

# Waneta Expansion Project Socio-Economic Monitoring Program Report for the Second Quarter of 2011

## 1. Introduction

The following report summarizes key impacts resulting from construction of the Waneta Expansion Project (WAX), including both benefits to, and stresses on local communities. The report covers the period of April 1 to June 30, 2011 and represents the second quarter report of the first full year of construction activities.

The report focuses on those indicators of the Project that can be monitored cost effectively on a quarterly basis and which were confirmed by the project's Community Impact Monitoring Committee (CIMC), including:

Direct

Project Employment  
Local Employment  
Equity Employment  
Project Occupations  
Project Employment Income  
Regional Project Expenditures  
Project Injuries

Indirect

Unemployment Rate  
Housing  
Traffic Safety  
Other Community Concerns

## 2. Project Employment

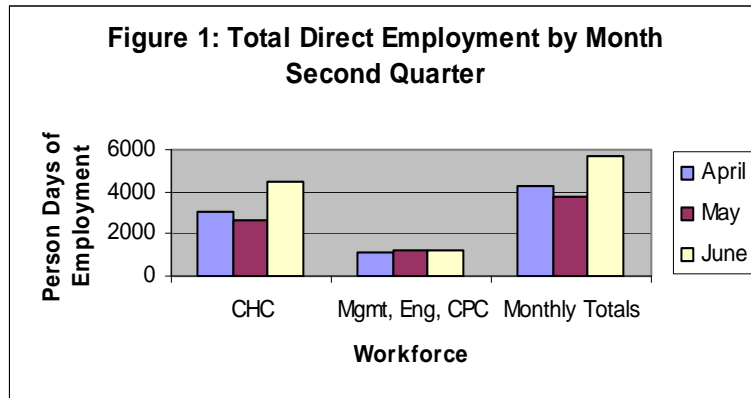
The total Person Days (PDs)<sup>1</sup> of employment for the second quarter of 2011 was 13,718. Columbia Hydro Contractors (CHC) employees (mainly trades people) accounted for 74% of the employment, with local management, engineers and Columbia Power Corporation's (COLUMBIA POWER) staff comprising the remaining 26% of employment for this quarter. However, it should be noted that information on CHC workers is provided bi-weekly based on their pay periods, whereas information for management and engineers is provided on a monthly basis. There were three pay periods in June for CHC employees, which accounted for the significant increase from April and May. Information on managers and engineers from outside the region who may be contributing to WAX is unavailable.

**Table 1: Direct Project Employment for Second Quarter, 2011**

<b>Workforce</b>	<b>Person Days of Employment</b>
Total CHC Employees	10188 (74%)
Management, Engineers, COLUMBIA POWER	3530 (26%)
<b>Total</b>	<b>13718</b>

<sup>1</sup> A PD is the equivalent of one person working for eight hours. The actual number of people employed may vary as some employees may work longer than an eight hour day with others being employed for less than a full eight hour day.

Source: CHC, ASL-JV, COLUMBIA POWER



### 3. Regional Unemployment

The regional unemployment rate (which relates to both the East and West Kootenays) declined over the second quarter, as did the provincial unemployment rate; however, the regional rate remains consistently higher than the provincial average. The provincial government reported that the overall decline in unemployment was attributed to a contraction in the size of the labour force rather than an improved labour market. While WAX has a positive impact on local employment, in particular in the building trades sector, the impact on the overall regional unemployment rate is limited.

**Table 2: Kootenay Unemployment Rate Compared to Province of BC**

Month	Unemployment Rate Kootenay	Unemployment Rate Province of BC	Seasonally Adjusted Rate Province of BC
April	10.1	8.4	7.9
May	9.5	7.8	7.6
June	8.3	7.4	7.3

Source: Statistics Canada

### 4. Local Employment

The terms of reference for the socio-economic monitoring program define "local" as being within a 100km radius of WAX. Information about the residency of CHC employees is available based on postal codes. Hence, "local employees" includes residents of Trail, Castlegar, and Nelson as well as people who reside in rural areas and smaller communities within the West Kootenay. The latter category can include residents of Nakusp or the Lardeau Valley, which is outside the 100km radius, but postal codes were the most cost-effective means of identifying residency.

Within the second quarter, an average of 84% of CHC workers were local employees, which exceeds the 75% target for local employment outlined in the 2006 COLUMBIA POWER submission to the provincial Environmental Assessment Office (EAO). The largest segment of local workers is from small communities and rural areas of the West Kootenay, with the second largest group residing in Castlegar.

