

Piikani Settlement & Trust Agreement

A Publication of the Piikani Nation

SEPTEMBER 2002

Message from Chief and Council

September 2002

To All Member of the Piikani Nation

Dear Members

Subject: Settlement Agreement

As you know, the Piikani Nation has been in negotiations since 1998 to settle claims and disputes relating to the Oldman River, the Lethbridge Northern Irrigation Headworks and the Oldman River Dam.

Last November, the Piikani members voted on these matters but the package put forward at that time was rejected by the members. As a result, Chief and Council re-negotiated with Canada and Alberta and we are now putting forward a revised Settlement Agreement for your consideration. The members will be asked to vote again on September 16, 17 and 18, 2002.

The Chief and Council of the Piikani Nation recommend this proposed Settlement Agreement as it does much to resolve a number of long standing issues. It represents the product of a great deal of hard work by many people. The Elders, the previous leadership, our staff members and our technical team have provided invaluable advice, guidance and wisdom in an effort that will now allow the Nation to resolve matters in a fair and peaceful manner so that we can move forward to a more prosperous future.

The proposed Settlement Agreement brings much needed financial resources which will benefit all members of the Piikani Nation. In our recent negotiations, Chief and Council was able to persuade Canada and Alberta to reduce the payout period for the Settlement Funds (\$64.3 million), and to increase

the on-going Annual Payment from \$567,000 to \$800,000 per annum (indexed to inflation). This new package will provide the Nation with an estimated \$125 million in revenue over the next 50 years.

The money paid will be deposited to the Piikani Trust and,

when invested, will generate new revenues to build a secure and prosperous future for our children, grandchildren, great-grandchildren and all future generations. The money will be targeted to specific areas to support community development, housing, education, youth programs, land acquisitions and business/employment creation. Funds will also be set aside to address environmental and dam safety issues as it is essential that we safeguard our river valley. The package also provides for a \$3,000 *per capita* distribution to all Piikani members.

In addition to the financial and environmental benefits, the proposed Settlement Agreement resolves longstanding land and water issues. The canal lands

will be returned to Canada and the Nation will have an assured supply of water to meet its residential, community, agricultural and commercial needs.

In addition, this proposed Settlement Agreement will enable the parties to proceed with environmental remediation work in the river valley. In turn, Alberta will continue to divert and convey waters to downstream users.

In short, the Piikani Nation, Canada and Alberta have agreed to resolve the disputes over water through negotiation and have developed a proposed Settlement Agreement that benefits all parties. The Chief and Council believe that this package is the best way to resolve these issues. A court battle over water rights would be lengthy, bitter and costly and the outcome is very uncertain.

As part of this Settlement Agreement, the Piikani Nation and Canada will settle nine specific claims on an expedited basis. Canada will pay \$32.15 million, a portion of which represents fair value for these claims. The Nation may continue to pursue other claims against the Crown, such action is not limited by this proposed Settlement Agreement.

It should also be noted that the proposed Settlement Agreement does not limit, diminish or extinguish our existing recognized Treaty and Aboriginal Rights. These will not be affected by this proposed Settlement Agreement.

The formal process for obtaining the consent of the Piikani members has begun. All members, 18 years and older, will be given an opportunity to vote on the proposed Settlement Agreement. The proposed Settlement Agreement will not be signed until you, the members of the Piikani Nation, agree to the package in the Ratification Vote to be held this September.

The information contained in this newsletter includes particulars on the Ratification Vote. Please read it carefully and if you have any questions please do not hesitate to contact our office or the Indian and Northern Affairs Canada representatives identified herein.

We will be holding information meetings so that you can hear from Chief and Council and the technical team on all aspects of the settlement proposal. The Ratification Officer who will supervise the Ratification Vote will also be in attendance to explain the voting procedures.

This proposed Settlement Agreement will give us the opportunity to focus on more urgent matters and to ensure that our members have adequate housing, good education, and job opportunities. It will provide new resources to improve our community and to address the needs of our disabled and ageing people. It will open the door to a better quality of life and more prosperous future.

Respectfully Submitted:

The Chief and Council of the Piikani Nation

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Piikani Nation Chief and Council:
(front row, left to right) Lionel Crow Shoe, Chief Peter Strikes With A Gun, Albertine Crow Shoe, (back row, left to right) Terry Yellow Horn, Corbin Provost, Neil Sharp Adze, Troy Knowlton, Erwin Bastien, Edwin Small legs, Daniel Northman and Brian Jackson. Missing from photo: Harriet North Peigan and Roberta Yellow Horn.

Message from the Piikani Negotiating Team to the Membership



Piikani Strategy Session: Chief and Council met recently to discuss voting procedures and communicating with members about the proposed Settlement Agreement.

The Piikani Negotiating Team has been working very hard since the membership voted last November to reject the Agreement. Over the past eight months, the Negotiating Team has focussed on adding new value so as to present the members with a package that better reflects the concerns raised at the information meetings last fall.

What changes have been made?:

- Canada has agreed to pay out their share of the Settlement Funds (\$64.3 million) in a shorter time period. This will increase the investment returns to the Nation. The additional benefit to the Nation is valued at \$4.3 million;
- Alberta has agreed to increase the annual payment to \$800,000 (indexed) in 2010 (from \$567,000). The additional benefit to the Nation is valued at \$7.8 million;
- Alberta has agreed to allow Piikani Waters to be used on non-reserve lands (10,300 acres) owned by the Piikani Nation. This will give the Nation the opportunity to create significant business opportunities and to fully realize on the value of the 35,000 acre foot water reserve. The additional benefit to the Nation is valued at \$15 million;
- The Piikani Trust Agreement has been re-drafted to provide for the following:
 - i) the one-time *per capita distribution* has been increased to \$3,000 from \$1,000 per member;
 - ii) additional funds will be allocated to the Youth and Education Account (\$2 million) to further support Youth and Education programs;
 - iii) forty percent of the income earned in the Piikani Trust will be used for housing and community improvement initiatives;
 - iv) twenty percent of the income earned in the Piikani Trust will be used to acquire new lands for the Nation; and
 - v) forty percent of the income earned in the Piikani Trust will be re-invested in the Trust to provide increased benefits in future years.
- Canada has agreed to extend the land acquisition period under the 1909 Settlement Agreement by an additional 15 years;
- The proposed Agreement assures the *per capita distribution* of \$3,000 will not affect members eligibility to receive benefits paid under Supports for Independence (SFI), Assured Income for the Severely Handicapped (AISH), Canada Social Assistance, Canada Pension Plan (CPP), Old Age Pension, or Employment Insurance Program.
- Canada, Alberta and the Piikani Nation have agreed to proceed with the following regardless of the outcome of the Ratification Vote:
 - i) Canada, Alberta and the Piikani Nation will implement those portions of the proposed Agreement necessary to address the environmental impacts and remediation of the Oldman River Valley on the Piikani Reserve;
 - ii) Alberta will pay \$2.44 million to fund the follow-up Environmental Impact Assessment and Dam Safety Work Plans;
 - iii) Alberta will enable the Piikani Nation to participate in the Oldman River Dam Hydro Project;
 - iv) Alberta and the Piikani Nation will establish a committee to explore other infrastructure and economic development initiatives; and
 - v) Alberta will undertake repairs on the Lethbridge Northern Headworks System.

