

STANDING COMMITTEE ON CROWN AND CENTRAL AGENCIES
Tuesday, September 17, 2019

MINUTE NO. 44

8:31 a.m. — māmawapiwin náyati room (Room 8)

1. **Present:** Fred Bradshaw in the chair and members Steven Bonk, David Buckingham,* Danielle Chartier,* Muhammad Fiaz,* Lisa Lambert, Warren McCall, Hugh Nerlien, Laura Ross,* and Cathy Sproule.*

Substituting Members

David Buckingham for Glen Hart

Danielle Chartier for Warren McCall (10:39 a.m. – 12:00 p.m.)

Muhammad Fiaz for Nancy Heppner

Laura Ross for Steven Bonk (12:59 p.m. – 5:04 p.m.)

Cathy Sproule for Warren McCall (8:57 a.m. – 10:32 a.m. and 3:03 p.m. – 5:04 p.m.)

Provincial Auditor's Office

Judy Ferguson, Provincial Auditor

Kelly Deis, Deputy Provincial Auditor

Carolyn O'Quinn, Deputy Provincial Auditor

Charlene Drotar, Principal

Kim Lowe, Principal

Victor Schwab, Principal

2. The Committee Clerk presided over the election of a Chair. Mr. Bradshaw was nominated for the position. There being no further nominations, it was moved by the Ms. Lambert:

That Fred Bradshaw be elected to preside as Chair of the Standing Committee on Crown and Central Agencies.

The question being put, it was agreed to.

3. The following documents were tabled:

Crown Investments Corporation of Saskatchewan: Report of public losses, April 1, 2019 to June 30, 2019

(CCA 76-28)

Crown Investments Corporation of Saskatchewan: 2018-19 payee disclosure report

(CCA 77-28)

4. The Chair advised the committee that pursuant to rule 145(1), the following documents were committed to the committee:

SaskEnergy: 2018-19 annual report

(Sessional Paper No. 210)

SaskEnergy:

SaskEnergy Incorporated financial statements for the year ended March 31, 2019

TransGas Limited financial statements for the year ended March 31, 2019

Bayhurst Gas Limited financial statements for the year ended March 31, 2019

(Sessional Paper No. 211)

SaskWater: 2018–19 annual report

(Sessional Paper No. 212)

Saskatchewan Power Corporation: 2018–19 annual report

(Sessional Paper No. 213)

Power Corporation Superannuation Plan: 2018 annual report

(Sessional Paper No. 214)

NorthPoint Energy Solutions Inc.: 2018–19 financial statements

(Sessional Paper No. 215)

Saskatchewan Gaming Corporation:

2018–19 annual report

SGC Holdings Inc. financial statements for the year ended March 31, 2019

(Sessional Paper No. 216)

SaskTel: 2018–19 annual report

(Sessional Paper No. 218)

Saskatchewan Telecommunications: Financial statements for the year ended March 31, 2019

(Sessional Paper No. 219)

Saskatchewan Telecommunications International Inc.: Financial statements for the year ended March 31, 2019

(Sessional Paper No. 220)

DirectWest Corporation: Financial statements for the year ended March 31, 2019

(Sessional Paper No. 221)

SecurTek Monitoring Solutions Inc.: Financial statements for the year ended March 31, 2019

(Sessional Paper No. 222)

Saskatchewan Telecommunications Pension Plan: Annual report for the year ended March 31, 2019

(Sessional Paper No. 223)

Saskatchewan Opportunities Corporation: 2018–19 annual report

(Sessional Paper No. 224)

S&I Canada: 2018–19 annual report

(Sessional Paper No. 225)

Saskatchewan Auto Fund: 2018–19 annual report

(Sessional Paper No. 226)