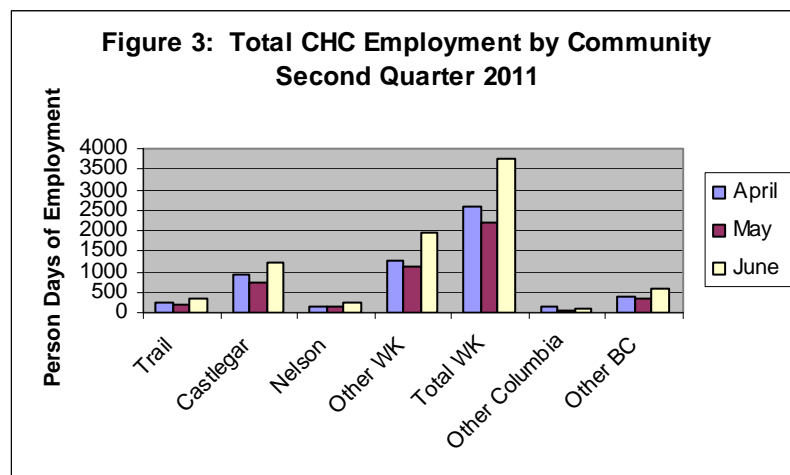
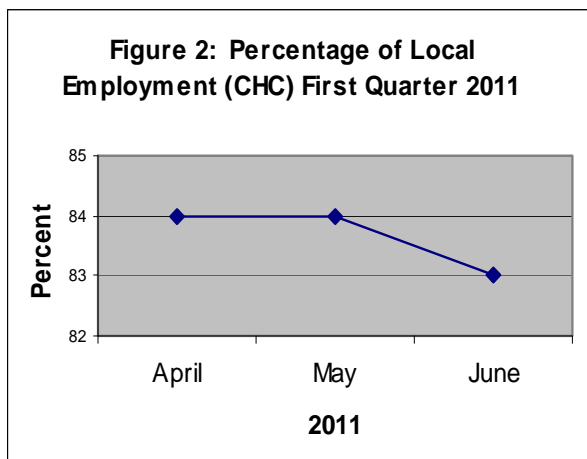
The target for local employment for managers and engineers was 50%, however information about managers and engineers from outside the area who may be contributing to WAX is unavailable; hence, the data presented reflect staff who are currently residing within the local area.

**Table 3: Local CHC Employment for Second Quarter, 2011**

Location	Person Days of CHC Employment	Percentage of CHC Employment by Community

Trail	741	7%
Castlegar	2870	28%
Nelson	508	5%
Other West Kootenay	4389	43%
<b>Total Local CHC Employment</b>	<b>8509</b>	<b>84%</b>
Other Columbia Basin	296	3%
Other BC	1276	13%
Other Provinces	107	1%
<b>Total</b>	<b>10188</b>	<b>100%</b>

Source: CHC



Source: CHC

## 5. Equity Employment

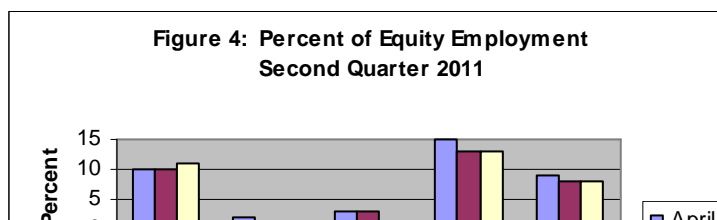
Equity employment is reported for two categories of workers: the first is those who declare themselves to be women, people with disabilities, and/or visible minorities. In its 2006 submission to the EAO, COLUMBIA POWER stated the total target for this category of equity workers was 10%.

The second category is those who identify themselves as First Nations. However, it is recognized that First Nations is a legally defined term and there is no means to validate that all respective employees meet the requirements, hence the socio-economic monitoring program will report on employees of aboriginal ancestry. The target set for First Nations/aboriginal employees was 5%.

Equity hiring for the second quarter of 2011 exceeded both targets, including for all three months. Women are most strongly represented in the first category with aboriginal participation being fairly consistent over the three month period.

**Table 4: Equity Employment for Second Quarter, 2011**

Workforce	Average Percent of Equity Workers
Women	11%
People with	1%



Disabilities Visible Minorities	2%
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**SubTotal 14%**