The Piikani Negotiating Team is pleased with the outcome of the re-negotiation. We have added an estimated \$27.1 million in new value to the proposed Settlement Agreement and have created new opportunities for investment and employment beyond our reserve boundaries. The Piikani Trust has been re-drafted to increase immediate benefits to you the members by way of a \$3,000 *per capita distribution*. In addition, the environmental issues and our access to the Oldman Dam Hydro Project will be addressed regardless of the outcome of the vote. In all, we have gained much in these re-negotiations and are pleased to recommend this proposed Settlement Agreement for your acceptance.

The Negotiators

Many different people were involved in this negotiation process. The Chief and Council negotiated on behalf of the Piikani Nation assisted by Dal McCloy, Assistant Negotiator. The Piikani legal team was comprised of Jerome Slavik, Eugene Creighton and Karen Crowshoe with advice from Leroy Little Bear.

Alberta's Lead Negotiator was John McCarthy. Canada was represented by Tim Christian. Both Alberta and Canada put forward negotiation teams with technical and legal personnel to represent their line departments.

Summary of the Proposed Piikani Settlement and Trust Agreements

Piikani Nation Members

This document summarizes the contents of the proposed Settlement and Trust Agreements. The Chief and Council would encourage you to review this document, to read the entire Settlement and Trust Agreements, and to participate in the information meetings scheduled for late August and early September. A Ratification Vote will take place on September 16, 17 and 18 when eligible voters will decide to accept or reject this proposed Agreement.

I. Purpose of the Proposed Settlement Agreement

To provide financial resources to the Piikani Nation to support new community and economic endeavours, and to resolve longstanding issues between the Piikani Nation, Canada and Alberta with respect to land, water and environmental matters within the Piikani Nation.

II. Details of the Proposed Settlement Agreement

- a) To provide funding to the Piikani Nation to pursue new economic development, business and employment opportunities.
- b) To improve the quality of life for Piikani members through increased funding for housing, community infrastructure, education and youth programs.
- c) To assure that the Piikani Nation benefits from the Oldman River Dam and the Lethbridge Northern Irrigation Headworks (diversion weir and canal):
- d) To reserve 35,000 acre feet of water per year for the exclusive use of the Piikani Nation.
- e) To settle disputes with Alberta respecting the use of reserve lands for the operation of the Headworks and to compensate the Piikani Nation for the loss of use of lands occupied by the Headworks.
- f) To address environmental concerns on Piikani lands within the Oldman River valley.
- g) To create the Piikani Trust to ensure the Settlement Funds and Annual Payments are set aside and managed for the use and benefit of all Piikani members, now and in the future.
- h) To provide an immediate benefit to all Piikani members, on and off-reserve, in the form of a one-time \$3,000 *per capita distribution*.
- i) To address safety concerns related to the operation of the Oldman Dam.
- j) To support the Piikani Nation in setting aside 10,300 acres of new reserve land pursuant to the 1909 Settlement Agreement with Canada.
- k) To resolve three court actions put forward to Canada by the Piikani Nation.
- l) To settle nine Specific Claims put forward to Canada by the Piikani Nation.

III. Payments Made Under the Proposed Settlement Agreement

- a) Settlement Funds in the total amount of \$64.3 million will be paid by Canada and Alberta for the following:
 - i) as financial compensation for the settlement of nine Specific Claims;
 - ii) to address all grievances and damages related to the construction and operation of the Oldman River Dam;
 - iii) to undertake environmental impact studies, a Dam safety work plan, and for remediation of the Oldman River valley;

- iv) to capitalize the Piikani Trust to enable social and economic development through a one-time *per capita distribution*, education support, housing initiatives, youth programs and business/employment creation;
 - v) for discontinuance of the Treaty Water Rights litigation by all parties for the duration of the proposed Agreement; and
 - vi) for the releases set out in Part IX of this Summary.
- b) Canada and Alberta will deposit the Settlement Funds to the Piikani Trust as follows:

Estimated Date of Payment	Canada	Alberta	Total
December, 2002	\$8,500,000	\$17,000,000	\$25,500,000
May 1, 2003	8,150,000	2,650,000	10,800,000
May 1, 2004	8,000,000	2,500,000	10,500,000
May 1, 2005	7,500,000	2,500,000	10,000,000
May 1, 2006	-	2,500,000	2,500,000
May 1, 2007	-	2,500,000	2,500,000
May 1, 2008	-	2,500,000	2,500,000
Total	\$32,150,000	\$32,150,000	\$64,300,000

- c) In addition to the Settlement Funds, Alberta will make the following Annual Payments to the Piikani Nation for the continuing presence and operation of the Headworks on Piikani lands:

	Piikani General Account	Piikani Trust Account
May 2003	\$567,000	-
May 2004 to May 2009	-	\$567,000 in each year
May 2010	-	\$800,000
May 2011 and for duration of the Agreement	-	\$800,000 each year indexed to inflation

- d) Canada and Alberta have paid an additional \$2.66 million to the Piikani Nation for negotiation and legal costs.

IV. Piikani Trust Agreement

- a) The Settlement Funds and Annual Payments will be deposited to the Piikani Trust for the long term benefit of the Piikani Nation. The money will be managed in accordance with the Piikani Trust Agreement which sets out the obligations of a trustee and the Council regarding the management, investment and expenditure of these money, including the reporting and accountability requirements to the members:
 - i) the Piikani Nation will appoint a trustee to hold the trust property and to assure that the trust property is managed and expended in accordance with the Piikani Trust Agreement. The trustee must be a trust company, licensed to carry on the business of a trustee in Alberta and a member of the Canadian Deposit Insurance Corporation;
 - ii) the Piikani Nation will appoint investment counsellors to invest the Piikani Trust moneys in accordance with the provisions set out in investment policy established by the Council;
 - iii) the Piikani Trust Agreement cannot be amended for a period of eight years and thereafter, amendments must be approved by a majority of the Piikani electors by way of a referendum; and
 - iv) the Piikani Trust cannot be terminated, it will remain in place to benefit future generations.
- b) The Settlement Funds and Annual Payments will be directed to the following specific trust accounts:
 - i) the **Implementation Account** will receive \$13 million of the Settlement Funds to fund a distribution (\$3,000 per person), Follow-Up Environmental Impact Assessment and Dam Safety Work Plans (\$2.44 million), and other implementation costs;

