

**Indigenous Leadership: Governance and Development Project**

## **Case Study**

# **Meadow Lake Tribal Council Industrial Investment (MLTCII)**

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## **Indigenous Leadership: Governance and Development Project**

One of the key actions in Saskatchewan's Growth Plan 2020-2030 is to grow Indigenous participation in the economy. The success of this action depends on Indigenous nations in Saskatchewan building and maintaining their economic development activities. The Indigenous Leadership: Governance and Development project provides made-in-Saskatchewan tools for Indigenous communities to build the governance foundation that will support long-term economic development. An important part of the project involves capturing the experience of Saskatchewan Indigenous communities through case studies and toolkits based on this experience.

The case study in this document was developed by a team of researchers and their affiliates at the Johnson Shoyama Graduate School of Public Policy at the University of Saskatchewan. The project is funded by the Government of Saskatchewan's Ministry of Trade and Export Development.

The case studies are designed to be used first and foremost by Indigenous communities across Saskatchewan. The premise of the work is that economic development stories need to be shared among those involved in economic development, both in the community where the economic development activities take place and in other communities looking to undertake economic development. It is important to focus on what has and has not worked. One of the long-term goals is to develop a set of resources that is Indigenous-led and available to Indigenous communities across the province and the country. The cases may also be used as governance training components and/or strategic planning exercises, as well as in teaching.

The case studies combine material from websites and other publicly available sources with material gathered through interviews with leaders and representatives involved in economic development activities. The interviews last between two and four hours and involve a small group of economic development leaders in the community. The questions asked focus solely on the corporate entities and activities that have been developed, and those interviewed are asked questions in their role as a corporate leader.

When approaching community leaders and representatives, we begin with an informal discussion. If the leaders and representatives indicate an interest in participating, we proceed with sending them a formal letter of introduction, which they can use to obtain official permission to proceed. We know communities receive many requests for information, and they do not always see the results of the work that is undertaken. Our goal is to ensure that the case study is shared with the community in a way that is beneficial. To this end, a draft of the case study is shared with the community, and the case study is not finalized until the community gives its agreement. Once a set of case studies have been developed, leaders from the communities involved will be given the opportunity to discuss the findings.

We would like to thank the leaders and representatives for their time and effort. Their knowledge and insights are critical to understanding economic development in Indigenous communities.

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## **Meadow Lake Tribal Council Industrial Investment (MLTCII)**

*Building Economic Capacity for Northern Development*

### **Overview and Key Learnings**

Meadow Lake Tribal Council (MLTC) and its nine First Nations have been using an economic development corporation for over 40 years to manage and grow successful businesses and partnerships in northern Saskatchewan. Meadow Lake Tribal Council Industrial Investment (MLTCII) manages MLTC's business operations.

MLTC's development has coincided with an increase in employment and an increase in the Community Well-being Index among MLTC First Nations. These impacts can be linked to the economic activity created by MLTC and to the economic activity undertaken by member Nations and supported by MLTC.

Key outcomes of the MLTC model are:

- MLTC provides financial support (e.g., dividends), expertise, and capacity-building to its Member Nations so they can undertake development in line with their specific needs and expertise;
- The businesses created by MLTC are chosen and managed so they do not compete with businesses owned by Member Nations;
- The economic development undertaken by Member Nations often exceeds that of MLTC;
- It is possible to achieve economic benefits and manage the land in a way that allows for other economic, cultural, and traditional activities.

Achieving the economic outcomes outlined above while meeting community goals is challenging. The MLTC case shows that these outcomes are possible with the right ingredients:

- A governance structure that separates politics and business by populating the board of the operating entity (MLTCII) with independent directors and by making the operating entity independent of the investment body;
- A decision-making model that gives Member Nations a key role by placing the Nations' chiefs on the board of the investment body and having the operating entity report to the investment body;
- A business structure that creates venues, such as Mistik, where community input can be obtained and heeded.

### **Background and History**

MLTC delivers programs and services to and develops opportunities on behalf of more than 16,000 citizens of its nine First Nations member. Table 1 provides a list of Member Nations.

MLTC began as the Meadow Lake District Chiefs Joint Venture (MLDCJV), formed in 1981. In 1986, MLDCJV reorganized and changed its name to Meadow Lake Tribal Council.