- Coachman Insurance Company: 2018 annual report
(Sessional Paper No. 227)
- Saskatchewan Government Insurance Superannuation Plan: 2018 annual report
(Sessional Paper No. 228)
- SGI Canada Insurance Services Ltd.: 2018 annual report
(Sessional Paper No. 229)
- Saskatchewan Transportation Company: 2018–19 annual report
(Sessional Paper No. 230)
- Crown Investments Corporation of Saskatchewan: 2018–19 annual report
(Sessional Paper No. 231)
- Crown Investments Corporation of Saskatchewan: Saskatchewan Immigrant Investor Fund Inc.
financial statements for the year ended March 31, 2019
(Sessional Paper No. 232)
- Crown Investments Corporation of Saskatchewan: First Nations and Métis Fund Inc. financial
statements for the year ended March 31, 2019
(Sessional Paper No. 233)
- Crown Investments Corporation of Saskatchewan: CIC Asset Management Inc. financial statements
for the year ended March 31, 2019
(Sessional Paper No. 234)
- Capital Pension Plan: 2018–19 annual report
(Sessional Paper No. 235)

5. It was moved by Mr. McCall:

That, given the new information revealed in the Saskatchewan Information and Privacy Commissioner's Review Report 119-2018, the Standing Committee on Crown and Central Agencies invite the Minister for SaskTel, the Minister for Crown Investments Corporation, the current CEO of SaskTel, the former CEO of SaskTel, and the current CEO of Crown Investments Corporation to testify on the activities of the Cabinet Committee on Crown Structure, and that the Standing Committee on Crown and Central Agencies invite any further witnesses as required by the testimony of the Ministers and officials.

The question being put, it was defeated on the following recorded division:

Yeas — 1

McCall

Nays — 5

Bonk, Buckingham, Fiaz, Lambert, Nerlien

6. The committee considered the Provincial Auditor's 2018 report volume 2, chapter 49, Standing Committee on Crown and Central Agencies.
7. The committee concluded consideration of the Provincial Auditor's 2018 report volume 2, chapter 49, Standing Committee on Crown and Central Agencies.
8. The committee recessed from 8:48 a.m. until 8:57 a.m.
9. The committee considered the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services.

The Minister Responsible for Saskatchewan Water Corporation and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister

Doug Matthies, President

Jacque Gibney, Vice-President, Corporate and Customer Service

Eric Light, Vice-President, Operations and Engineering

Danny Bollinger, Director, Financial Services

10. The committee concurred with recommendation 1 made at page 149 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation clarify its procurement policy to set out when it is appropriate to use the sole sourcing method of procurement.

The committee noted that the Saskatchewan Water Corporation has complied with the recommendation.

11. The committee concurred with recommendation 2 made at page 149 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation require staff to include documented rationale for selecting non-competitive procurement methods for purchases over \$25 thousand on purchase orders submitted for approval.

The committee noted that the Saskatchewan Water Corporation has complied with the recommendation.

12. The committee concurred with recommendation 3 made at page 150 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation require its staff to report regularly on purchases using sole sourcing to senior management and the Board.

The committee noted that the Saskatchewan Water Corporation has complied with the recommendation.

13. The committee concurred with recommendation 4 made at page 150 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation require staff involved in purchasing goods and services to confirm, each year in writing, compliance with its conflict-of-interest policy.

The committee noted that the Saskatchewan Water Corporation has complied with the recommendation.

14. The committee concurred with recommendation 5 made at page 151 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation have periodic legal reviews of its contract templates for purchases.

The committee noted that the Saskatchewan Water Corporation has complied with the recommendation.

15. The committee concurred with recommendation 6 made at page 152 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation follow established procurement policies when approving the purchase of goods and services.

The committee noted that the Saskatchewan Water Corporation has complied with the recommendation.

16. The committee concurred with recommendation 7 made at page 155 of the Provincial Auditor's 2018 report volume 1, chapter 10, Saskatchewan Water Corporation — Purchasing Goods and Services:

We recommend that the Saskatchewan Water Corporation track performance problems with suppliers in a way that this information is available to staff making purchasing decisions.

The committee noted that the Saskatchewan Water Corporation is making progress towards complying with the recommendation.

17. The committee recessed from 9:26 a.m. until 9:28 a.m.

18. The committee considered the 2017–18 and 2018–19 Saskatchewan Water Corporation annual reports and 2018 Water Quality Report.

The Minister Responsible for Saskatchewan Water Corporation and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister

Doug Matthies, President

Jacquie Gibney, Vice-President, Corporate and Customer Service

Eric Light, Vice-President, Operations and Engineering

Danny Bollinger, Director, Financial Services

19. It was moved by Mr. Bonk:

That the committee conclude its consideration of the 2017–18 and 2018–19 Saskatchewan Water Corporation annual reports and 2018 Water Quality Report.