- ii) the **Heritage Account** will receive \$10 million of the Settlement Funds plus 65 percent of the Annual Payments. The money will be invested to provide an annual source of income for the use and benefit of the Piikani Nation;
- iii) the **Youth and Education Account** will receive \$5 million of the Settlement Funds plus 35 percent of the Annual Payments. The money will be invested to provide an annual source of income to support a Piikani Youth and Education Foundation; and
- iv) the **Investment Account** will receive \$36.3 million to enable financing of hydro power, wind power, irrigation, a multi-purpose complex, and other business related projects which the Piikani Investment Corporation determines are viable, and that will provide ongoing benefits to all Piikani Nation members. The money in this account will also be used to purchase new lands for the Piikani Nation.
- c) The Piikani Trust Agreement will assure that money cannot be invested or expended except in accordance with the provisions of the Piikani Trust Agreement. It is expected that the capital will grow, and that annual revenues from the Piikani Trust will increase in future years.
- d) The annual income earned from investments in the Piikani Trust Accounts will be paid to the Settlement Revenue Account and the Piikani Youth and Education Foundation. These accounts are not trust accounts and will be governed by the Piikani Nation Financial Administration Code. A special bylaw (Settlement Revenue Account Bylaw) will assure that the annual income in the Settlement Revenue Account is expended to benefit current and future members as follows:
 - i) twenty percent will be deposited to a new **Land Company**, the money to be used to acquire new lands for the Piikani Nation;
 - ii) forty percent will be deposited to a new **Infrastructure and Housing Company** to improve and expand the housing stock and to support community infrastructure needs;
 - iii) twenty percent will be returned to the **Investment Account** for economic development and employment initiatives; and
 - iv) twenty percent will be re-invested in the **Heritage Account** to meet the future needs of the community.
- e) A portion of the profits earned from Piikani Nation participation in the ATCO/Piikani Joint Venture Hydro Project will be directed to the new Infrastructure and Housing Company to address current and future housing needs.

V. Environmental and Safety Issues



Oldman River Dam: The Alberta Government began constructing the dam in 1986 and construction was finally completed in 1992. The dam provides irrigation and a recreation area. Under the proposed Agreement, Piikani will have access to the water stored in the reservoir.

- a) The Follow-Up Environmental Impact Assessment/Dam Safety Work Plans will determine the effects of the Oldman River Dam on the Piikani Reserve. These work plans will determine the extent of the impact and the appropriate mitigation measures. A sum of

- \$2.44 million (included in the \$32.15 million) will be provided by Alberta to the Piikani Nation to complete the work plans. The work plans will be managed by a committee with two members from each party (Piikani, Canada and Alberta).
- b) Canada and/or Alberta will provide funds and/or perform mitigation and remediation work identified by the work plans where mandated to do so by federal or Alberta statute. These costs are in addition to the Settlement Funds and Annual Payments.
- c) Other remedial measures not mandated by statute shall be undertaken at the discretion of the Piikani Nation and paid for by the Piikani Nation.
- d) The Piikani Nation and Alberta support maintenance of the environment of the river bed and the Oldman River valley and will work together as necessary from time to time to ensure that appropriate measures are taken to sustain this environment.

VI. Water Issues

- a) The Piikani Nation will retain the position that it owns the riverbed within the Piikani Reserve and has the rights to the waters flowing through the reserve. However, for the duration of the proposed Agreement, the parties will not bring forward legal action(s) to dispute their interests in the riverbed and/or waters of the Oldman River. In other words, the negotiated settlement provides mutual benefits and a peaceful, long-term resolution to the issues.
- b) The proposed Agreement recognizes that the Piikani Nation is legally entitled to reasonable quantities of water to meet its current and future needs. For the purpose of the proposed Agreement, reasonable quantities means:
 - i) supplies of water from the natural flow of the Oldman River for on-reserve household and community use, and for domestic livestock grazing; plus
 - ii) 35,000 acre feet per year (referred to as Piikani Waters) for on and off-reserve uses (irrigation and commercial); plus
 - iii) the right to request renegotiation of the Piikani Waters if and when the Nation's water needs exceed these requirements.
- c) The 35,000 acre feet (3.5 times the amount of water used by the City of Lethbridge) was arrived at by negotiation and does not define the quantity of water that the Piikani Nation may be entitled to under any claim based on Aboriginal, Treaty or common law water rights but the Piikani Nation agrees not to assert any such claim for as long as the proposed Agreement remains in effect.
- d) Alberta shall ensure that the Piikani Waters are made available from stored water in the Oldman River Dam reservoir, out of the natural flow of the Oldman River, and from the Lethbridge Northern Irrigation Canal (the latter source being limited to a quantity sufficient to irrigate 10,000 acres.)
- e) The Piikani Nation has the right to acquire and set aside 10,300 acres of new reserve land pursuant to the 1909 Settlement proposed Agreement. Where lands are purchased with valid existing water licenses and such lands are set aside as Piikani Reserve lands, the quantity of water stated in these licenses will be added to the Piikani Waters.
- f) The Piikani Nation may use Piikani Waters on off-reserve lands (up to 10,300 acres) so long as the lands are owned by the Piikani Nation, the lands are within the Oldman River Basin, and the projects utilizing the Piikani Waters have Piikani Nation ownership.
- g) The Piikani Nation will have exclusive jurisdiction and authority over Piikani Waters for on-reserve use and the Piikani Nation will use existing and/or new by-laws, policies and procedures to manage, allocate and administer these waters.
- h) The Piikani Nation and Alberta agree to maintain an ongoing dialogue on matters related to water, and the Piikani Nation will appoint a representative to sit on the Public Advisory Committee in respect to the Water Management Review of the South Saskatchewan River Basin.

VII. Land Issues

- a) Pursuant to the 1909 Settlement Agreement, the Piikani Nation has the right to acquire up to 10,300 acres of additional lands which can be set aside as reserve lands. The proposed Agreement sets out the process for acquiring these new reserve lands, mechanism to access the moneys currently deposited in the Consolidated Revenue Fund, and extends the period to purchase these lands by an additional 15 years beyond the period set out in the 1909 Settlement Agreement.
- b) Alberta will transfer ownership of the Lethbridge Northern Irrigation lands (Headworks Lands) back to Canada. Canada, with the consent of the Piikani Nation, will then authorize the transfer of administration and control of the entire interest to Alberta pursuant to Section 35(3) of the Indian Act. When the Headworks lands are no longer required by Alberta, administration and control shall return to Canada.
- c) Canada, with the consent of the Piikani Nation, will provide Alberta with Section 28(2) permits to provide access and occasional access to the Headworks lands for the purpose of repair and maintenance. These permits will remain in effect for as long as the Headworks lands are required by Alberta.
- d) The proposed Agreement, the s.35 transfer, and the s.28(2) permits will replace the 1981 Agreement and 1981 Permit.



Lethbridge Northern Irrigation District Headworks: The proposed Settlement Agreement involves settling nine specific claims, two of which involve the district's headworks.

VIII. Specific Claims

- a) The Piikani Nation have submitted nine (9) Specific Claims to Canada as follows:
- the Borrow Pits claim;
 - the Telephone Line claim;
 - the Grain Elevator claim;
 - the Highway Three claim;
 - the Lethbridge Northern Irrigation District (LNID) 1922 claim;
 - the Lethbridge Northern Irrigation District (LNID) 1981 Agreement claim;
 - the Canadian Pacific Railway (CPR) Claim #1;
 - the Canadian Pacific Railway (CPR) Claim #2; and
 - the Canadian Pacific Railway (CPR) Claim #3.



