What if a new Chief and Council comes in before 2035 and gets us into debt?

All political leadership changes over the years. This applies to Canada, provinces, cities, and First Nations including NCN. Some future leaders might make good spending decisions, and some might not. This would be the case, whether or not Wuskwatim is ever built.

27. When did Chief and Council last have a meeting?

On June 22, 2004.

28. Why aren't there more general Band meetings?

The Wuskwatim open houses included general meetings. NCN members went to the microphones and make various comments about Wuskwatim. There have also been various small-group meetings about Wuskwatim. In some ways, these smaller meetings have an

advantage, because more people get a chance to speak and get their questions answered. There will also be at least some general Band meetings in the future.

Small Group Process --
Questions from
Meeting with Traditional People (February 24, 2004)

The meeting of Traditional people included a pipe ceremony and talking circle where individuals shared their personal views about the Project. Some individuals from this small group also attended other small group sessions where questions were asked of presenters.

Small Group Process --
Questions from
Meeting with Health Care Staff (February 25, 2004)

1. What is the difference between a low head and a high head design?

In simple terms, "head" means "level". A low head dam is a relatively small dam. It raises the water level less than a high head dam would. A low head dam at Wuskwatim would cause less than one half square kilometre of flooding.

2. Who did the environmental studies?

NCN and Manitoba Hydro jointly selected a study team, called the Environmental Management Team (EMT), to conduct the environmental studies. The EMT was made up of four main firms and a number of additional specialists with skills ranging from engineering, biology and other sciences, to health, economics and social sciences. NCN members participated actively in many aspects of the studies (e.g., conducting opinion surveys and a wide variety of field programs) and contributed Traditional Knowledge throughout the process. In addition, NCN's own advisors participated in the planning, oversight and review of environmental studies. Manitoba Hydro staff (e.g., engineering staff) also contributed to aspects of the studies.

3. Were the emotional, mental and spiritual effects of the CRD considered in the studies?

Yes, these effects of the CRD were examined in the socio-economic portion of the studies. The role of the CRD and other factors, such as residential schools, in shaping the culture and social well-being of NCN at Nelson House were examined.

4. How many jobs will there be for a full-time permanent opportunity?

It is anticipated that construction could start in about 2004, and be finished by about 2010. There will be more jobs in the later years than the first couple years. There will be more jobs in the summer season than in the winter season. During the busy months, the workforce will peak at about 145-540 workers. During the slower months, about 30-370 workers will be needed. These estimates are constantly being fine-tuned. After construction, there will be a few jobs and business opportunities. For example, there will be a contract for maintaining the access road. There will probably be some monitoring, and some NCN members may get jobs doing some of the field studies.

5. Will the road to Nelson House be paved?

Not as part of the Wuskwatim Generation Project.

6. Will Wuskwatim be built on reserve land?

Today, the land is provincial Crown land. Currently, it is anticipated that the land will be leased by Hydro to the Limited Partnership.

7. What provisions will be in place to support employees?

Cross-cultural training will be available for all employees working on the construction of the Wuskwatim Generation Project. There will also be retention support services, including on-site counsellors, to help workers with any job-related difficulties they might encounter during the construction. The Terms of Reference for these contracts are in the process of being developed and will be ready before construction starts.

An Advisory Committee on Employment (ACE) will also be established to monitor Aboriginal employment, and if necessary make recommendations to take any necessary corrective actions to improve results. Draft Terms of Reference for the ACE have been prepared and have been reviewed and approved by Manitoba Hydro and NCN.

8. Will NCN members working at the site be taxed?

The general rule is that "Indians" do not have to pay income tax for income earned on a reserve. It is anticipated that all workers, including NCN members, who earn money at Wuskwatim, will have to pay income tax on that money.

9. Will Wuskwatim be run by an independent organization?

As a limited partner, NCN will own 33% of the business. (It may choose to own less, but let's use 33% as an example.) As a limited partner, Hydro will own 66.99% of the business. The general partner (the corporation owned by Hydro) will own .01% of the business, and will operate the business day to day.