MLTC's nine First Nations members are located in the northwest corner of Saskatchewan and are part of the larger Dene and Cree Nations that are signatory to Treaties 6, 8, and 10. MLTC services a vast area. Its most northern nation, Clearwater River Dene Nation, is nearly 400 km from MLTC's main office, which is located on the Flying Dust First Nation.

**Table 1. Member Nations of Meadow Lake Tribal Council**


Member Nations	
Birch Narrows Dene Nation	Flying Dust First Nation
Buffalo River Dene Nations	Island Lake (Ministikwan) First Nation
Canoe Lake Cree Nation	Makwa Sahgaiehcan First Nation
Clearwater River Dene Nation	Waterhen Lake First Nation
English River First Nation	

Five of MLTC's Member Nations are in the Northern Saskatchewan Administration District (NSAD). The NSAD covers half of Saskatchewan and is rich in natural resources, but is sparsely populated, with 80% of the population of First Nation or Metis descent. A large portion of the NSAD is Crown Land and is subject to the Government of Saskatchewan's Northern Engagement and Environmental Assessment and Stewardship branches that negotiate and administer 12 surface agreements with industry.

Under its service program arm, MLTC provides essential services aimed at alleviating the social, health and economic issues faced by Indigenous people and people who live in remote north and or isolated communities. The average income for on-reserve residents of the MLTC First Nations range from \$13,672 to \$28,354. The median after-tax household income for 2015 in Saskatchewan is \$61,348. According to the 2016 Census, the employment participation rate for the MLTC Nations was 43 percent and the unemployment rate was 32 percent. In 1986, the comparable numbers were 38 and 33 percent.

#### *MLTC Governance*

MLTC refers to itself as a second-level program and service provider. The relationship between the Meadow Lake Tribal Council and its Member Nations is governed by the Convention Act signed in 1986. MLTC is led by three elected positions — one Tribal Chief and two Vice Chiefs (one Cree and one Dene). The holders of these positions are selected by 49 voting delegates (the Chief plus four Voting Delegates selected from each of the five Cree First Nations and the Chief plus five Voting Delegates selected from each of the four Dene First Nations) to the Annual General Assembly (see Figure 1). The strategic and leadership direction of the Tribal Council is provided through quarterly Chiefs-In-Assemblies.



<b>Community</b>	16,000+ citizens of 9 Member Nations
<b>General Assembly</b>	Nine elected Chiefs and forty-seven Councilors of the nine member First Nations
<b>Chiefs-in-Assemblies</b>	Nine elected Chiefs of Member Nations
<b>Tribal Chief and Two Vice-Chiefs</b>	Selected by 49 voting delegates from Member Nations
<b>Executive Management</b>	Non-Profit Entities, For-Profit Ventures, and dedicated role in governance in regions leading Indigenous institutions
<b>Service Provision Organizations</b>	MLTC Program Services, Meadow Lake Health and Social Development Authority, MLTC Child and Family Services (funded by Indigenous and Northern Affairs Canada and Health Canada)

**Figure 1. MLTC Governance Structure**

MLTC and the First Nations members work together to provide programs and services to their communities. MLTC's elected officials act as a political and collective voice for the First Nations members and coordinate a response from the nine Nations on issues affecting their homelands. MLTC's elected officials also lead lobbying and advocacy efforts with other government, industry, and external parties.

### *MLTC Economic Development*

High unemployment and rapid population growth in the 1980s among the Meadow Lake First Nations generated a "desperate need to create employment opportunities."<sup>1</sup> Since the Meadow Lake First Nations had experience in the forestry industry, they looked to this sector for economic development and employment opportunities.

In 1988, the nine MLTC First Nations bought 50 percent of the local sawmill from the Government of Saskatchewan. The other 50 percent was purchased by previous employees of the mill. The sawmill was renamed NorSask Forest Products Ltd. (NorSask). As Anderson (2000) indicates, "Norsask's most valuable asset was (and still is) the Forest Management License agreement (FMLA) it holds from the Province of Saskatchewan. This FMLA gives Norsask the harvesting rights (for both softwood and hardwood) and reforestation responsibilities for 3.3 million hectares of Crown Land in the traditional territory of the MLFNs."<sup>2</sup>