20. The committee recessed from 10:32 a.m. until 10:39 a.m.

21. The committee considered the 2017–18 and 2018–19 SaskEnergy annual reports, and the 2017–18 and 2018–19 SaskEnergy Incorporated and subsidiaries financial statements.

The Minister Responsible for SaskEnergy Incorporated and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Bronwyn Eyre, Minister
Ken From, President and Chief Executive Officer
Randy Greggains, Vice-President, Operations
Mark Guillet, Vice-President, General Counsel and Corporate Secretary
Christine Short, Vice-President, Finance and Chief Financial Officer

22. It was moved by Mr. Nerlien:

That the committee conclude its consideration of the 2017–18 and 2018–19 SaskEnergy annual reports, and the 2017–18 and 2018–19 SaskEnergy Incorporated and subsidiaries financial statements.

The question being put, it was agreed to.

23. The committee recessed from 12:00 p.m. until 12:59 p.m.

24. The committee considered the 2017–18 and 2018–19 SaskTel annual reports; the Saskatchewan Telecommunications financial statements for the year ended March 31, 2018 and March 31, 2019; the Saskatchewan Telecommunications International Inc. financial statements for the year ended March 31, 2018 and March 31, 2019; the DirectWest Corporation financial statements for the year ended March 31, 2018 and March 31, 2019; the SecurTek Monitoring Solutions Inc. financial statements for the year ended March 31, 2018 and March 31, 2019; and the Saskatchewan Telecommunications Pension Plan annual report and financial statements for the years ended March 31, 2018 and March 31, 2019.

The Minister Responsible for Saskatchewan Telecommunications and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Don Morgan, Minister
Doug Burnett, President and Chief Executive Officer
Charlene Gavel, Chief Financial Officer
Darcee MacFarlane, Vice-President, Corporate and Government Relations
John Meldrum, Vice-President, Corporate Counsel and Regulatory Affairs
Scott Smith, Senior Director, Finance
Michelle Englot, Director, Corporate Affairs

25. It was moved by Ms. Lambert:

That the committee conclude its consideration of the 2017–18 and 2018–19 SaskTel annual reports; the Saskatchewan Telecommunications financial statements for the year ended March 31, 2018 and March 31, 2019; the Saskatchewan Telecommunications International Inc. financial statements for the year ended March 31, 2018 and March 31, 2019; the DirectWest Corporation financial statements for the year ended March 31, 2018 and March 31, 2019; the SecurTek Monitoring Solutions Inc. financial statements for the year ended March 31, 2018 and March 31, 2019; and the Saskatchewan Telecommunications Pension Plan annual report and financial statements for the years ended March 31, 2018 and March 31, 2019.

The question being put, it was agreed to.

26. The committee considered the Provincial Auditor’s 2019 report volume 1, chapter 38, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware.

The Minister Responsible for Saskatchewan Telecommunications and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Don Morgan, Minister
Doug Burnett, President and Chief Executive Officer
Charlene Gavel, Chief Financial Officer
Darcee MacFarlane, Vice-President, Corporate and Government Relations
Scott Smith, Senior Director, Finance
Michelle Englot, Director, Corporate Affairs

27. The committee concluded consideration of the Provincial Auditor’s 2019 report volume 1, chapter 38, SaskTel — Purchasing Fibre Optic Network Upgrade and Other Network Hardware.

28. The committee recessed from 2:41 p.m. until 3:03 p.m.

29. The following document was tabled:

SaskPower Corporation: Responses to questions raised at the May 6, 2019 meeting
(CCA 78-28)

30. The committee considered the Provincial Auditor’s 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets; 2018 report volume 2, chapter 45, SaskPower — Buying Power from Independent Power Producers; and 2019 report volume 1, chapter 37, SaskPower — Inspecting Gas and Electrical Installations.

