



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Regina Gardiner Park

Mr. Buckley Belanger, Deputy Chair
Athabasca

Mr. Steven Bonk
Moosomin

Mr. Bill Boyd
Kindersley

Ms. Lori Carr
Estevan

Mr. Delbert Kirsch
Batoche

Ms. Laura Ross
Regina Rochdale

[The committee met at 19:00.]

The Chair: — Good evening, committee members. Welcome, Mr. Minister and officials who have joined us here this evening. This is the Committee on the Economy. We're considering estimates this evening. We have one substitution tonight. Ms. Sproule is here for Mr. Belanger.

As I mentioned before, we're considering this evening, from 7 o'clock to 8:30 or so, the Ministry of the Environment. And then we'll have a brief recess while we switch officials for the Water Security Agency to appear before the committee for about an hour or so. We're scheduled to wrap up about 9:30 p.m.

**General Revenue Fund
Environment
Vote 26**

Subvote (EN01)

The Chair: — And so we'll be considering vote 26. Vote 26, central management and services, subvote (EN01) for the Ministry of the Environment. Of course the minister is here, Minister Moe, and I would ask that if he has any opening comments, he can do so now. And as you do so, you might . . . suggest to you, introduce your officials so the Hansard can understand who's here presenting to the committee tonight. So I will turn it over to you, Mr. Morgan . . . Minister Moe, excuse me. You have the floor.

Hon. Mr. Moe: — I don't know if that would be considered a compliment or not. We'll take it as a compliment being referred to as Mr. Morgan. Good evening, Mr. Chair, and members of the committee here this evening. I want to thank you for taking the time this evening to consider the estimates with respect to the Ministry of Environment. I'll keep my opening comments fairly short and allow the most time possible for questions here and discussion with respect to our estimates with respect to the Ministry of Environment. I do want to welcome Ms. Sproule, Ms. Rancourt here this evening, as well as members of the committee, and I look forward to a good discussion here this evening.

I'll maybe just start with quickly running through the list of officials that we have here with us today, and hopefully we can provide all of the answers that are asked of us today. But I do have beside me to my right the deputy minister of Environment, Lin Gallagher; to my left, Kevin Murphy, the assistant deputy minister of the resource management and compliance division; Wes Kotyk, the assistant deputy minister, environmental protection division back behind me; Bob Wynes, acting assistant deputy minister to climate change and adaptation division; Zach Solomon, acting executive director, corporate services division; Kristen Fry, I believe, behind me, the director of budget and fiscal planning with corporate services; Kevin Callele . . . I didn't see Kevin here; Aaron Kuchirka, the executive director to forest services branch to my far right; Brant Kirychuk, the executive director to fish and wildlife and lands branch; Ash Olesen, executive director to environmental protection branch; Scott Pittendrigh, the executive director to the climate change branch; Thon Phommavong, not here; and

Sharla Hordenchuk is here and she's the director with the environmental assessment and stewardship branch.

The theme for our 2017-18 provincial budget is meeting the challenge, and it includes a plan to return to a balanced budget within three years through controlling and reducing our spending, through modernizing and expanding the tax base in the province of Saskatchewan, and through ensuring our economy remains strong. The Ministry of Environment's budget will contribute to all three of these objectives. It includes measures to control spending as well as changes that will increase government revenue. Most importantly though, it continues to support our progress in our province through the sound management of our natural environment.

The ministry will continue to manage the province's natural resources in a responsible, science-based, and sustainable manner that focuses on protection and stewardship of our air, of our land, of our plants or animals, as well as their supporting habitats. The ministry's 2017-18 budget of nearly \$170 million will support the provision of science-based solutions, of compliance, and of measures to protect the environment, to safeguard our communities, and to help ensure that we balance economic growth and a better quality of life for the residents of our province of Saskatchewan.

This '17-18 budget includes \$8.7 million in capital funding to complete the purchase and the conversion of a CL-215 firefighting aircraft for our aerial fleet, further enhancing the ministry's ability to protect communities, properties, and forest resources.