The FMLA stipulated that NorSask use the hardwood trees (i.e., poplar) in the area or forfeit the right to them. The FMLA also required that NorSask and the northern communities enter into a co-management arrangement over such things as harvesting, reforestation, trapping, and fishing. To meet these requirements, MLTC created an alliance with Millar Western, a pulp company located in Alberta that was looking for a supply of poplar to feed a new chlorine-free pulp plant. Miller Western had access to the capital and expertise required to operate a pulp mill.<sup>3</sup>

The result of the alliance was a set of businesses in which Millar Western and MLTC were major partners. Millar Western was the majority owner (51 percent) of Millar Western Pulp, which was constructed in 1992 (the remaining 49 percent was owned by the Crown Investments Corporation).<sup>4</sup> Millar Western Pulp, in turn, purchased a 20 percent interest in NorSask (reducing MLTC's ownership to 40 percent).<sup>5</sup> Millar Western Pulp and NorSask Forest Products then formed Mistik Management Ltd. (Mistik is the word for wood in Cree), each with a 50 percent interest. Mistik was given the responsibility of managing the FMLA by contracting out the required work to companies created by MLTC First Nations and citizens. MLTC acquired full ownership of NorSask in 1998.

The creation of Millar Western Pulp and Mistik Management set in place a dynamic that 30 years later produced a network of companies focused on wood and forest products.<sup>6</sup> In addition, MLTC has expanded its business holdings to include agriculture, oil and gas services, renewable energy, environmental consulting, and hospitality services. The nature of this business network is outlined below.

### **Structure and Approach**

MLTC is the creation of nine separate First Nations, each with their own unique interests, expertise, challenges, and opportunities. Given its role as a second-level service provider, the MLTC's economic development goal is "to expand the ability of the Meadow Lake First Nations (MLFN) communities so

they can create, produce, and manage wealth through the development of business, training, and employment opportunities for First Nations members.”<sup>7</sup>

MLTC’s economic development goal is achieved through two organizations: MLTC Resource Development Incorporated and MLTC Industrial Investments.

Incorporated in 2009, MLTC Resource Development Incorporated (MLTC RDI) is the corporate holding company for MLTC’s business affiliates. MLTC RDI is governed by a twelve-member board comprised of the Tribal Chief, a representative from each of MLTC’s First Nation members (typically the Chiefs), and two independent directors. MLTC RDI has no employees; instead, it operates all of its holdings through management and service agreements with MLTC Industrial Investments (MLTCII).

MLTC Industrial Investments (MLTCII) was created in 2012 by MLTC’s nine First Nations. MLTCII manages MLTC’s wholly-owned companies — NorSask Forest Products and Northwind Forest Products (formerly L&M Wood Products) are formally owned by MLTC, while the MLTC Bioenergy Centre is formally owned by MLTC Indigenous Services. MLTCII also manages the limited partnerships and the MLTC Solar Farm, which are formally owned in part or in whole by MLTC RDI. An overview of these companies and their activities is provided in Table 1.

MLTCII is governed by a seven-member board with independent and professional directors. The directors have extensive expertise in accounting, law, business development, corporate governance, and Indigenous governance. The MLTCII board reports to MLTC RDI.

MLTC separates its business operations from First Nation politics by making the operating entity, MLTCII, independent of MLTC RDI and by populating the MLTCII board with independent directors. This separation aligns with recommendations from the Harvard Project on American Indian Economic Development (Harvard Project), which found that the success of economic development activities in U.S. native American tribes was linked to the ability to separate business activities from political activities.<sup>8</sup>

At the same time, since the MLTCII board reports to MLTC RDI (the board of which is comprised largely of the Chiefs of the member Nations), MLTC ensures that its business operations operate in a manner that can support and leverage the economic development activities at the member Nation level, thus properly fulfilling its role as a second-level service provider.

The emphasis of MLTC’s economic development goal on the economic health and well-being of MLTC’s First Nations members is critical and underpins MLTC’s policies and activities. Consider, for instance, MLTC’s reinvestment policy. The revenue (or dividend) from MLTC companies may be used to invest in existing and new business opportunities at the tribal council level or it may be distributed to MLTC’s nine First Nations. The MLTC RDI board, consisting of representatives from each of the nine First Nations, plus two independent members, collectively makes the determination of the use of these funds. The revenue is then used by each community, according to local priorities, to foster local economic growth and to enhance existing on-reserve education, healthcare, youth and elder programs, and housing and other community social and infrastructure needs. Recently, for instance, member Nations used the MLTC dividend to assist with the funding of much-needed local housing.