10. Is Wuskwatim on NCN's traditional land?

It is definitely in the Nelson House RMA. NCN feels that its traditional lands extend beyond the RMA.

11. Who will manage Wuskwatim and are there terms of reference in place to govern the management?

As a limited partner, NCN will own 33% of the business. (It may choose to own less, but let's use 33% as an example.) As a limited partner, Hydro will own 66.99% of the business. The general partner (the corporation owned by Hydro) will own .01% of the business, and will operate the business day to day.

The Fundamental Features of the project are the basic aspects of the way it will be built. (The construction camp will be near Taskinigup Falls; the access road will be at Mile 17; the level of Wuskwatim Lake will usually be about 767.7 feet; there will be no more than one half square kilometre of new flooding, etc.) Hydro can't change any of these features without NCN's consent.

The fundamental matters of the partnership are things that NCN will have a say in. (Remember: as a limited partner, NCN does not get involved in day-to-day decisions about operating the project). Some fundamental matters are any change of the general partner (the corporation owned by Hydro); any sale by Hydro of its interest in the general partner; and transferring part of the partnership to anyone but NCN and Hydro. These would be such important decisions, that NCN would have to be able to participate in them.

Hydro is not allowed to change any of the Fundamental Features of the project without NCN's consent. NCN's right to its share of profits will be guaranteed in the PDA. NCN will have other clear rights that will be defined in the PDA. On a number of defined matters important to NCN, there will also be dispute resolution processes that NCN can use, if necessary.

Small Group Process --
Questions from
Meeting with Elders (February 25, 2004)

1. Why was Wuskwatim's location chosen?

The best sites for hydro stations are places like rapids and waterfalls, where falling water can turn turbines to generate power. In looking for locations, Manitoba Hydro now looks for places where a station would cause as little flooding as possible. Taskinigup Falls is a perfect location: there is a large drop at the falls, and a new station would cause less than one half square kilometre of flooding.

2. What are the children going to drink?

Wuskwatim will have no effect at all on drinking water at Nelson House.

3. Why is it Crown land?

Most of northern Manitoba is Crown land (owned by the provincial government). This doesn't mean that NCN and other First Nations have no rights. On the contrary, NCN members and other Treaty 5 aboriginals have a treaty right to hunt and fish for food on unoccupied Crown land. NCN also has rights in the Nelson House RMA under the 1996 Agreement.

Small Group Process --
Questions from
Meeting with Women (February 25, 2004)

- 1. What are the consequences for NCN if it decides to withdraw from the project before the generators start?**

It will get its \$1 million back without interest. It will lose the opportunity to share in the future profits of the project.

- 2. What will happen if the membership votes no in the referendum?**

The project will not go ahead at this time.

- 3. Will compensation be available if NCN decides to withdraw from the partnership?**

NCN and Hydro will sign an Adverse Effects Agreement, which will be a schedule to the PDA. It will provide for compensation to NCN. NCN will receive this compensation whether or not it decides to be a partner in the project.

- 4. Where will the one million dollar initial investment come from?**

NCN has saved some money from interest on the Nisichawayasihk Trust (the Trust created by the 1996 Agreement), and can save more before 2010. NCN will also borrow some money from Hydro. NCN is hoping to obtain some money from the federal government, but this is still uncertain. All the financing arrangements for the partnership will be set out in the PDA.

- 5. Why do we have to pay to invest when it is NCN's land?**

There is no question that the site is in the Nelson House RMA. However, NCN cannot force Hydro to build a dam at that site. There are other places in Manitoba where Hydro can build generating stations. Through the give and take of negotiation, NCN and Hydro have reached an agreement in principle: they will jointly develop Wuskwatim as partners. They will both invest, and they will both share the future profits. All in all, NCN and Hydro both feel that this is reasonable.

- 6. Does the Northern Flood Agreement state that NCN does not have water rights anymore?**

In simple terms, the NFA is about letting NCN and other NFA Cree Nation members bring claims against Canada, Manitoba and Hydro for the adverse effects of CRD and LWR. This includes effects on water. Many claims were filed over the years, and many were settled. There is still an outstanding claim about drinkable water in Nelson House. It is now close to being settled. The 1996 Agreement put an end to most old NFA claims, but not this one.