The budget also includes three and a half million dollars in capital funding to continue the expansion and safety upgrades at the La Ronge hangar and apron. This year's budget will add \$1.8 million to our wildfire budget, which is expected to provide the ministry with sufficient funding to cover costs associated with an average wildfire season.

In 2017-18 the ministry will also provide over \$26 million in funding to Sarcan. This is for the operation of their beverage container collection and recycling program. This figure represents an increase of \$2.536 million over last year, and it fully aligns with the terms of the current four-year agreement that we have.

The '17-18 budget includes an increase of \$1.7 million in appropriation funding to support the remediation of seven abandoned saw mill sites and a copper wire burn site and three wildlife management fuel storage sites. This investment will begin to decrease the environmental liability associated with these abandoned sites.

The ministry's budget continues to include \$100,000 and one full-time position to help reduce the risk posed by aquatic invasive species. In 2017 and '18 this funding will continue to be focused on education and awareness, strategic communication, and some decontamination efforts in the field.

In the '17-18 budget, we also include a number of changes to the ministry's licences and fees to help generate new and additional revenue for the government. These measures include

increases to both the hunting and angling licence fees, the addition of milk containers to the beverage container collection and recycling program, and the increase in bottle deposits.

In conclusion, these are just a few of the very high-level highlights with the 2017-18 Ministry of Environment budget, and this budget will allow the ministry to continue managing the health of Saskatchewan's environment in a respectful and a responsible manner that balances, as I said, the growth of our province with sustainable development through objective, transparent, and informed decision-making and stewardship.

Mr. Chair, I want to thank the committee, as I said at the outset, for your time this evening, and we look forward to a good dialogue here this evening.

The Chair: — Thank you, Mr. Minister, for those opening comments. It's now time to examine the estimates. Are there any questions from the committee? I recognize Ms. Rancourt.

Ms. Rancourt: — Thank you. First of all, I want to thank all the officials that are here tonight. I really appreciate you making your time to come today. I know sometimes you don't get a lot of notice when the meeting is, but this is a very important opportunity to have some more thorough discussion about the budget and the details of the budget, so I really appreciate you making the time today.

I'm going to cover the forestry-based estimates, so I'm going to start with the forest services. And my first question is, can you explain the decrease in the forest programs?

Mr. Kuchirka: — It's Aaron Kuchirka. So I can speak to the forest services budget impacts. So we had a couple reductions in our budget, primarily in two areas. The first reduction was to our forest renewal program. We saw a reduction of \$1.64 million in our reforestation budget, along with the elimination of one vacant position, which results in a \$60,000 reduction in our branch's operational budget.

Also in the forest services budget implications was a budget reduction of \$600,000 to our insect and disease program, and that will be primarily associated with mountain pine beetle projects that were occurring in Alberta. However, we'll continue to collaborate with the governments of Canada, British Columbia, and Alberta to reduce the spread of mountain pine beetle.

Ms. Rancourt: — Thank you. And that leads to my next question. I was going to ask if you could explain the extreme decrease in the reforestation programs.

Mr. Kuchirka: — In order to help meet the government's budget reduction targets for '17-18, the ministry had made the decision to begin to wind down our forest renewal program with the immediate reduction of \$1.64 million. So that means that there will be areas that will go untreated; however the government is still subject to the same regeneration standards as we hold industry to and will ensure the success of these plantations as we move forward.

This program has had a number of successes in the last number of years, and we've been successful in replanting for

government's obligations since industry took over the obligation in the early '80s. We have effectively treated the outstanding areas and the remaining areas are in valued ecosites, ecological value, so we've ensured that we've met this obligation and that the forests have sufficiently renewed for this purpose.

Ms. Rancourt: — So it is my understanding that when there is a forest fire, that it's the government's responsibility to make sure that they go back in there and restore the forestry. With the decrease in the reforestation program, what will happen this summer when we have some forest fires? How will that be managed with the decrease in that funding?