Highway #3: This is one of nine specific claims that will be resolved if this proposed Settlement Agreement is ratified by the membership during voting on September 16, 17, 18, 2002.

- b) Each of the claims allege that Canada illegally allowed third parties to occupy and use certain lands on the Piikani Reserve. Only two of these Specific Claims have been validated by Canada. The other seven Specific Claims have not been validated.

- c) A portion of the Settlement Funds paid by Canada are intended as financial compensation for the settlement of these nine Specific Claims.
- d) The nine Specific Claims are fully and finally settled as part of this proposed Agreement.
- e) No other Specific Claims which the Piikani Nation may have now, or in the future, are prejudiced, restricted or limited by the terms of the proposed Agreement.
- f) The proposed Settlement of these claims neither infringes nor extinguishes any existing Treaty or Aboriginal Rights of the Piikani Nation or its members. Settlement of these claims is without prejudice to any alleged Treaty and Aboriginal Rights or any position the parties may take in the future in relation to Treaty or Aboriginal Rights or the fiduciary, statutory or other lawful obligations of the federal Crown.

IX. Lawsuits/Legal Issues

1. Discontinuance of Current Legal Actions

- a) The Piikani Nation, Alberta, and Canada have, while this proposed Agreement is in effect, agreed to discontinue litigation as to their respective rights, entitlements and jurisdiction in relation to the beds, shores and water of the Oldman River as it passes through the Piikani Reserve in favour of a negotiated settlement.
- b) The Piikani Nation agrees to abandon and discontinue the Canadian Pacific Railway (CPR) action and the Oldman River/Lethbridge Northern Irrigation District (LNID) action against Canada as these matters are settled by payment of compensation from Canada.

2. Releases

- a) The Piikani Nation releases each of Canada and Alberta from any present or future claims relating to:
- any of the facts or matters alleged in the nine Specific Claims which are settled in the proposed Agreement;
 - any of the facts, matters, or causes of action alleged in the Statements of Claim discontinued by the proposed Agreement while it is in effect;
 - the Oldman River Dam including, but not limited to, all matters pertaining to the construction, operation or management of this facility and any impacts, operational, environmental or otherwise, to the reserve or the Oldman River as it passes through the reserve;
 - the Headworks, the Headworks lands or the Lethbridge Northern Irrigation District, including, but not limited to, all matters pertaining to the construction, operation or management of these;
 - the 1981 Agreement or 1981 Permit;
 - claims for loss of use of the waters of the Oldman River and loss of associated economic benefits;
 - all costs incurred by the Piikani Nation for research, preparation, negotiation and settlement of the Specific Claims, and for preparation, negotiation and ratification of the proposed Agreement, including legal fees and all costs and disbursements relating to certain Statements of Claim;
 - all matters within Section E of the proposed Agreement Additions to Reserve;
 - monetary consideration for the Transfer, the Access Permit and the Occasional Access Permit;
 - the deposit of the Settlement Funds and Annual Payments on the Piikani Nation's authority and direction into the Piikani Trust, and the deposit, withdrawal, use, management or any

- other dealings by the trustees or Council with respect to the Settlement Funds and Annual Payments, including without limitation any termination of Piikani Trust Agreement;
- xi) the procedures involved in the ratification and the execution of the proposed Agreement by the Piikani Nation;
- xii) any errors or omissions in the List of Voters for the Ratification Vote;
- xiii) the representations and warranties of the Piikani Nation; and
- xiv) the fact that Canada, with the express consent of the Piikani Nation, did not reserve for the benefit of the Piikani Nation a right of entry by Canada or any person acting under Her authority to enter upon the Headworks lands or any part thereof to explore for, develop, raise or get out the mines and minerals or any of them.

3. Future Legal Actions

- a) The Piikani Nation may, after the proposed Agreement is no longer in effect, bring a proceeding against:
 - i) Canada or Alberta or both of them with respect to:
 - a declaration regarding proprietary interest or rights in the riverbed; and
 - a declaration, based on Treaty, Aboriginal or common law rights, which give rise to rights, title or interest, if any, in the water of the Oldman River as it passes through the Piikani Reserve.
 - ii) Canada with respect to:
 - damages arising from a declaration referred to in the above, but only in respect to damages which may be incurred after the proposed Agreement is no longer in effect.
- b) The proposed Agreement will not prejudice any position the Piikani Nation may wish to assert with respect to the Nations proprietary interest or rights in the waters, bed and shores of the Oldman River within the Piikani Reserve after the proposed Agreement is no longer in effect.

X. Treaty and Aboriginal Rights

- a) The Piikani Nation's existing recognized Treaty and Aboriginal Rights are not limited, diminished, extinguished or affected by the proposed Agreement.
- b) Treaty Rights to hunting, fishing and trapping are specifically not affected by the proposed Agreement.
- c) The proposed Agreement does not restrict, prevent or limit the Piikani Nation from bringing any proceeding in relation to any existing or alleged Treaty or Aboriginal Rights except as stated in IX (3) (a) (i).

XI. Other Matters

- a) The proposed Agreement will not come into effect until the Piikani members, resident on and off reserve, vote to accept the proposed

Agreement. However, regardless of the outcome of the vote, the parties have agreed that the following will be implemented:

- i) Alberta will enable the Piikani Nation to participate in the Oldman Dam Hydro Project;
 - ii) Alberta will fund \$2.44 million to complete the Federal Environmental Impact Assessment and Dam Safety Work Plans in order to address environmental impacts and remediation in the Oldman River valley on the Piikani Reserve;
 - iii) Alberta and the Piikani Nation will establish a committee to explore new infrastructure and economic development initiatives; and
 - iv) Alberta will make repairs to the Lethbridge Northern Irrigation Canal and, where practical, will utilize the labour and resources of the Piikani Nation to complete the repairs.
- b) The proposed Agreement provides for the creation of a committee (Alberta, Canada and the Piikani Nation) as a means to maintain ongoing dialogue and to assist in the implementation of the proposed Agreement.
 - c) The proposed Agreement incorporates a dispute resolution mechanism to resolve ongoing matters that the parties are unable to resolve through open discussion.
 - d) The proposed Agreement remains in effect for as long as Alberta requires the Headworks for a water diversion and conveyance system, or for as long as the Piikani Nation receive any of the Piikani Waters. Alberta shall continue to make Annual Payments for as long as the proposed Agreement is in good standing or until the Headworks are no longer required for a water diversion and conveyance system.
 - e) The proposed Agreement does not affect the eligibility of the Piikani Nation or its members to apply for and receive government programs and other assistance available to First Nations and their members. Canada and Alberta will continue to provide government programs and other forms of assistance after the proposed Agreement has been implemented.
 - f) If the proposed Agreement is accepted by the Piikani members, a one time *per capita distribution* of \$3,000 will be paid to all members and such payment will not affect benefits paid to any member under:
 - i) Alberta's Support for Independence (SFI);
 - ii) Alberta's Assured Income for the Severely Handicapped (AISH);
 - iii) Alberta's Widows Pensions Program;
 - iv) Alberta's Special Needs for Assistance for Seniors;
 - v) Canada Social Assistance;
 - vi) Old Age Pension;
 - vii) Canada Pension Plan (CPP); or
 - viii) Employment Insurance (EI).