The Minister Responsible for Saskatchewan Power Corporation and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Dustin Duncan, Minister
Mike Marsh, President and Chief Executive Officer
Tim Eckel, Vice-President, Asset Management, Planning and Sustainability
Troy King, Vice-President and Chief Financial Officer, Finance and Business Performance
Shawn Schmidt, Vice-President, Distribution and Customer Services

Rachelle Verret Morphy, Vice-President, Corporate and Regulatory Affairs
Ian Yeates, Executive Director, President's Office

31. The committee concurred with recommendation 1 made at page 178 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend that Saskatchewan Power Corporation formally assess the risks associated with its inspection and preventative maintenance strategies for above-ground assets used to distribute electricity.

The committee noted that the Saskatchewan Power Corporation has complied with the recommendation.

32. The committee concurred with recommendation 2 made at page 179 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend, for above-ground assets used to distribute electricity that Saskatchewan Power Corporation plans to maintain, it determine the condition to which it expects to maintain each type of those assets.

The committee noted that the Saskatchewan Power Corporation has complied with the recommendation.

33. The committee concurred with recommendation 3 made at page 181 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend that Saskatchewan Power Corporation consistently maintain in its IT systems key information about its above-ground assets used to distribute electricity to support evidence-based decision-making.

The committee noted that the Saskatchewan Power Corporation is making progress towards complying with the recommendation.

34. The committee concurred with recommendation 4 made at page 182 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend that Saskatchewan Power Corporation maintain up-to-date information about the condition of its above-ground assets used to distribute electricity to support risk-informed asset planning.

The committee noted that the Saskatchewan Power Corporation is making progress towards complying with the recommendation.

35. The committee concurred with recommendation 5 made at page 183 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend that Saskatchewan Power Corporation formally prioritize its maintenance of above-ground assets used to distribute electricity to support risk-informed allocation of resources over the longer term.

The committee noted that the Saskatchewan Power Corporation is making progress towards complying with the recommendation.

36. The committee concurred with recommendation 6 made at page 185 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend that where Saskatchewan Power Corporation does not follow its plan for maintaining above-ground assets used to distribute electricity, it formally assess the consequences of not completing such maintenance.

The committee noted that the Saskatchewan Power Corporation is making progress towards complying with the recommendation.

37. The committee concurred with recommendation 7 made at page 188 of the Provincial Auditor's 2018 report volume 2, chapter 25, SaskPower — Maintaining Above-Ground Distribution Assets:

We recommend that Saskatchewan Power Corporation regularly report to its senior management on the status of its maintenance activities and, if applicable, the consequences of not completing planned maintenance for above-ground assets used to distribute electricity.

The committee noted that the Saskatchewan Power Corporation is making progress towards complying with the recommendation.

38. The committee concluded consideration of the Provincial Auditor's 2018 report volume 2, chapter 45, SaskPower — Buying Power from Independent Power Producers.
39. The committee concluded consideration of the Provincial Auditor's 2019 report volume 1, chapter 37, SaskPower — Inspecting Gas and Electrical Installations.
40. The committee considered the 2018–19 SaskPower annual report, the 2018–19 NorthPoint Energy Solutions Inc. financial statements, and the 2018 Power Corporation Superannuation Plan annual report.

The Minister Responsible for Saskatchewan Power Corporation and the following officials appeared before the committee and answered questions:

Witnesses

Hon. Dustin Duncan, Minister

Mike Marsh, President and Chief Executive Officer

Tim Eckel, Vice-President, Asset Management, Planning and Sustainability

Troy King, Vice-President and Chief Financial Officer, Finance and Business Performance

Shawn Schmidt, Vice-President, Distribution and Customer Services

Rachelle Verret Morphy, Vice-President, Corporate and Regulatory Affairs

Ian Yeates, Executive Director, President's Office

41. It was moved by Ms. Lambert:

That the committee conclude its consideration of the 2018–19 SaskPower annual report, the 2018–19 NorthPoint Energy Solutions Inc. financial statements, and the 2018 Power Corporation Superannuation Plan annual report

The question being put, it was agreed to.

42. It was moved by Mr. Buckingham:

That this committee do now adjourn.

The question being put, it was agreed to.

43. The committee adjourned at 5:04 p.m. to the call of the Chair.

Stacey Ursulescu
Committee Clerk

Fred Bradshaw
Chair