Hon. Mr. Moe: — So with respect to what Aaron was referring to is the replanting or forest regeneration that traditionally the government of Saskatchewan has done in forested areas. That's been transferring over the last number of years with the implementation of forest management agreements that have been signed and have transferred that responsibility of reforestation as part of the forest management area, so that when you go in and forest an area, it's your responsibility to reforest that particular area.

The reason for the decrease or the wind-down has been predominantly due to, as we transfer to those forest management agreements with forestry companies, the amount that the Government of Saskatchewan has been responsible for for reforestation has been decreasing. And eventually we'll wind out of that particular business as the goal is that forest management agreements will be responsible for virtually in its entirety. And so we've been winding out of that business, which does take a number of years as you start to scale back the seedlings that you order, scale back the planting dollars that you have, and then scale back obviously the stand management or the stand tending functions that we have.

With respect to forest fire areas, those areas are normally left to regenerate in their natural state. The only time that we'd step in and maybe help that along, if you will, or reforest some of that area is if it's not regenerating on its own due to whatever environmental factors or specific factors may be in that particular area. The last number of years with the moisture that we've been having are helpful for all regeneration of not just ag crops and everything but also our reforestation efforts. So in the case of forest fires, initially it's left to natural regeneration.

Ms. Rancourt: — And has that natural regeneration, how long has that been the process of dealing with forest fires?

Hon. Mr. Moe: — To our knowledge, we haven't had a practice of mechanically or manually replanting forest-fired areas. It's been the thought process that forest fire is part of the natural regeneration of our forests in northern Saskatchewan. And I won't speak for outside of Saskatchewan, but it's a natural part of the process of regeneration. So we have never had a practice of actively going in and manually or physically regenerating those particular areas unless it's having trouble doing it on its own; then we'll step in and help.

Ms. Rancourt: — What programs were cut to explain the decreased funding for the insect and disease control program?

[19:15]

Hon. Mr. Moe: — We're down \$600,000 in this particular year's budget, and the bulk of that, or all of that is a transfer of dollars that we have given over the last number of years to the province of Alberta to aid in their mountain pine beetle efforts in that province. And the thought process behind providing that funding is to help them with the effort on the front lines, if you will, of the mountain pine beetle infestation, to keep it from spreading in this direction.

The 1.246 million that remains in this budget is predominantly for monitoring of mountain pine beetle, spruce budworm, as well as mistletoe across the province of Saskatchewan. And this decision wasn't taken lightly by any stretch, as we do have, or have had some infestations in the Cypress Hills area, which haven't spread to the northern areas obviously because of the geography of that situation.

But it's something that we — and me — are very attuned to as to the threat of mountain pine beetle, what it's done to a couple of provinces to the west of us, and that we need to be vigilant in those efforts as we move forward, which is why we have a fairly vigorous, in my opinion, monitoring program to watch for that. But it's something that we have to continue to make efforts into the future. But that's where the reduction was, was in a transfer to the Alberta government to aid in their mountain pine beetle efforts.

Ms. Rancourt: — The funding for the insect and disease control programs has decreased more than half in the past three years. Can you explain the reason for the decrease?

Hon. Mr. Moe: — I don't have the number in front of me of the two-year-ago budget, but there was a reduction in that particular year as well. The reduction in that particular year was focused on moving our spruce budworm program from an active program to a monitoring program due to the reduction of risk that we had at that point in time. We continue with the monitoring of spruce budworm in addition to the mountain pine beetle. But that's where the reduction was two years ago. It was predominately on the control of spruce budworm. Do you have anything to add to that, Aaron or Kevin?

Ms. Rancourt: — Can you explain to me the increase in the forest fire operations?

Hon. Mr. Moe: — I'll maybe just run through some of the changes in the fire budget. Some of it is operational; some of it is capital. And of course when you get into the wide world of public sector accounting, that all matters, but in my world it's all money and that matters as well.