Nine Specific Claims: If the proposed Settlement Agreement is ratified by the membership of the Piikani Nation, nine specific claims will be resolved.

What has Changed Since the Last Proposed Agreement?

- Canada and Alberta have agreed to speed up their payout of the Settlement Funds. Additional benefit valued at \$4.3 million.
- Alberta has agreed to increase the Annual payments to \$800,000 (indexed) in 2010 (from (\$567,000)). Additional benefit valued at \$7.8 million.
- Alberta has agreed to allow Piikani waters to be used on non-reserve lands (10,300) acres) owned by the Nation. This will give the Nation the opportunity to attract significant business investment and to fully realize on the value of the 35,000 acre foot reserve. Additional benefit valued at \$15 million.
- The Piikani Trust Agreement has been redrafted to provide for:
 - i) an increase in the one-time *per capita distribution* to \$3,000 from \$1,000 and the proposed Agreement assures that this payment will not affect support payments;
 - ii) re-allocation of the Settlement Funds to the specific trust accounts:

Account	Old	New
Implementation	\$ 6,000,000	\$ 13,000,000
Investment	48,300,000	36,300,000
Heritage	6,900,000	10,000,000
Youth and Education	3,100,000	5,000,000

iii) re-allocation of the income deposited to the Settlement Revenue Account:

To	Old	New
Infrastructure /Housing	40%	40%
Land Acquisitions	-	20%
Reinvestment in Trust		
Heritage Account	30%	20%
Investment Account	30%	20%
Total	100%	100%

- Canada will extend the acquisition period in the 1909 Settlement Agreement by a further 15 years.
- Canada, Alberta and the Piikani Nation have agreed to remove certain matters from the proposed Agreement, these to proceed regardless of the outcome of the vote:
 - environmental and dam safety issues including payment of \$2.44 million to complete work plans;
 - Piikani participation in the Oldman Dam Hydro Project;
 - creation of a Piikani/Alberta Committee to explore other infrastructure and economic development initiatives; and
 - completion of the repairs.

Piikani Settlement Agreement Present Value of Benefits

	First Agreement	New Agreement
Settlement Funds	\$64,300,000	\$64,300,000
Value of Condensed Payout	-	4,300,000
Annual Payments	18,900,000	26,700,000
Hydro Project Tax Benefit	8,000,000	8,000,000
Water Storage	35,000,000	35,000,000
Canal Access	3,750,000	3,750,000
Off-Reserve Water Uses	-	15,000,000
Totals	\$ 129,950,000	\$ 157,050,000



Piikani Trust

Settlement funds and annual payments are deposited to the Piikani Trust.

The Piikani Trust is governed by the Piikani Trust Agreement as approved by the members.

The Piikani Nation (all current and future members) is the beneficiary of the Trust.

The Piikani Nation will appoint a Trustee to hold and safeguard the Trust Property.

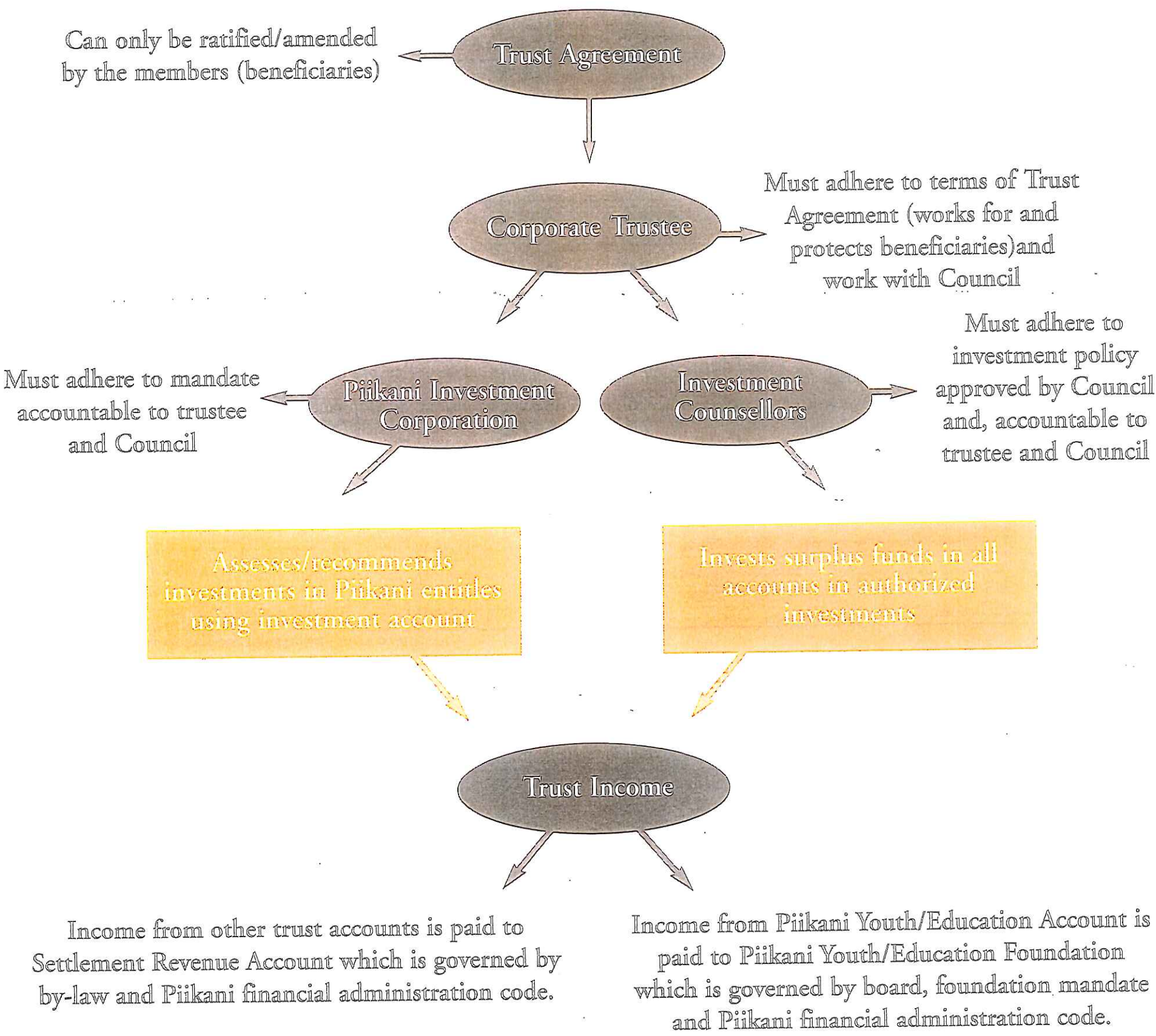
The duties and obligations of the Trustee are set out in the Trust Agreement.

