



Historic Agreement enables Kwadacha First Nation to establish \$13 million Endowment Fund at Victoria Foundation

For Immediate Release

Victoria, BC (December 17, 2008) – Following the ratification of the final agreement and subsequent one time \$15 million payment from BC Hydro, the Kwadacha First Nation has announced the majority of the payment will go towards the establishment of an endowment fund with the Victoria Foundation. The Kwadacha First Nation will also receive annual payments of approximately \$1.6 million from BC Hydro, with future adjustments for inflation. The Victoria Foundation will provide Trustee Services to Kwadacha for these funds as well.

The agreement between Kwadacha, BC Hydro and the Province addresses historic damages from the creation and operation of the W.A.C. Bennett and Williston Reservoir. (See Kwadacha Final Agreement backgrounder below)

On Friday, November 28, 2008 representatives from the Kwadacha First Nation, including Chief Donny Van Somer, were in Victoria to sign the endowment agreement with the Foundation.

“We researched a number of private and public fund managers,” said Kwadacha Chief Donny Van Somer. “We decided to set up our fund with the Victoria Foundation because of its investment management record, its record of positive dealings with First Nations, and its commitment to working with Kwadacha to address our particular needs and priorities.”

Returns from the \$13 million endowment will be used by Kwadacha First Nation for community related purposes, including;

- Economic and social welfare
- Health Care facilities and programs
- Education facilities and programs
- Cultural facilities and programs
- Community facilities and programs
- Recreation facilities and programs,

- Other benevolent and charitable enterprises for the benefit of Kwadacha, and
- General administration and governance of Kwadacha

“This is a valuable relationship of which we are very proud,” says Victoria Foundation Board Chair, Chuck Burkett. “We know that working together with Kwadacha First Nation in a collaborative environment will ultimately create positive changes for their community.”

Victoria Foundation CEO Sandra Richardson adds, “Ours will be a long-term relationship and we look forward to building on our positive history of supporting Aboriginal development. There are opportunities to leverage other resources and ultimately assist with raising their profile for the benefit of the Kwadacha community.”

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Kwadacha Final Agreement

The Williston Reservoir was created by the construction of the W.A.C. Bennett Dam, completed in 1967. The reservoir is the largest body of water in British Columbia and the ninth largest man-made lake in the world. The creation of the reservoir exacerbated the isolation of the Kwadacha and increased their cost of living. It severely impaired the ability of the First Nation to continue their traditional way of life based on hunting, trapping and gathering.

Legal History

In 2001, the Kwadacha First Nation commenced litigation against BC Hydro, the Province and Canada for alleged breach of fiduciary duty and infringement of Aboriginal rights, and damages related to the construction and operation of the Bennett Dam and Williston Reservoir.

In December of 2006, the provincial government announced an agreement-in-principle between the Province, BC Hydro and the Kwadacha First Nation to recognize the socio-economic impacts of construction of the dam and reservoir. In July of 2008, negotiators for BC Hydro and the Kwadacha First Nation initialled a final agreement and related certainty provisions.

The final agreement received ratification on Oct. 23, 2008, when the Kwadacha First Nation voted in favour of the agreement, with 95 per cent of the ballots cast in favour.

Final Agreement

The final agreement was negotiated to addresses the impacts of flooding from the creation and operation of the W.A.C. Bennett Dam and Williston Reservoir in northern

B.C. The agreement provides approximately \$15 million as an initial payment and annual payments of approximately \$1.6 million to the Kwadacha First Nation. Annual funds will be paid in perpetuity and will be adjusted every year to offset inflation. The majority of the initial funds paid will go into an endowment fund that will be managed by investment professionals. The final agreement also requires that proposed expenditures be submitted to an independent "Payment Trustee" to ensure they meet the test of providing community social and economic benefits. Audit reports will also be prepared and available to members at the end of each year so that the community is fully aware of how and where the funds are being used.

In return for funds paid to Kwadacha, the settlement provides for certainty of current and future operations of BC Hydro's Peace River facilities (the W.A.C. Bennett Dam, Williston Reservoir and Peace Canyon Dam) and releases the Province and BC Hydro from existing litigation by Kwadacha.

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