So the fire budget this particular year is down overall, but the operational budget is actually up. So there's some capital items in there that are cause for the reductions in the overall budget. The variable fire budget is up \$1.788 million, which is part of our operational budget. Now maybe I'll have Scott Wasylenchuk speak to that towards the end here.

The La Ronge hangar and apron, there's some capital dollars there that we're increasing our investment in this particular year as part of an ongoing project, but those capital dollars are up

\$300,000 this year. The transfer of the northern forest protection worker program, which is just an internal transfer between us and Economy, is up \$355,000 in our ministry. You'd see a corresponding, I believe, decrease in Economy on that particular.

And the one large reduction is the planned decrease this particular year for our CL-215T conversion, which is one of the water bomber planes that we purchased that we'll take delivery of this year. That'll be reduced by 8.929 million this particular year, and that's our last instalment of three, I believe, on that plane, which just off of memory, I believe, was about a \$38 million investment. So that would be the largest reason for the reduction in the overall budget. As I said, the operating budget will be up.

There's a reduction to the wildlife integrated information network, which is a planned capital reduction as well, as we are investing in our wildlife integrated information network. And there's a reduction in the fire awareness campaign of about \$100,000, which is a cost savings reduction. For a total, I guess the total budgets last year was \$73.88 million, and this year is \$67.53 million.

Just with respect to the variable fire budget, Scott, if you just wanted to speak a little bit to the increase of that, to what the variable fire budget is. The reason for the increase is we're trying to assess what an average or a normal fire year is and try to budget for that number. Some years it'll be less; some years it'll be more, depending on the particular year. But we are trying to budget for what we consider an average fire year.

Mr. Wasylenchuk: — Scott Wasylenchuk. In the variable budget we had an increase of \$1.78 million, and what that covers is anything above and beyond the fixed costs. So we have our fixed budgets and our infrastructure budgets, of course, and then the variable budgets cost, any additional cost to preparedness, small fire, and large fire. Because it's very hard to know beforehand how much you'll spend on each fire season, we have a variable pot there that we actually focus that money on fire costs above and beyond our lights on, lights off for the day.

Ms. Rancourt: — I'm really interested to know what you're going to add for the fire awareness campaign. What's the campaign going to look like?

Hon. Mr. Moe: — With the fire awareness campaign there's a reduction there of about \$100,000. And what we're looking at doing is reducing some of our television costs and communications on that campaign, and then having a real hard internal look, quite frankly, on are there ways to be more efficient with getting our fire message out.

I know we do billboards and whatnot just north of Prince Albert and in that area along the forest fringe. We have traditionally spent some communications dollars on television ads and such. And so we're going to have a good look at that as if there's an opportunity for us to get our message out in a more efficient manner, just understanding that there's strengths that we have this particular year.

Ms. Rancourt: — What type of a relationship do you have with

the First Nations and Métis leaders with regards to wildfire management?

Hon. Mr. Moe: — Scott will answer that question.

Mr. Wasylenchuk: — First Nations in northern communities have always been, and as far as I can see, always will be part of the solution of wildfire management in northern Saskatchewan.

They make up a large part of our fire fighting contingencies through our contract type 2 firefighters. There's roughly 400 of them. The northern communities and reserves, they supply not only our firefighters but a lot of our logistics — our cooks, our gas, our food. The wildfire program and northern Saskatchewan are very integrated with our communities and our partners.

Hon. Mr. Moe: — I would, you know, maybe add to that with some respect and, Ms. Rancourt, you and I both live on the southern forest fringe from a geography perspective. But with respect to engagement of our First Nations, I've met with a number of different First Nations communities over the last couple of years — I think a couple of years ago in particular, when there were so many communities, both First Nations and non-First Nations that were affected by where our fires were that particular year, as they were close to communities across the North. And so I met with a number of different communities on what was working, what wasn't working, and what, you know, we needed to work on together as we move forward.