Funds in the Piikani Trust will be invested by experienced Investment Counsellors in accordance with a strict Investment Policy approved by Council.

The Piikani Trust Agreement cannot be amended during the first eight years and thereafter, only with the approval of a majority of the Piikani electors.

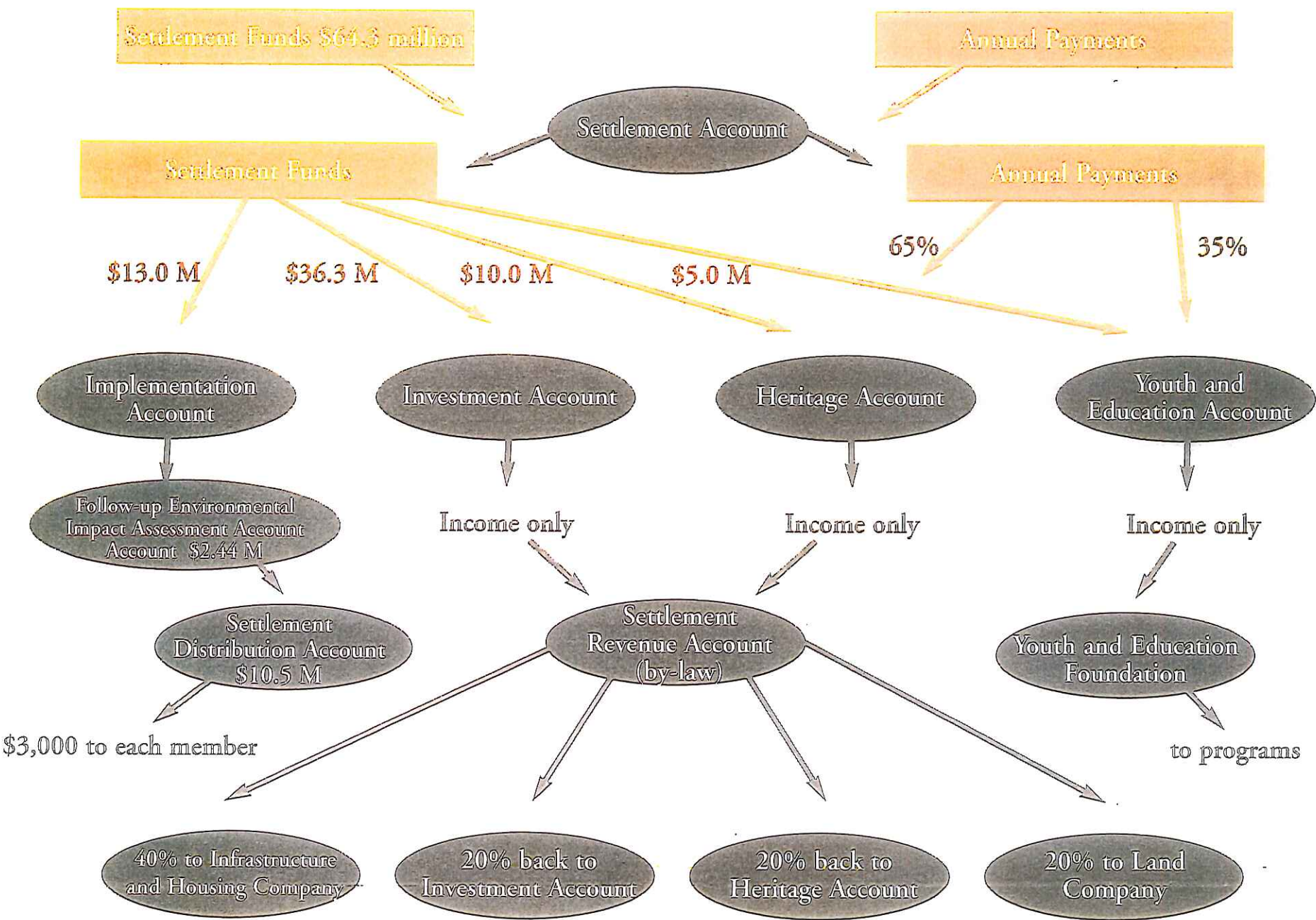
The Piikani Trust cannot be terminated, it remains to benefit all future generations.

Management of Piikani Trust Funds



Piikani Trust cont'

Piikani Trust Cash Flow



The Piikani Trust Agreement will be the instrument used to manage the Settlement Funds and Annual Payments received through the proposed Settlement Agreement. The Piikani Trust Agreement will ensure that current and future generations of Piikani Nation members benefit from the negotiated settlement.

Canada and Alberta must deposit the settlement funds and annual payments to the Piikani Trust. The beneficiaries of the Trust are the present and future members of the Piikani Nation, both on and off-reserve. The Trust Agreement cannot be amended without the consent of the members, the members have the final say in the content of the Trust Agreement.

A Trustee (Trust Company) will be appointed to invest, manage, supervise and administrate the Trust Property on behalf of the beneficiaries. The Trustee must comply with provisions of the Trust Agreement.

The Settlement Funds and Annual Payments deposited to the Piikani Trust will be segregated as follows:

Account	Settlement Funds	Annual Payments
Implementation	\$13,000,000	-
Investment	36,300,000	-
Heritage	10,000,000	65%
Youth/Education	5,000,000	35%
Total	\$64,300,000	100%

The purpose of these accounts is:

- the **Implementation Account** will fund a one-time *per capita* distribution of \$3,000 per member (on and off-reserve) plus the Follow-Up Environmental Impact Assessment/Dam Safety Work Plans (\$2.44 million);
- the **Investment Account** will be governed by the Piikani Investment Corporation and will be used to make investments in Piikani business entities;
- the **Heritage Account** will provide on-going annual income to fund community initiatives; and
- the **Youth and Education Account** will provide on-going annual income to fund the Piikani Youth and Education Foundation.

Each year, all of the income earned in the Implementation, Investment and Heritage Accounts will be deposited to a Revenue Settlement Account and distributed as follows:

- forty percent will be given to a new Piikani Nation entity mandated to invest in housing and community infrastructure;
- twenty percent will be given to a new Piikani entity mandated to acquire new lands for the Piikani Nation;
- twenty percent will be re-invested in the Heritage Account to increase future income; and
- twenty percent will be re-invested in the Investment Account to support future business and employment initiatives.

The one-time *per capita* distribution of \$3,000 will not affect benefits paid to Piikani members under Alberta's Supports for Independence (SFI), Assured Income for the Severely Handicapped (AISH), Widows Pension Program, Special Needs for Seniors, and the Canada Pension Plan (CPP), Old Age Pension or the Employment Insurance (EI) Program.

Questions and Answers About the Proposed Settlement and Trust Agreement

I. How can we tell if this is a good deal that is fair to the Piikani?

To answer this question there are three considerations:

1. Does the proposed Agreement meet the goals and objectives that the Piikani had entering these negotiations?

In the view of the Negotiating Committee, this proposed Agreement meets the legal, political, environmental and financial goals and objectives that the Piikani Council had developed prior to entering into these negotiations.