**Table 1. MLTC Economic Development Portfolio**

<b>Business</b>	<b>Activity</b>
<b>Wholly Owned</b>	
NorSask Forest Products LP (1987)	Produces stud lumber for housing.
Northwind Forest Products (2018)	Produces specialty wood products (e.g., timbers, poles and fence posts).
<b>MLTC Indigenous Services (Wholly Owned)</b>	
MLTC Solar Energy Farm	816kW AC solar power generation.
MLTC Bioenergy Centre	6.6mW wood waste (e.g., bark, sawdust and trim ends) power generation.
<b>RDI Affiliates</b>	
Mistik Management LTD (50% MLTC; 50% NorSask)	Provides timber procurement and forest management services to NorSask, Meadow Lake Mechanical Pulp Inc. and Northwind Forest Products. Works with nine co-management boards to obtain operations input.
Airea Consulting LP (51%)	Provides environmental and engineering, sustainability, health and safety, and Indigenous business advice.
miEnergy North America (51% ownership by MLTC's Nation members and Mistawasis First Nation)	Development of solar power and related projects throughout North America.
Sakâw Askiy Management Inc. (multiple stakeholder partners)	Formed to hold and manage the Prince Albert Forest Management Agreement.
Ceres Industries (50%)	Produces a premium fertilizer from ammonium sulphate.
La Ronge Wild Rice Corp. (21%)	Processes wild rice for wild rice producers in northern Saskatchewan.
Polar Oils LP (100%)	Supply petroleum products to commercial and residential customers.
Prud'homme Gas Caverns (Partnership with TransGas)	Provides natural gas storage capacity.
Western First Nations Hospitality LP (Partnership with Peter Ballantyne Developments LP and Prince Albert Development Corporation)	Operates four Super 8 hotels.

MLTC has a policy that it will not create businesses that will compete with those operated by its member Nations or their citizens. Instead of growing into a large conglomerate with ownership centralized in MLTC, the policy is to support Member Nations by providing financial support, business modelling, and potential opportunity creation so they can undertake economic development in line with their specific needs and expertise. As an example, BioEnergy contracts have been given to Indigenous companies, including MLTC member community companies like Robwel,<sup>9</sup> thereby creating contracting opportunities and economic and employment benefits at the local level.

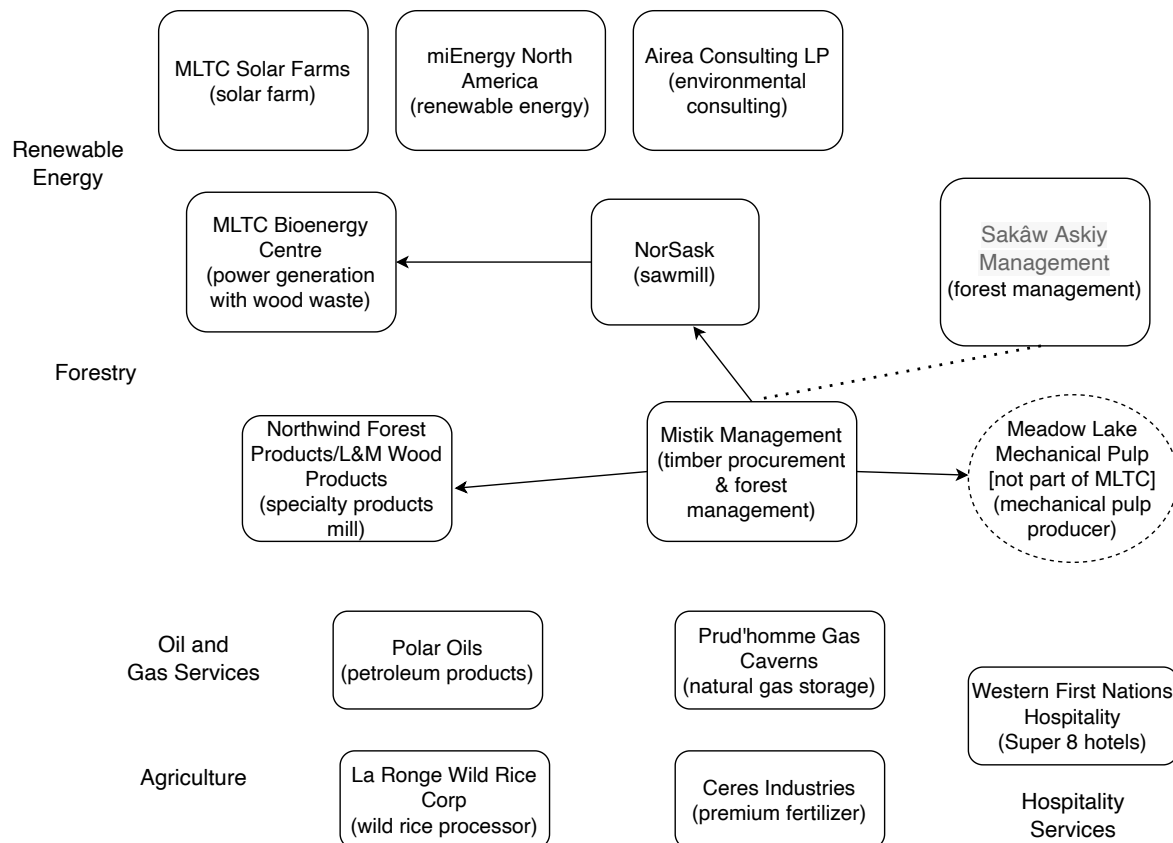
While much of the economic activity can and should be carried out at the Nation level, there are benefits to be had when Nations work together. For the MLTC model to be effective, Member Nations