So there's the two, if it could be . . . It's not quite this simple, but there's the two relationships. And one is on the impact of when the fires are near, and just by geography, the second relationship and just as importantly, as the engagement of all of our northern communities, including our First Nations communities on the engagement on battling these fires as we go along. They have local knowledge obviously. We work together with different training programs. As I mentioned the northern works program, the \$355,000 that we transferred from Economy is very much engaging northerners in helping us with managing our wildfire activity in the North. So it's a two-pronged and probably multi-prong, quite frankly, approach.

Ms. Rancourt: — I know working with forest fires is good employment for a lot of the people in the northern communities. And with having some discussion with chiefs and leaders in those northern communities, they also appreciate having that consultation with your ministry, because they do understand their area and the land there and they know how to fight the fires sometimes a lot better than some people who maybe have been trained. So they appreciate having that relationship, and I'm glad to see that that's still ongoing.

Can you tell me about the role of the new emergency service officer in La Ronge?

Hon. Mr. Moe: — That'd be through Mr. McKay's emergency services group with Government Relations.

Ms. Rancourt: — There has been some discussion how this could potentially be a busy year for wildfires. Do you feel that you're prepared? And how have you been getting prepared for this?

Mr. Wasylenchuk: — Every year, our . . . Our firefighters are coming back now. They started coming back April 1, and they're doing their fitness training and their recurrency training as we speak. All the pilots are back actually right now in Prince Albert doing all their ground school. Then we're staging in the North. They're starting to come back on the 17th, so if their crew's La Ronge, north end, Buffalo, north and west, the crews will be in on the 17th. So we're on track. Wildfire in the forest is a very low danger rating right now so there's not a rush on it, but the southern crews are there. We're in place. They've been fitness tested and we're waiting for the weather to break, and we'll be in place when the wildfire season starts.

Hon. Mr. Moe: — Just in addition to that, our FTE [full-time equivalent] count with respect to wildfire this particular season . . . Again, we're trying to plan for what would be average and prepare for more than that where we need to. But our FTE count is up four, five, six, roughly, just on the base amount from 322 . . . 316 to 322, roughly. In addition to that, as I said, we're in the last final instalment of a CL-215T so we'll have a new plane this particular year.

There's some results that came out of a review that Minister Cox did after the wildfire season we had that impacted so many communities. And I know we had a number of individuals from northern communities in the community of Prince Albert, and I had visited a number of them at Sask Polytech, at the Carlton gymnasium, and other places in the city. There's a review that came out of that and there's some action that was moved on subsequent to that consultation with respect to the increase. There was an increase of eight crews in the North: there was four type 1 crews as well as four type 2 crews and an increase of one person on each of those particular crews. So there's been an increase in FTEs. There's been an increase in the crew, the make up of the crews, the number of the crews. And there'll be an increase of one airplane this particular year as well.

[19:30]

So we feel we're in, you know, in a good place. I think you add to that and layer to that the agreements that we have with multiple jurisdictions around not just Canada but North America so that we're able to call on some of those resources when need be. And then if we have an under what would be expected normal fire and we have some resources that we're able then to farm out or rent out, if you will, we'll look at that as well.

So it's a way for these multi-jurisdictional or interjurisdictional agreements that we're a part of a number of them. And I credit our wildfire branch and Steve Roberts and all of those involved with making that effort and continuing to foster those relations. That's a way for us to access capacity when we need it, but also utilize any excess capacity that we may have so that it's being utilized in years when maybe we don't need it here. So those are generally a win-win for all involved.

Ms. Rancourt: — Has there been a decrease in salary for staff?

Hon. Mr. Moe: — With respect to type 3 firefighters, their wage has actually gone up as minimum wage has increased. All the other wages within the wildfire department have increased with respect to whatever their collective agreements were,

understanding there's a vast majority, or a number of them are seasonal workers.

Ms. Rancourt: — Will they be required to take the 3.5 per cent cut in salary?