2. Is the Nation better off with or without the proposed Agreement?

The Chief and Council and Negotiating Committee have determined that this proposed Agreement meets the goals and objectives of the Piikani, that the Piikani are better off with this proposed Agreement than no agreement and that the benefits from this proposed Agreement outweigh the overall benefits from successful court action.

The question facing Piikani is, "Do we stay with the status quo with declining funds from Indian and Northern Affairs Canada and growing debt, or do we seize the opportunities presented by this proposed Agreement to expand our economy, develop new sources of revenue, and have confidence in our abilities to make the most of the opportunities offered by this Settlement Agreement?"

This will be up to each Piikani to decide.

3. Are there alternative strategies or mechanisms to achieve a better deal?

In this regard there would appear to be two options:

- 1) Going back to court to pursue the litigation; and
- 2) Pursuing the nine specific claims through the claims process.

Each of these options pose serious risks, uncertainties and great costs. For every year delayed in implementing this settlement it is estimated to cost the Piikani approximately \$3 million to \$4 million /year.

4. Have the Piikani received fair compensation for the settlement of the nine specific claims?

The Chief and Council commissioned an independent study to value all nine specific claims. This amount was significantly less than is being paid by the federal government under this proposed Agreement.

II. Can we get a better deal in the courts through the Piikani Water rights case?

In answering this question Members should consider the following:

1. Pursuing this case in Court will cost an estimated \$3 million to \$5 million of Piikani money (which is not in our budget) and take 6 to 10 years and be strongly opposed by Alberta and Canada.
2. We will be putting our future economy and Water Rights in the hands of lawyers and judges sitting in Ottawa who may not understand our situation.
3. The outcome of any Court case is very uncertain and presents considerable risk. (What if we lose?)
4. Even if we are successful, the outcome may not result in a Treaty entitlement to significantly more water under better terms and conditions than we already have in this proposed Agreement.
5. Our law suit does not seek financial damages or compensation for loss of use of the water rights. It only sought a declaration of our

Treaty Right to Water.

6. Even if we are successful and the Court says we have a right to take a certain amount of water from the river (which will be determined by the Court) we will still have to find the money to build the facilities to store and distribute the water. At present we will have no money to build the facilities to store, distribute and use the water for irrigation.
7. Even if successful this case will not give us the money and resources to undertake environmental remediation.
8. The lawsuit will not settle disputes over the Lethbridge Northern Irrigation District (LNID) and the province will continue to own and use the Lethbridge Northern Irrigation District (LNID) lands.
9. There will be no settlement of the nine Specific Claims with Canada. We estimate they will take another four to eight years to resolve and negotiate (providing they are accepted and a settlement can be negotiated at all) and for less money than we are now getting from Canada.

III. Are Piikani giving up other claims and any Treaty Rights?

The short and full answer to this is no. The Piikani can still pursue any other Specific Claims not settled in this proposed Agreement. They can also go to Court to seek validation and enforcement of any other Treaty and Aboriginal Rights (other than the Right to Water) which they feel are not recognized and affirmed by the Government of Canada. This includes a "Treaty 7 Action and the "big land claim".

a) Piikani Treaty Water Rights Claim

The Piikani are agreeing not to assert their claim to Treaty Water Rights in Court while this agreement is in effect. Likewise Canada and Alberta are agreeing not to challenge any claim to Piikani Water Rights in Court while this agreement is in effect. This lawsuit will be discontinued and the parties will agree to live by the terms of the Settlement Agreement while it is in effect. If they choose, the Piikani can start-up this lawsuit after the proposed Agreement is over.

b) Treaty Rights

As stated in the proposed Agreement, any other Treaty Rights are not in any way extinguished or limited by this proposed Agreement.

c) Oldman River Claim

The Piikani under this proposed Agreement are not giving up any claim to the beds and shores of the Oldman River on the reserve. In fact, for the purpose of this proposed Agreement Canada recognizes Piikani ownership of the beds and shores of the river on reserve.

d) Other Claims and Lawsuits

Any other future types of claims against Alberta and Canada are specifically not affected by the terms of this proposed Settlement Agreement. Any other claims and rights of the Piikani can be fully asserted in court or through any other legal means.

e) Specific Claims

Nine Specific Claims are being settled and the Piikani are receiving the financial compensation paid under this proposed Agreement. In any specific claim the value of the settlement is based on the loss of use of the land by the First Nation and not on the value of the use of that land to the third party user. In this case, the Piikani are settling the claims for financial compensation as originally intended when they were submitted. The Piikani may still make other claims.

- f) The law suit regarding the claim for compensation for the presence of the Canadian Pacific Railway (CPR) railway on the reserve is being settled with financial compensation being paid to the Piikani.

g) Reserve Land

Alberta is returning the weir and headworks lands to the Piikani as reserve lands. The Piikani are giving the Government of Alberta proper legal permission to have the weir and headworks on the reserve. The Piikani are actually getting reserve land back not giving up reserve land. They are getting certainty over the lands as well as financial compensation of over \$567,000 per year.

IV. Per Capita Distribution (\$3,000/Member) of Settlement Funds

a) How will the \$3,000 per capita distribution affect other payments received by members?

The Government of Alberta has agreed that the \$3,000 *per capita distribution* is not considered as income for purposes of supports for Independence (SFI) (social assistance) or Assured Income for the Severely Handicapped (AISH) payment. Indian and Northern Affairs Canada, Alberta Region will do likewise. Therefore this *per capita distribution* will not affect any current or future social assistance or Assured Income for the Severely Handicapped (AISH), Supports for Independence (SFI) payments made to Piikani Members by government.

b) What will happen to money that is held in trust by the Minister for children?

Parents will decide where the *per capita distribution* payment for their child is to be paid. It may be paid either to the parents or to the Indian Minors Trust Fund maintained by the Minister of Indian Affairs and Northern Development.

Funds held in trust for Indian Minors by the Minister receive interest. Parents can apply to the Minister to have these moneys paid out of the Indian Affairs Trust.

V. a) Can the trust funds be seized by creditors of the First Nation?

No!! These funds are held in the trust and cannot be used by the Council for the purposes of providing security or guarantees for current and future debts of the Piikani Nation. Creditors of the Piikani Nation cannot seize these funds.

b) How is the annual income from the Piikani trust to be determined?

Each year the annual income earned from investments by the Trust is to be paid in full to the Piikani. The Trustee will first calculate how much interest, dividends and capital gains (i.e. annual income) has been made on the investments. He will then determine whether this amount is greater than the amount calculated as follows: (8 percent minus the rate of inflation times the value of the funds and investments purchased by the Investment and Heritage Accounts).

Whichever amount is greater will be paid to the Piikani Nation.

c) Is the annual income earned by the trust taxable?

Under the terms of the Trust Agreement all income generated by the trust is transferred each year to the Piikani Nation. Under the Income Tax Act, the Piikani Nation is not a taxable entity therefore the income it receives is not taxable. As a consequence, the income generated by the trust and paid to the Piikani Nation is not taxable.