must be able to recognize when there are advantages to working together and when an activity is best carried out locally, and then operate in such a way that these distinctions are recognized and enforced. The quarterly Chiefs-In-Assemblies meetings and quarterly board meetings provide an opportunity to determine what the communities need and what opportunities exist for collaboration and co-operation.

## Accomplishments and Outcomes

Figure 2 illustrates the business that are part of the MLTC business network (a list of these businesses and their activity is found in Table 1). As was noted earlier, NorSask and Mistik are at the heart of the network. Indeed, it was the creation of NorSask and Mistik in the early 1990s that set in motion a business trajectory that has positioned MLTC as one of the largest and most prominent Indigenous players in the forestry industry in Canada.

This process began in the early 1990s when MLTC decided to “develop and establish 'anchor' businesses around which smaller enterprises can flourish bringing long lasting economic activities and benefits.”<sup>10</sup> One of these businesses was MLTC Logging and Reforestation Limited, a company formed by MLTC to capture more of the economic benefits.<sup>11</sup>



**Figure 2 MLTC Business Network**



MLTC has developed further synergies in its anchor model. In addition to providing services to NorSask, Mistik Management provides services to Northwind Forest Products (formerly L&M Wood Products) which was purchased by MLTC in 2018, as well as to Meadow Lake Mechanical Pulp, a privately-owned company focused on pulp production. MLTC has also become a partner in Sakâw Askiy Management Inc. Sakâw Askiy was created to manage the Prince Albert Forest Management Agreement, thus creating further depth and expertise in forest management.

Although they are not visible in Figure 2, the businesses established by MLTC's Member Nations and their citizens and which provide community-level employment opportunities and investment returns are just as important as those businesses established by MLTC.

Additional economic and environmental linkages exist between MLTC enterprises. For instance, MLTC Bioenergy Centre will use the waste from NorSask as a feedstock for power generation, while Polar Oils supplies fuel and oil to MLTC and Tribal Council First Nations' businesses, as well as northerners and northern businesses generally. La Ronge Wild Rice Corp supports the wild rice production activities of numerous northern and Indigenous wild rice producers. Polar Oils and Prud'homme Gas Caverns provide MLTC an entry into the oil and gas service area. Similarly, Ceres Industries and La Ronge Wild Rice Corp give MLTC exposure in agriculture – in both cases, the raw inputs (ammonium sulphate and wild rice) are found in Northern Saskatchewan.

The Bioenergy Centre, along with the MLTC Solar Farm, provide MLTC with an entry into renewable energy. MLTC's involvement with renewable energy is further enhanced with the recent (February 2022) investment in miEnergy North America. miEnergy North America, which is owned by the nine MLTC member Nations, the Mistawasis First Nation, and miEnergy, will focus on the development of Indigenous-led solar power projects across North America.<sup>12</sup> MLTC previously worked closely with miEnergy and together they determined that renewable energy projects in Indigenous communities was likely to be an emerging business area.