Hon. Mr. Moe: — With respect to the conversation over the last number of days across the entire public sector and the expected 3.5 per cent reduction, how that applies with the case in the wildfire situation is, those discussions actually on how that may apply are actually occurring as we speak, and we look forward to the outcome of those discussions. But those discussions are happening with the relevant organizations now.

Ms. Rancourt: — I just have one other area that I'd like to discuss a little bit. Has there been any consultation with First Nations and Métis communities with regards to the woodland caribou range assessment and range planning project?

Hon. Mr. Moe: — With respect to the woodland caribou group, we just had a conservation FPT [federal-provincial-territorial] meeting here. It was in January, I believe . . . [inaudible interjection] . . . February. I'm losing track of time. We had a great national discussion on that, and as we move forward, we actually put together some terms as to, you know, how we'll move forward on the whole species-at-risk file, but focusing in the short term on the woodland caribou file because of its importance and as we come to the requirement to submit our range planning documents in each respective jurisdiction, Saskatchewan included.

So we compiled that with some of the research that has been occurring as well. So to answer your question is yes. The range planning engagement group that we have is actually a pretty interesting group that I think is a real model as we move forward for range planning, of not just caribou, but multi-species that may be, you know, allocated or not allocated, but multi-species that we may want to look at with respect to whether they're going to be a species at risk at some point in time or challenged in certain areas.

And on our range planning engagement group, it's been a combination of ENGOs [environmental non-governmental organization], of industry quite frankly, of the federal government, of provincial government. Wherever possible we've engaged local leaders as well, both Aboriginal and non-Aboriginal leaders from communities that may or may not be affected or may be affected by species-at-risk impacts to their community or industries in and around their community, or from the protection of the natural habitat perspective as well. That committee includes First Nations and Métis leaders from across the North and from those communities affected.

As well, in addition to being part of the range planning group, we've consulted with communities and with a number of First Nations bands and council members from areas that are impacted by species at risk and would have an interest in the woodland caribou, including Prince Albert Grand Council and others.

With respect to some of the work that's going on in the province of Saskatchewan and our range planning and meeting some of our habitat requirements, we're coming to what I think

is a pretty good story here in the province of Saskatchewan. And I'd point to some of the research done out of the University of Saskatchewan, where it's being identified that Saskatchewan actually has a self-sustaining woodland caribou population in our current range in the province, and quite likely one of the healthiest populations in the nation of Canada.

So what we're doing in the North I think is working. I think the conversation, the inclusive conversation that we're having with industry at the table, with our ENGOs at the table, with our community leaders at the table from both First Nations and non-First Nations communities being consulted, but also at the table discussing, you know, our range plan as we move forward with this.

I think it's a model that seems to be having success with this particular species, and more importantly I think this particular habitat. And that's a model that we'd, because of that success, probably look to repeat if need be in other areas. So yes, the long answer I gave, but the short answer is yes, they most definitely are part of our range plan, both at being consulted and both being part of the actual engagement group.

Ms. Rancourt: — Thank you. I had a long conversation with Vice-chief Tsannie with Prince Albert Grand Council, and he explained to me how this is a big issue for a lot of the northern communities. And they rely on the woodland caribou as a main source of food for them, and now they have to travel lengthy distance to get to the herds, and some people can't afford to do that. So it's been a challenge for them, and so it's nice to see that they've been at the table with these discussions as well.

Hon. Mr. Moe: — And based on that, I just may make a note. And I talked to, I believe it was to Vice-chief Tsannie as well, a while ago, and we had a discussion with respect to barren ground caribou. And so there's a barren ground in the far North that will dip into the province from time to time, and then there's a woodland that do inhabit a belt through the North, dipping down into the forest areas.