7. Is Hydro going to build generating stations at Bonald, Granville, Notigi, Wuskwatim, Manasan, First Rapids, Kelsey Extension, Birthday Rapids, Gull Rapids, Conawapa, Gillam Island, Whitemud, Red Rock, God's River, Rainbow Island and Hay Island?

These are sites listed in a schedule to the TLE Agreement. They are all sites where, in theory, hydro stations could be built. Hydro has said that it will not build future stations on the Hayes River. The only project for which environmental approval has been requested today is Wuskwatim. Field studies are being done for a potential future project at Gull-Keeyask. Hydro is just beginning to consider Conawapa. No one knows for sure which, if any, of the other stations will ever be built.

8. Will the membership be paid for travel expenses to attend public hearings by the CEC?

Some Councillors, community consultants and key personnel have been reimbursed for their travel expenses in attending these hearings.

9. What will be considered a majority?

A majority of eligible voters will have to vote, and a majority of those who vote will have to vote "yes".

10. Is the Agreement in Principle binding?

No, but NCN and Hydro have used it to guide their discussions since it was signed..

11. Who does the Clean Environment Commission represent?

The CEC Commissioners are appointed by Manitoba, but the CEC is an independent body. Manitoba's Minister of Conservation has asked the CEC to hold public hearings about Wuskwatim. After the hearings, the CEC will write a report to the Minister. The Minister will make the final decision about whether, under provincial law, the project can go ahead. The CEC will look at two general subjects: 1) the effects of the project on the environment, and 2) the need for and alternatives to the project. In addition, approvals are needed from the federal government before the project could proceed.

12. What conditions will the CEC recommend to protect the environment?

No one knows for sure. If the CEC recommends that the project be licensed, it will almost certainly recommend some kinds of environmental monitoring. We hope the report will be ready by fall 2004.

13. Will the CEC come to Nelson House for at least one day?

No meeting in Nelson House is planned by the CEC. Meetings were held in Thompson and The Pas.

14. Will Conawapa destroy NCN territory?

No. The nearest Cree Nation to Conawapa is Fox Lake. If it is built some day, it is not anticipated that Conawapa will have any effect at all on Footprint, Threepoint or Southern Indian Lakes.

15. Where is NCN borrowing the money from for the 75% that is to be financed?

NCN has saved some money from interest on the Nisichawayasihk Trust (the Trust created by the 1996 Agreement), and can save more before 2010. NCN will also borrow some money from Hydro. NCN is hoping to obtain some money from the federal government, but this is still uncertain. All the financing arrangements for the partnership will be set out in the PDA.

16. From where will NCN borrow the \$62.37 million?

NCN has saved some money from interest on the Nisichawayasihk Trust (the Trust created by the 1996 Agreement), and can save more before 2010. NCN will also borrow some money from Hydro. NCN is hoping to obtain some money from the federal government, but this is still uncertain. All the financing arrangements for the partnership will be set out in the PDA.

17. Who is in the finance group for NCN?

This group includes a number of NCN Councillors, Co-managers, legal advisors and business consultants.

18. What percentage of NCN people voted in favour of the Agreement in Principle?

About 65% of those who voted, voted yes, with about 82% of members living at Nelson House voting, yes.

19. What effect will global warming have on risks like drought?

Scientists don't know for sure what effect global warming will have on the risk of drought in Manitoba. In writing the EIS, NCN and Hydro have considered the most recent information about global warming. In analysing Wuskwatim, NCN's advisors have assumed that some future years will be drought years. They have concluded that Wuskwatim is an excellent investment opportunity for NCN.

20. Was global warming considered in planning the project?

See #19.

21. Hydro lost revenues this year: If NCN becomes partners with Hydro what are its risks?

There are some risks involved in any business venture. When NCN bought the Mystery Lake Hotel, it was taking an educated risk. But NCN analysed the situation carefully before buying the hotel, and concluded that the hotel would be profitable for NCN. This has proven to be true. The same principle applies to Wuskwatim. Independent business experts have told NCN that Wuskwatim would be a very good investment.