**Aboriginals 8%**

Source: CHC

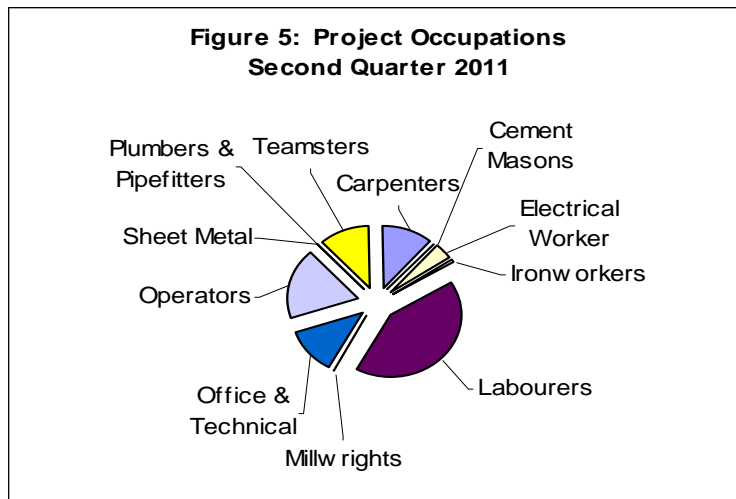
## 6. Project Occupations

During the second quarter of 2011, the greatest percentage of occupations consistently employed was labourers, followed by office and technical and then operators, carpenters, and teamsters. Each of the remaining occupations comprised less than 10% of the workforce.

**Table 5: Project Occupations for Second Quarter, 2011**

Occupations	Person Days	Average Percent of Workforce
Carpenters	1178	12%
Cement masons	43	0%
Electrical worker	401	4%
Ironworkers	115	1%
Labourers	4131	41%
Millwrights	0	0%
Office & technical	1239	12%
Operators	1852	18%
Plumbers & pipefitters	10	0%
Sheet metal	0	0%
Teamsters	1219	12%
<b>Totals</b>	<b>10188</b>	<b>100%</b>

Source: CHC



Source: CHC

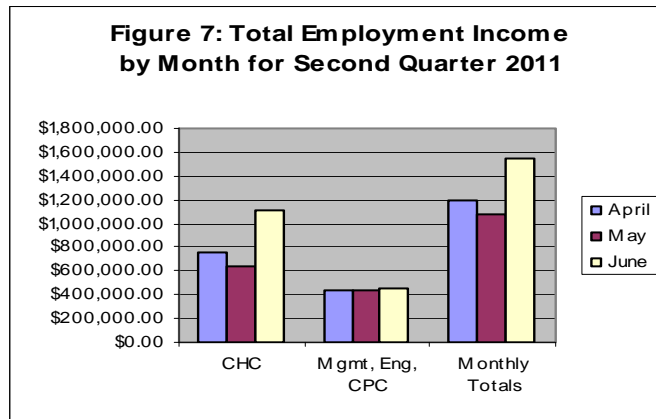
An average of 6 apprentices were onsite throughout the second quarter.

## 7. Employment Income

The total employment income for the second quarter of 2011 was \$3,833,654.80. This includes wages earned by CHC employees, which was 65% of the total employment income for the second quarter. Local managers, engineers and Columbia Power staff earned the remaining 35%. Income for management, engineers and Columbia Power staff is reported on a monthly basis, whereas income for CHC workers is reported bi-weekly based on their pay periods. In June, CHC employees had three pay periods rather than the more common two pay periods, which accounts for the significant increase in their wages for that month as well as the relatively large share of the overall income earned.

**Table 6: Total Employment Income for Second Quarter, 2011**

Workforce	Total Employment Income
Total CHC Employees	\$2,500,097.33 (65%)
Management, Engineers, Columbia Power	\$1,333,557.47 (35%)
<b>Total</b>	<b>\$3,833,654.80</b>



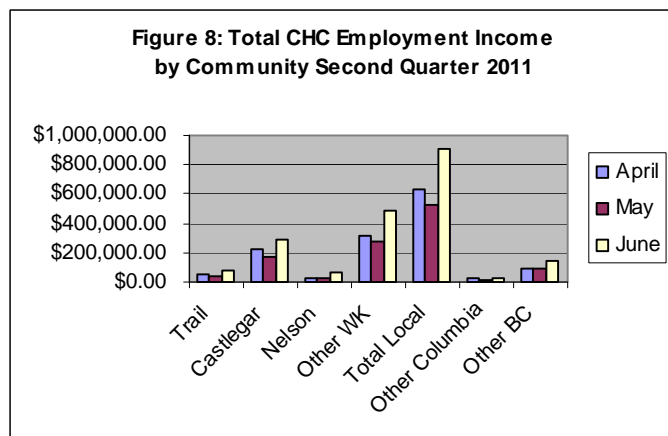
Source: CHC, ASL-JV, Columbia Power

The total local employment income (within the West Kootenay) for January, 2011 was \$3,406,782.21. This includes both employees of CHC as well as management, engineering and COLUMBIA POWER staff. Information regarding contributing managers and engineers who reside outside of the local study area is not available.

With respect to CHC workers, the largest percentage of local employment income (43%) was earned by residents of smaller communities and rural areas within the West Kootenay; workers residing in Castlegar earned the second greatest percentage of employment income (27%).

