

# THE WUSKWATIM PROJECT

- A REVIEW OF OUR HISTORIC AGREEMENTS THAT HAVE AFFECTED HOW WE HAVE APPROACHED THE PROJECT
- A SIMPLE DESCRIPTION OF THE WUSKWATIM PROJECT ITSELF
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SPEAKING NOTES FROM A PRESENTATION  
MADE BY NCN FUTURE DEVELOPMENT  
COMMUNITY CONSULTANTS  
TO NCN YOUTH IN NELSON HOUSE  
ON AUGUST 11, 2004

Thank you.

### This afternoon I want to tell you about the Wuskwatim project.

The things I will cover include:

- A review of our historic agreements that have affected how we have approached the project
- A simple description of the Wuskwatim Project itself
- An outline of some of the benefits of the project for NCN members
- An overview of the proposed Project Development Agreement for the project
- A discussion of how we will manage changes resulting from development
- And, a heads up on what's going to happen next

### Our recent history has influenced how we have approached the project.

Since the 1960s our people have, in one way or another, been involved with Manitoba Hydro regarding hydroelectric development in our traditional territory. In the early days we had considerably fewer skills and resources with which to negotiate.

We could not prevent the Churchill River Diversion from going ahead and the resulting destruction to our environment and way of life. The losses we suffered can never be fully compensated. The fear that it could happen again is still with many of us.

But, much has changed over the past 40 years. What happened then cannot happen now. Now we have recognized, constitutionally protected rights and self-government. And we have a number of newer agreements in place that give us

the power and the tools to negotiate and determine the use of our natural resources to benefit our First Nation. Let me put some historically agreements in perspective.

There are six primary agreements that have affected our people and influenced how as a First Nation we have lived and moved toward self-sufficiency.

**The first** was the 1908 adhesion to Treaty 5 that defined our land and treaty entitlements.

**The second** was the 1930 Natural Resources Transfer Agreement (NRTA). This took away some NCN treaty rights with no consultation with our Members.

**The third** was the 1977 Northern Flood Agreement – the NFA - that attempted to define compensation for the damage caused by hydro development in the north.

**The fourth** was the 1996 Northern Flood Implementation Agreement that more clearly defined the compensation and other issues related to the NFA.

This agreement and our compensation from it, led to the establishment of the Nisichawayasihk Trust, which now funds many of our community projects. It was a first step in providing real economic sustainability for our community.

We use this trust to fund projects like the Family and Community Wellness Centre, the Personal Care Home and this arena to name just a few. We also used it to purchase the Mystery Lake Hotel as an investment. And the Trust will fund other important projects and programs in the future, possibly including the Wuskwatim project.

The 1996 Agreement also includes Article 8, which states that Hydro cannot proceed with any development in our resource area without real consultation

with our First Nation. There also has to be an agreement on compensation before construction on any generating station can begin. It sets out the planning principles and processes in relation to future development.

As a result, Article 8 gives us tremendous leverage and control over the proposed Wuskwatim project that we never had with the CRD.

**The fifth** agreement is the 1997 Treaty Land Entitlement Agreement or TLE. This agreement partially fulfils the land rights provided for us in Treaty 5, and will add 324 square kilometres or about 80,000 acres to our Reserve Lands. The details of this are still being negotiated, and like the Wuskwatim project, we are not being dictated to. We have an active and instrumental role in how this will finally be implemented.

**The sixth** and most recent agreement was the Agreement in Principle or AIP that was approved by a majority of NCN Members in 2001. The AIP sets out the framework for our negotiations with Manitoba Hydro on the Wuskwatim Project. This has led to the development of our more detailed SOU, which is being used to draft the Project Development Agreement.

In summary, these six important agreements have had, and will continue to have, a huge impact on how we have developed as a people and influence how we can control our future. The more recent agreements have defined our approach to the Wuskwatim project.

**The project seems very complex because we have been talking about it for so long. But today I would like to try to give you a quick overview of what it is and what we have been working on.**

For the past five years our Future Development Team has used all the resources at its disposal to negotiate, what your Chief and Council believe will be an historic agreement that will benefit our people and reflect the expressed values and expectations of our community and our Members. The community has driven our work.

This work has not only included specific negotiations to define the business relationship between NCN and Manitoba Hydro, but also the protection and conservation of our resource area, to ensure there will be only a minimal impact on our environment and our way of life.