MLTC is also exploring other initiatives in the renewable energy area. For instance, MLTC is hiring nine Community Energy Champions (one for each member Nation) who will work with their community to develop a Community Energy Plan. These community plans will then be used to develop a strategy for renewable energy that combines local needs and initiatives with Tribal Council-level expertise and capacity. In accordance with the MLTC's second-level service model, the goal is to use the energy plans to develop a local and "regional approach to renewable energy, energy efficiency and conservation capacity building that is to be led by Indigenous communities for Indigenous communities."<sup>13</sup>

The MLTC second-level service model is also present in the launch of Airea Consulting LP, an environmental consulting company owned 51% by MLTC RDI. Airea is designed to provide environmental, health and safety, and Indigenous business advice to communities and clients that are working with Indigenous-owned businesses. Some of Airea's clients will be MLTC's member Nations, thus providing a way to keep community expenditures on environmental consulting services in the community. Airea will also provide Indigenous employment opportunities, develop Indigenous expertise in environmental consulting, and supply funds that can be invested in social infrastructure such as on-reserve education, healthcare, youth and Elder programs, and housing.<sup>14</sup>

The MLTC second-level service model can also be found in how MLTC balances economic development activities with community needs. The need to balance economic and community benefits emerged in the early 1990s when Elders from the Canoe Lake First Nation expressed their dissatisfaction with the

activities of Mistik Management and MLTC Logging and Reforestation and organized a blockade of the logging areas. The community had three concerns: (1) clear-cut mechanical harvesting was negatively affecting the land and people's abilities to carry out traditional practices; (2) there was a lack of community control over the size and rate of cuts; and (3) they were not receiving a fair share of the benefits from logging.<sup>15</sup> The protesters demanded the use of manual harvesting instead of mechanical harvesting and community input into logging and forest management decisions.<sup>16</sup>

After a series of court challenges and a continuance of the blockade, a co-management agreement was reached between Canoe Lake First Nation and NorSask in 1993.<sup>17</sup> The agreement has served as the basis for the co-management of the Mistik Forest Management Agreement area since the early 1990s. Co-management involves a set of advisory/co-management boards with First Nations, as well as widespread consultation with a range of stakeholders (e.g., outfitters, trappers, wild rice growers, traditional users of the land, employees of stakeholder companies, and regulatory agencies).<sup>18</sup>

MLTC's development and its involvement in the forestry sector coincided with an increase in employment and an increase in the Community Well-being Index among MLTC First Nations.<sup>19</sup> The MLTC case also shows that it is possible to achieve economic benefits and manage the land in a way that allows for other economic, cultural, and traditional activities.

Achieving economic benefits while meeting community goals is challenging. The MLTC case shows that meeting these objectives is possible with the right ingredients. These ingredients include a governance structure that separates politics and business, that gives member Nations a key role in decision-making, and a business structure that creates venues, such as Mistik, where community input can be obtained and heeded.

## Notes

1. Anderson (2000).
2. Anderson (2000).
3. Anderson (2000).
4. Dumoe (2017).
5. NorSask Forest Products was formed in 1988 when the Chiefs of the Meadow Lake First Nations purchased a 50 percent interest in the Meadow Lake Sawmill. The remaining 50 percent was owned by Techfor Services Ltd., which in turn was owned by the mill's employees. With the formation of Millar Western Pulp Ltd., the ownership of NorSask was altered. Millar Western Pulp purchased 20 percent of NorSask – 10 percent from each of MLTC and Techfor – leaving both MLTC and Techfor with a 40 percent share in NorSask (Anderson (2000) and Dumoe (2017)).
6. Cools (2019). See also Dumoe (2017).
7. MLTC (2022).
8. Cornell and Kalt (1998).
9. Robwel Constructors is a mechanical fabricator and site contractor that provides “fabrication, site installation, maintenance and shutdown services to projects throughout Western Canada.” Formed in 1990, it was purchased by the Clearwater River First Nation in 2001 (Robwel 2022).
10. Dumoe (2017, p. 17).
11. Anderson (2000) and Dumoe (2017).
12. Willick (2022).
13. Indeed (2022).
14. meadowlakeNOW (2022).
15. Dumoe (2017, p. 17).
16. O’Meara (1992).
17. Windspeaker Staff (1993).
18. Mistik (2022).
19. Dumoe (2017).

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