**Table 7: CHC Employment Income by Community for Second Quarter, 2011**

Location	Wages	Percent of Total Wages
Trail	\$185,656.01	7%
Castlegar	\$687,327.89	27%
Nelson	\$124,715.62	5%
Other West Kootenay	\$1,075,525.22	43%
<b>Total Local CHC Employment Income</b>	<b>\$2,073,224.74</b>	<b>83%</b>



Other Columbia Basin	\$70,423.29	3%
Other BC	\$328,177.94	13%
Other Provinces	\$28,271.36	1%
<b>Total</b>	<b>\$2,500,097.33</b>	<b>100%</b>

Source: CHC

## 8. Local Project Expenditures

ASL-JV reported that total local expenditures, such as on sub-contractor goods and services, for WAX between March and June 30, 2011 was \$28.2 million. Postal codes are used to identify companies that are based in the local area. It is not possible to determine if all the locally-based companies use only local labour or materials sourced from local suppliers in the goods and services they provide to WAX.

## 9. Injuries and Lost Time Accidents

Columbia Power reported no incidents, issues or safety concerns during the second quarter of 2011.

## 10. Housing

No housing issues were brought to the attention of the CIMC during the second quarter of 2011.

## 11. Traffic Safety

A key traffic safety concern has been people stopping on Highway #22 to view project activities. As a result, during the second quarter of 2011, the project owners have worked in cooperation with the Ministry of Transportation and Infrastructure (MOTI), with support from ASL-JV to create a safe pull-out immediately across from the main entrance to the project site. Columbia Power received the necessary environmental approvals and negotiated arrangements with the landowner, Burlington Northern Railway. The construction of the viewing area began in the second quarter with an official opening planned for July 21, 2011.

Concerns about the amount of debris on Highway #22 were investigated by ASL-JV. It was noted that ASL-JV regularly cleans the road and as the removal and transportation of the overburden has now been completed, there should be fewer issues with debris on the road.

Local government representatives reported that there is a high level of community interest in creating a safe walking and biking trail along Highway #22 and sought support from the project owners and ASL-JV for this initiative. It was noted that a number of significant issues may exist, including securing permission from all the various landowners. During the second quarter it was reported that Kootenay Columbia Trails Society agreed to produce a scoping document that will assess the feasibility of constructing the trail and, if the project is deemed feasible, then funding will be sought for the development of a trail master plan, which would involve consultation with stakeholders and the public.

Due to ongoing discussions regarding traffic safety, during the second quarter Darrell Gunn of MOTI accepted an invitation to formally join the CIMC.

A few traffic safety issues involving Highway #22 have been identified that are not directly connected with WAX, including safety around the intersection at the airport and non-WAX trucks turning out of Columbia Gardens. It was agreed that the CIMC provides an effective forum for discussing and updating people on

these local concerns, but they are not part of the socio-economic monitoring program and, therefore, will not be reported on in the quarter and annual reports.

## 12. Other Community Concerns

The following are other key questions or concerns raised by the CIMC during the second quarter of 2011, along with responses from Columbia Power and/or ASL-JV.

- a. Questions were raised about potential impacts on policing services – would WAX lead to increased demand for such services? The CIMC reviewed data from the Castlegar detachment of the RCMP during the period of the Brilliant Expansion Project and agreed to expand the research to include the region as a whole and a broader time frame. The results will be discussed at the CIMC meeting in September.
- b. Another question related to potential impacts from vibration caused by construction activities to other businesses in the general vicinity of WAX. ASL-JV reported that when machines were packing the soil at the office complex close to the Firebird operation, concerns were voiced and so the approach was changed, resulting in less vibration. In terms of construction activities at the main site, monitors indicate very low levels of vibration, which would not travel as far as the Firebird operation.
- c. The CIMC also asked about rumours that some of the workers are from the United States. ASL-JV explained that one of the companies that has partnered with SNC-Lavalin is Redpath, which is based in the United States. They have brought in some of their managers for key positions and these people are Americans. All CHC employees are Canadian with more than 80% being from the local area.
- d. Columbia Power was asked why workers have to belong to a union to work on WAX, to which Columbia Power explained that prior to initiating the three power projects (Arrow Lakes, Brilliant, WAX), Columbia Power and its partner Columbia Basin Trust entered into an agreement that all of the projects would be completed using workers who are members of their respective unions and hire through CHC. Following completion of WAX, the agreement with the unions will be finished and should Columbia Power/CBT initiate any subsequent projects, a decision would need to be made whether or not to negotiate a new agreement with unions.
- e. It is recognized that the closure of the Wanteta-Nelway Road during construction activities is an inconvenience and concern for local residents. The CIMC asked if once the tunnels have been completed and the work shifts to the sub-station, can the road be reopened. ASL-JV and MOTI committed to examining the possibility, but cautioned that safety concerns are the priority issue needing to be addressed. The CIMC also asked if the protocol for opening the road on an as-needs basis has been tested, to which ASL-JV reported that there had been a few issues that required using the protocol and so it has been tested.