Most importantly, as part of our involvement in the process, comprehensive environmental and social impact statements have been prepared and the results have been incorporated into the design of the proposed project. The studies considered how the project could affect our water, land, air, plants and animals. And, our people.

These assessments have been made using both the Traditional Knowledge of our Elders, resource users and members of the community and western science.

Some people believe our fish, plants and animals will be seriously harmed by the project. But this isn't so. The dam and the transmission lines will have a minimal impact on our natural environment.

We know that the damage to our environment will be minimal because we have done our homework. We have conducted studies and used independent experts, who testified at the CEC Hearing, which concluded earlier this month. This time around, unlike the CRD, we will have all the

facts and can reasonably assess the risks with confidence.

### Let me tell you what those facts are and where and what this project is all about.

The Wuskwatim dam will be located about 40 kilometres southeast of Nelson House, between Taskinigup and Wuskwatim Falls. The flooding will be confined to a small area between Taskinigup and Wuskwatim Falls. The red area between the two falls indicates the extent of the flooding. It is a small area, when you realize Wuskwatim Lake itself is only five kilometres, or three miles across, and 11 and a half kilometres, or about seven miles long. Only the area between Taskinigup and Wuskwatim Falls will be flooded, as well as some of the bush along the shore between the two falls that will be cleared before the dam is built.

The dam will reduce the fluctuation of water levels, caused by the CRD on Wuskwatim Lake and upstream to Early Morning Rapids – an improvement that will actually make that waterway safer. Downstream there will be more fluctuation in the flows up to Opegano Lake, but no new flooding.

In all, the amount of flooding will be less than half of one square kilometre or less than point-two of a square mile.

I want to strongly emphasize there will be no new flooding at Nelson House. And, no new flooding at South Indian Lake. The only flooding will be in the area immediately adjacent to the new Wuskwatim dam.

The level of flooding is minimal because the proposed Wuskwatim dam is a low-

head design. We selected a low-head dam because the high-head design would have caused an unacceptable level of flooding.

### The project sounds massive, but in reality it is a straightforward proposal and project.

And the size of the proposed Wuskwatim dam is small actually when compared with others in the north. It is a 200-megawatt station, compared with Long Spruce, which is nearly five-times larger at 980 megawatts and Limestone and Kettle which are more than six times larger.

The proposed station planned for Gull Rapids is about 620 megawatts and the proposed Conawapa plant will be about 1,250 megawatts.

### Construction of the dam will be undertaken in a series of steps.

First, an access road will have to be built to the proposed site before construction of the dam can begin. When the project is finished this road will give us access to our resource management area, but as part of the process we are also developing an access management plan with Manitoba Hydro to protect our resources and sacred places.

It will take two years to build the road and clear the site for the construction of the dam.

There will be ceremonies prior to construction of both the road and the dam. If there are remains or cultural material found during construction, construction will be stopped to conduct proper ceremonies.

A camp to house workers on the project will also be built. Besides accommodation, there will be a recreation building, with things like pool tables, for the workers. Once the area is cleared, construction on the dam and generating station will begin. Construction of the dam will take four years to complete. During this time, construction of the transmission lines will also take place. In all, it will take about six years to complete before the generating station becomes operational. This could happen by 2010, if construction begins late this year.

### **This project has many benefits and opportunities for our First Nation.**

We have determined that any risks are manageable and our risk assessments were tested in the CEC process. The construction period offers a number of jobs throughout the construction period for our Members who have or are interested in getting the training and the skills they will need. This would be a building block in developing skills that could be used on other projects.

During the first stage of construction on the access road and clearing of the land, it is estimated that up to 93 jobs in construction and heavy equipment operations would go to NCN Members and up to 69 additional jobs would go to other Aboriginal residents of the north. During the second stage of construction it is estimated that up to 113 jobs would go to NCN Members, with a potential of 256 additional jobs that would go to other Aboriginal residents. This arrangement would provide opportunities for qualified NCN Members to participate in construction of future hydro projects in northern Manitoba, such as Gull and Conawapa.

These jobs will be seasonal. As indicated by the peaks in this graph,

most of the construction will take place in the summer. There will be jobs that require less than two years experience or training, as well as jobs that require up to four years or more of trades training and experience through apprenticeship programs. And to prepare for these jobs, many of our people are currently undergoing training so they can work on the project. The skilled jobs will provide valuable experience for the many other major projects proposed for northern Manitoba over the coming years.

There will also be business opportunities for construction of the access road, providing security for the project, providing catering for personnel working on the project, camp maintenance and transmission line clearing. And again, we will offer assistance and training to help Members who will ultimately benefit from the work experience.