And the discussion I had with, I believe it was Vice-chief Tsannie — I'm just going off memory from a couple of months ago — was more so with respect to barren ground caribou and some of the, you know, where that is going in the future. Which I think speaks to the open collaboration that we have from, you know, my seat, all of those involved in the Ministry of Environment — and there's a good number of them right in the community of Prince Albert — on not just that topic of caribou, whether it be barren ground or woodland caribou, but the forestry file, the, you know, whatever maybe be pertinent at the moment. So I've had a conversation with him as well and it was a fruitful one.

Ms. Rancourt: — That's all the questions I have, but again I want to thank the officials for being here and answering all the questions that I did have. And I'll turn it over to my colleague now. Thank you.

The Chair: — So Ms. Sproule has some questions. She has the floor.

Ms. Sproule: — Thank you, Mr. Chair, and good evening, Mr. Minister, and officials. Welcome to Ms. Gallagher in your new

role as deputy minister. So congratulations on that.

The first question I want to ask is in relation to the Yancoals Southey project. We know that there are a number of concerns about the socio-economic benefits of the project, especially with a company that has no first-hand experience in potash mining.

Now we know there were over 800 responses received through the public review of the environmental impact study or the EIS. And we know you haven't yet released the answers or the questions that were asked. So we're wondering, would it be possible for you to provide a written copy of the responses directed to the questions by the public specific to section 16 of the socio-economic analysis in the environmental impact statement?

[19:45]

Hon. Mr. Moe: — I appreciate the question with respect to the environmental impact assessment, with respect to the proposed Yancoals potash project not too far outside of Regina. And there was over 800 responses to that environmental impact assessment.

And the public comment period in that, because of the volume of public comments, the public comment period for that project was extended in days from 30 to 45. And the Ministry of Environment responded to each of those comments individually, so anyone that wrote in a comment received a response from the Ministry of Environment with respect to their comment and their input.

As well, each of those individuals that provided comment or asked for comment with the Ministry of Environment. We're provided with a copy of the decision and the reasoning behind the decision of the environmental impact assessment as well. And you've probably seen . . . But I have a copy of the decision as well, but you've probably seen it.

Ms. Sproule: — Yes, I think in particular the people that are concerned about this would like a written copy of the responses made public rather than individual responses. Is that something you would consider?

Hon. Mr. Moe: — Just with respect to the requirements, when the request for public comment has been put out for . . . I guess, first of all, we have never disclosed the comments in environmental impacts of gone by . . . Governments of all designations have not disclosed the comments of environmental impact assessments that have occurred. One of the reasons behind that is that, when we ask for comment on an environmental impact assessment, it's not indicated that we will disclose that to the public. Many of the public will, you know, make comment with that in mind, that it won't be disclosed publicly. So if we were ever to disclose those comments publicly, that's something that we feel should probably be indicated at the outset of the environmental impact.

In saying that, there are some provinces that do disclose the public comment but that's known going in as well, by those that do make the comments on it. And that isn't the case in Saskatchewan and traditionally has not been the case.

Ms. Sproule: — Thank you. So I guess the short answer is no. And this is something that they could then do through freedom of information. I presume it would be releasable in that format so that would be the only way to get that information?

Hon. Mr. Moe: — There could be freedom of information requests. It would depend on potentially what those comments are, and the names would probably, I presume, be withheld as well. Do you want to speak to that, Lin? You'd know more about freedom of information requests than I would.

Ms. Gallagher: — Lin Gallagher. What I would offer there is that it would depend on the comment. As the designated FOI [freedom of information] officer in the ministry, it's my role to fulfill the obligations under the Act to make sure that the comments don't indicate individuals, those kinds of things. I'm sure you're familiar with that. So it would never be the case that we would release all of the information at once, but if there was an FOI, it would be our job to go through those comments and release what would be appropriate under the legislation.

Ms. Sproule: — Obviously the public is very interested in this particular project and I think it would be beneficial for them to have access to the concerns that were raised through the EIS. So maybe in the future you may consider taking the approach of other provinces. As long as people understand that they're publicly disclosable, then that would be under consideration when they provide their comments.