Construction could start in late 2004 and be finished in about 2010. If NCN's voters ratify the PDA, it is expected that NCN would invest \$1 million of its own money just before construction starts. Until construction is finished, NCN can back out at any time and get its \$1 million back. Once construction is finished, NCN will have to decide if it wants to invest the balance of its own money (about \$20 million more, if NCN wants to own 33% of the station). At that time, NCN will know the actual cost of the project, and there will be greater certainty about the prices that will be received for Wuskwatim's power. This information will greatly assist NCN in deciding whether to invest in the partnership at that time.

Once it has invested the full \$21 million (in about 2010), the worst that could happen would be if electricity prices in the United States collapsed and stayed very low. Independent experts have advised NCN that this is extremely unlikely to happen. However, for the sake of argument, say it did happen. If it did, NCN could lose the \$21 million, but no more. NCN could not lose any of its regular funds or current trust funds. Being a limited partner protects NCN from this.

22. What profits will NCN get during the period of 2010 to 2035?

During the first years after 2010, NCN might receive about \$1 to 4 million per year. By about 2035, this could increase to about \$26 to 57 million a year. These are just estimates.

23. Why are there only 80 to 90 jobs for NCN members when there are 4,000 people in the community?

The number of jobs that are potentially available for NCN, as well as for any other community, depends on the size of the workforce needed to build the Generating Station, not the population of the community. The number of positions that are estimated to be filled by NCN members were calculated based on the existing number of qualified NCN workers that might be interested in working on the construction of the Generation Project as well as graduates from NCN's pre-project training programs (you can find the details in the EIS for the Generation Project).

During the first part of construction (about two years), a maximum of about 80-90 NCN members (including those now living at SIL) might get jobs for at least part of this period. During the second part of construction (about four years), a maximum of about 80-110 NCN members might get jobs. These are estimates.

24. What kind of positions will be available for NCN members?

NCN members are eligible for all the positions in the construction workforce that they are qualified for. The kinds of jobs filled through the job order process will vary significantly over the six years, and most jobs will only last for portions of this period. Two general types of

positions will be available during construction, and the training and experience required for each varies:

- **Designated trades (skilled) positions:** These positions have apprenticeship programs typically requiring 4 years leading to a journeyman classification. Examples of designated trades include Carpenters, Plumbers, Electricians and Heavy Duty Mechanics. Among the designated trades positions, carpenters would be in high demand during years 3 and 4, and by the second half of year 4 a sizeable number of electricians, pipe fitters, millwrights, and iron workers would be needed. Apprentices would account for about 20% of the Project's designated trades positions. To qualify for an apprentice position on the project would typically require 3 or more years of training and work related experience.
- **Non-designated trades and construction support occupations:** These occupations, which do not have apprenticeships, account for over 80% of the job order positions available during Stage 1 (Years 1-2), and continue to account for significant numbers during Stage 2 (Years 3-6). Examples of non-designated trades are labourers, heavy equipment operators, vehicle drivers (teamsters), rebar workers and cement masons. Catering and clerical staff are examples of construction support positions. Most of these types of positions require less than 3 years of related work experience.

25. Who selected the consultants to work on the project?

NCN and Manitoba Hydro jointly selected the Environmental Management Team. In addition, NCN retains its own engineering, financial and legal advisors.

26. What impact will cutting trees through NCN territory have?

Clearing the road, the station and camp sites, and transmission line routes will involve cutting some trees in the Nelson House RMA. Clearing will be done in the winter to minimize environmental effects. Workers will be very careful about areas near streams and bodies of water. When construction is over, some areas will be replanted with trees. Small plants and bushes will be allowed to grow on the transmission routes, as long as they don't interfere with the lines.

27. Can we ask Hydro to pay rent on the dam?

When they began discussing Wuskwatim, NCN and Hydro considered various options. The one they agreed on in principle was a partnership. NCN would have the option of owning up to 33% of the project, and would be able to receive 33% of the profits. In 2001, NCN voters agreed in principle on this approach. NCN's independent advisors have pointed out that this approach creates an excellent business opportunity for NCN.