### **Our expectation is that the partnership with Hydro will be good for them and good for us.**

Entering into a partnership with Hydro will give us an opportunity for a far greater return in revenue compared to simple compensation for building the dam in our traditional territory. And, it gives us a hand on the steering wheel to influence the direction of the project.

As a partner in this project, we will share in the profits for many years to come. Our expectation is that the profits from the project will give us a long-term, independent source of revenue that will help ensure the future well being of our people.

As in any business arrangement there are some risks. If the price of electricity goes down substantially, that could reduce or even eliminate our profits. However, our analysis of the deal

makes us optimistic that there will be long-term profits for NCN and this analysis was tested throughout the CEC process.

Now, government funding only provides for our basic needs and has not kept up with our growing population. This funding often comes with too many strings attached that limit our flexibility to get the things done. Our community desperately needs housing, medical and dental care, and education – things other Canadians take for granted.

To form this partnership, requires an agreement called a Project Development Agreement that will define our partnership with Manitoba Hydro. It will also contain a number of sub-agreements. It is yet to be finalized, but it will be similar to the Summary of Understandings, that was circulated to Members late last year and discussed at a number of meetings in Winnipeg, Brandon, Thompson and here in Nelson House.

### The Project Development Agreement will include several key conditions and agreements.

The main points are:

- NCN could own up to one-third of the generating station, with Manitoba Hydro owning the remainder.
- Hydro will lend us up to two-thirds of the \$62.4 million we need to buy a 33 percent stake in the project. We must repay this loan by 2035, but we could repay it more quickly. We will raise the remaining amount through other funding sources available to us and we have six years to do this.
- The project will start to generate revenue as soon as it starts operation. Although in the early

years we will use our share of the profit to repay the loan, there will be advanced revenue that will be available for the community right from the start.

- As the loan is repaid, we will be able to keep more of the profit, which we estimate to be range between \$26 million and \$57 million per year, by 2035.
- We will use the profits to fund our community projects likely through the establishment of a Wuskwatim Trust that would be much larger but similar to our existing trust.
- If the Project Development Agreement, or PDA, is ratified by NCN Members, we will have to make an initial cash investment of \$1 million at the start of construction. This will be refundable if we decide to withdraw from the Wuskwatim Power Partnership before the generating station becomes operational.
- We have already set aside the funds to meet this commitment.
- The employment, training and business opportunities I discussed earlier will be covered by the PDA.
- There will also be limited employment and business opportunities associated with the development of transmission lines.

### So what's next?

In anticipation of the project going forward we must begin planning now for several project-related challenges:

- The influx of people who may relocate to Nelson House to work
- The need to support workers and their families
- Management of the road access into the Wuskwatim Lake area and

protection of our culture and heritage resources near the site.

To do this we will establish a number of committees and management groups to manage the changes the project will bring.

There will be a lot of activity over the next few months leading up to our ratification vote.

The Clean Environment Commission Hearing about the Wuskwatim Generation Station and Transmission Projects heard nearly four months of testimony from lobbyists, activists, environmentalists, scientists and other experts and interested parties. They have carefully examined our Environmental Impact Statements from every angle. And, we are confident our evidence supports the case for Wuskwatim.

The CEC will review what they have heard and make recommendations to the Provincial Government. The Provincial and Federal governments may then grant licenses for the project. The board of Manitoba Hydro will have to decide whether to proceed. And, as NCN members we must also decide if we want to go ahead with this project. A ratification vote to do that will now probably be held in November or December for all voting Members of NCN.

Manitoba Hydro has already said it will not proceed if we don't vote to approve the Project Development Agreement. If we approve the PDA, construction could begin late this year.

**I want to stress that ultimately this is our decision to make.**

But, everyone eligible to vote on this PDA needs to be well informed and understand the consequences of either a 'yes' vote or a 'no' vote. You need to be prepared. Ask questions. Read the

information. Meet with our community consultants. Get involved. This project will have an effect on you and your family for generations to come. Your decision needs to be based on the true facts about this project not misinformation or fear.

If we reject this project, we will still have to face our severe economic problems, but with no immediate alternative solutions. A rejection also likely means Hydro will abandon Wuskwatim and move on to a different project like Conawapa. This would offer dramatically fewer benefits for NCN. We will have lost an economic opportunity unlikely to be equalled for decades and generations to come, if ever.

Thank you.