The money paid by Canada and Alberta as part of the Settlement Funds (\$64.3 million) and the Annual Payments (\$567,000 per year) are not subject to any tax including the Goods and Services Tax (GST).

VI. What are the Consequences of a No Vote?

1. The consequences of a no vote are the following:

- no payment of \$64.3 million or increased annual payments;
- no assurances of water supply, storage or access for the reserve;
- no funds for current or future economic development and employment projects (hydro, wind, irrigation);
- loss of 15 - 20 years of revenue from investment of settlement funds (estimated to be \$125 - \$155 million);
- no new funds for housing or youth and education;
- no *per capita distribution* of \$3,000;
- poor relationships with Canada and Alberta;
- debt from negotiations costs (\$600k);
- no settlement of nine specific claims;
- continuing costly litigation over Treaty Water Rights; and
- no financial, economic or social benefits from litigation for 10 to 15 years (if any).



Piikani Community Meetings: A number of membership meetings have been held to discuss the proposed Settlement Agreement and more are planned in September prior to the Ratification Vote. Chief and Council encourage members to attend one of the meetings held to learn more.

Information on Voting

All eligible members of the Piikani Nation have the right to vote on the proposed Settlement and Trust Agreement between the Piikani Nation, Canada and Alberta. The vote will take place by secret ballot. To vote you must be 18 years of age or over on voting day and be a member of the Piikani Nation living on or off reserve.

The vote is being conducted by officials of the Alberta Region of the Department of Indian Affairs and Northern Development. The Ratification Officer is Tamara Kane and the Deputy Ratification Officer is Veronica Russell. If you have any questions about voting, please contact either Tamara or Veronica.

Information Meetings

There will be information meetings prior to the vote to explain the proposed Settlement Agreement and answer any questions you may have:

Sept. 4, 2002	5 to 10 p.m.	Ramada Hotel and Conference Centre, Edmonton
Sept. 5, 2002	5 to 10 p.m.	Carriage House Inn, Calgary
Sept. 9, 2002	5 to 10 p.m.	Lethbridge Lodge, Lethbridge
Sept. 10, 2002	10 a.m. to 4 p.m.	Community Hall, Brocket

Vote

The Ratification Vote will take place over three days at the following times and places:

Sept. 16, 2002	9 a.m. to 8p.m.	Friendship Centre, Pincher Creek (one day only)
Sept. 17 & Sept. 18, 2002	9 a.m. to 8 p.m.	Community Hall, Brocket (two days)
Sept. 17 & Sept. 18, 2002	9 a.m. to 8p.m.	Friendship Centre, Lethbridge (two days)
Sept. 17 & Sept. 18, 2002	9 a.m. to 8 p.m.	Treaty 7 Economic Development Corporation Office, Calgary (two days)
Sept. 17 & Sept. 18, 2002	9 a.m. to 8 p.m.	Indian and Northern Affairs Canada, Alberta Region, Edmonton (two days)

Ratification Ballot Question

As a voter of the Piikani Nation, do you:

- A. agree and approve the terms and conditions of the proposed Agreement between Her Majesty the Queen in right of Canada, the Piikani Nation, and her Majesty the Queen in right of Alberta, dated for reference July 16, 2002;
- B. agree to and approve the terms and conditions of the Piikani Trust Agreement, dated for reference July 16, 2002; and
- C. agree to authorize, empower, and direct present and succeeding Councils (which includes the Chief) of the Piikani Nation, to act for and on behalf of the Piikani Nation, and its members, to sign all documents and take all measures to execute and implement the terms and intent and meaning of the above proposed Agreement and Piikani Trust Agreement?

BALLOT

YES

NO

Mark this ballot by placing an X under the word YES or NO within the appropriate box.

Off Reserve Members

If you don't live on the Piikani Reserve or won't be around at the time of the vote, you can vote by mail. If you want to receive a mail-in voting package, please contact Indian and Northern Affairs Canada at the address to the right.

If you do vote by mail, your mail-in ballot must be received by the Ratification Officer prior to the closing of the last poll, in order for your vote to be counted.

The Ratification Officer or Deputy Ratification Officer can confirm for you whether your name is on the voters list. You can also check the voters list which has been posted at:

University of Lethbridge Native Centre	Pincher Creek Native Friendship Centre
Lethbridge Native Friendship Centre	University of Calgary Native Students Centre
Alberta Environment Area Office - Lethbridge	Treaty 7 Tribal Council - 2 branches Calgary and Tsuu T'ina
Ft. McLeod IGA	Treaty 7 Economic Development Office
Blackfeet Tribal Administration Office - Browning, Montana	South - Tsuu T'ina
Piikani Administration Office	Indian and Northern Affairs Canada, Alberta Region, Canada Place - Edmonton
Piikani Social Services - Brocket	Edmonton Native Friendship Centre
Piikani Health Office - Brocket	
Pincher Creek Co-op	

Changes to the voters list can be made by the Ratification Officer according to articles 5.3 through 5.6 of the Ratification Voting Guidelines.

- 5.3 A Voter may apply to the Ratification Officer within ten days of posting of the List of Voters attached to the Notice of Vote to have the List of Voters revised if such a Voter believes that:
 - 5.3.1 the name of a Voter has been omitted from the List of Voters; or
 - 5.3.2 the name of a Voter is incorrectly set out or should not be included on the List of Voters.
- 5.4 A Voter may, up to and including the Voting Days, apply to the Ratification Officer to have his or her name added to the List of Voters if that Voter can provide adequate proof of identification, age and membership with the Piikani.
- 5.5 A Voter of the Piikani may provide proof of affiliation with the Piikani in the form of a written statement by the Piikani Membership Registrar, in substantially the form attached as Appendix H, confirming their membership in the Piikani Nation.
- 5.6 Where the Ratification Officer is satisfied that a revision is necessary to the List of Voters, he or she will make the revision and such revision will be final.

You can obtain copies of the proposed Settlement Agreement and Trust Agreement at no cost to you, from:

Piikani Nation Administration Office Box 70 BROCKET AB T0K 0H0 (403) 965-3940 or Tamara Kane, Ratification Officer Indian and Northern Affairs Canada Alberta Region 630 Canada Place 9700 Jasper Avenue EDMONTON AB T5J 4G2 (780) 495-2802 collect calls are accepted	Veronica Russell, Deputy Ratification Officer Indian and Northern Affairs Canada Alberta Region 630 Canada Place 9700 Jasper Avenue EDMONTON AB T5J 4G2 (780) 495-2131
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If you want to look at the Follow-Up Environmental Impact Assessment Report, Dam Safety Work Plans or the survey maps of the Headworks Lands, Access Lands and Occasional Access Lands, you may do so at:

- Piikani Nation Administration Office;
- Indian and Northern Affairs Canada Offices in Edmonton or Calgary; and
- Government of Alberta, Alberta Environment Office in Lethbridge, 200 5th Ave. S., Lethbridge.