28. Can we own the transmission lines?

In general, a hydro generating station is a more lucrative investment than transmission lines. Hydro will create a transmission development fund to make annual payments to communities

through whose territory the lines will pass (such as NCN, Opaskwayak, Cormorant). NCN has decided that this is a satisfactory arrangement. There will be more details in the PDA.

29. When will the project development agreement go through?

NCN will control the timing of the NCN PDA ratification vote. We're not sure exactly when Hydro's board of directors will officially vote on the PDA. However, once Hydro's negotiators are satisfied with the PDA, it is likely that Hydro's board will also be satisfied. PDA ratification is completely separate from the environmental assessment process. The provincial and federal governments will have to make their own decisions about whether to licence the project. As of now, we hope the government decisions will be made before fall 2004. The NCN PDA vote might be in the fall of 2004, maybe a bit later. As of now, we hope that, by the time NCN votes on the PDA, the governments will have already approved the project.

30. When will the finance people come up to explain the finance sections of the agreement?

There are many questions and answers about this in the SOU Guidebook, which was distributed to NCN households and is on the NCN website. There are more questions and answers about this in this document. When the PDA is ready, there will be information and meetings about the PDA.

31. Will Chief and Council and the co-managers be present at upcoming workshops?

Depending on their schedules, they will try their best to attend as many meetings as possible.

32. When will the board of directors be selected?

Before construction begins.

33. What will prevent a conflict of interest for members of the board?

Manitoba has general conflict-of-interest laws which apply to board members of all corporations. These laws will be obeyed.

34. Will Hydro settle with South Indian Lake before starting the project?

The Community Association of South Indian Lake (CASIL) signed a final settlement agreement with Manitoba and Hydro in 1992. CASIL received \$18 million plus interest. Other SIL groups, such the Commercial Fishermen's Association, have also signed final settlement agreements with Hydro. NCN was not a party to these agreements, and was not involved in negotiating them. If CASIL wants to have further discussions with Hydro, it is free to do so. CASIL is independent from NCN.

Members of DRSIL are still pursuing their own NFA claims against Hydro, Manitoba and Canada. They have their own lawyer. NCN is not a party to the DRSIL claims and has no control over them.

35. What is the difference between being an owner and a partner?

In the case of Wuskwatim, there is no difference. In legal language, NCN will be a limited partner in the Wuskwatim partnership. In ordinary language, NCN will be a co-owner.

Other Questions

1. How have NCN members been consulted?

NCN members have done field studies, provided Traditional Knowledge, attended dozens of committee meetings, attended open houses, participated in small group meetings, and will be able to participate in future meetings before the PDA vote. Newsletters, the AIP, the SOU, the SOU Guidebook, a summary of the SOU, and this document have been distributed to NCN households. NCN members have visited the Future Development office to obtain written information and speak with those who work there.

Some NCN members voted against the AIP. No doubt some will vote against the PDA. NCN is a democracy, and there will never be unanimous consent on any major issue, especially a complex issue like Wuskwatim. This would be true even if a thousand meetings were held.

2. How have other First Nations been consulted?

There has been a thorough Public Involvement Plan (PIP). Other First Nations, groups like the Manitoba Metis Federation (MMF), and towns and cities like Wabowden and Thompson have received PIP newsletters and have been invited to open houses. There have been many PIP meetings, and NCN and Hydro representatives have attended these meetings to provide information and obtain input.

Other First Nations, the MMF, and other groups have actively participated in the CEC hearings and have helped to shape the CEC process.

3. NCN Chief and Council have to protect NCN's treaty rights. They are also trying to negotiate a commercial deal with Hydro. Doesn't that put them in a conflict of interest?

NCN's elected leaders, like all governments (federal, provincial and First Nation) have to balance many priorities. For example, federal and provincial governments often have to balance economic and environmental concerns. This is not always easy, but it is part of a government's duty. Chief and Council do want to protect treaty rights. They also want to create economic opportunities for NCN members present and future. Like all governments, they have to work hard to balance these concerns. That is not a conflict of interest.