One further question. On the Yancoals Southey project, Mr. Minister, as you know, there are a number of very concerned local citizens that have done some very, very good work, I believe, and I've met with them a couple of times now. They would dearly love to be able to meet with you directly. I know you've met with the proponent, and I think they feel it would just be fair if you would actually meet with them as well. And I have referred this to your office. Can you advise whether or not you are planning to meet with these folks or not?

Hon. Mr. Moe: — With respect to the request that's in my office, I'll have a look at that when I get back up there this week. Just on that note, the deputy minister has met with them as recently as March 13th with a number of individuals — concerned individuals, I might say — in that particular area. But I know you and I have talked and we'll continue to talk. And I'm open to meeting with individuals from across the province.

Ms. Sproule: — Thank you for that. Okay, just a little bit now maybe moving into agricultural drainage. We know about the Dry Lake announcement that was made in February, the largest single approval given to license the existing drainage. How many acres are going to be drained as part of this approval?

Hon. Mr. Moe: — Yes, I can. I'll just touch on that one, and then I'll maybe defer to the Water Security Agency in a bit as that's the file with respect to all agricultural drainage outside of the aquatic habitat protection permits. I'll maybe just answer that one here and it'll save asking it again in a half an hour or so.

And I'm going off memory here, but the Dry Lake project, I believe, was 73 landowners that signed a joint application, one

joint application. It involves 18,000 acres. That's not to say that 18,000 acres would be drained. It involves 20 gated structures. It involves 55 acres of retained wetlands associated with those gated structures. And it really is the largest single permit that the Water Security Agency has provided, and it really is a model as we move forward in our efforts in the province of Saskatchewan to control and organize our ag water management here in the province of Saskatchewan.

There's additional wetlands involved with that particular system. Again just off of memory, I believe there's in excess of 1,000 acres of wetlands associated within those 18,000 acres that are part of that network. But the 55 acres is directly associated with the drainage works or the permitted drainage works in that case.

The association with Environment on that particular one is . . . Under the previous regulations that we operated under since 1981, so about the last three and a half decades or a little better, that particular process would have been 73 landowners, each of them applying for three different permits: a permit to construct the works; a permit to operate the works; and then an aquatic habitat protection permit which, I believe, actually would be administered through Environment, and that would be the connection to this particular file.

Under the new regulations that were introduced in September of 2015, those 73 landowners representative of that 18,000-acre network were able to do all of those three permits which would have been . . . 219, are we? I believe, 219 permits under the old system would be. They were able to jointly apply for one permit under the new system, capturing each of those three permits for all of those 73 individuals. So it's an effort to streamline that particular process to come up with better systems that, you know, ultimately allow us to organize and control the water flow, to organize when that water is going to flow out of that system, and how much.

But the aquatic habitat protection permit would be the connection to the Ministry of Environment.

Ms. Sproule: — Thank you. I will ask the other questions once Water Security Agency is here, but the answer I was looking for there was the 18,000 acres. Thank you.

I notice there's been some realignment within the ministry. I believe on page — I have to find it in the Estimates here — 155, there is a restatement for a '16-17 appropriation, FTE restatement. And I believe now you're eliminating two subvotes, environmental support and landscape stewardship. So now you're relocating Aboriginal affairs into central services within the central management and services subvote. Why would you place Aboriginal affairs within central services, which is very much an administrative aspect of your ministry?

Ms. Gallagher: — Thank you. So in March we went through . . . I think you mentioned I'm a new deputy minister, so I went into the organization and wanted to do a functional review of where we were meeting our goals and objectives and where we had some work where we could do some improvements. So we made a number of organizational changes to look at how we could be more client-centred and better address the diverse mandate of the ministry.

So as we went through . . . Although it's in central services, under that subvote, we've actually placed it in an area in our organization that does the overall strategic planning and organization around how we engage both internally within the organization and externally. So the Aboriginal affairs allocation was in the landscape stewardship subvote, and it's moved under central services so that we could bring our engagement group together and have them directly with our overarching ministry planning and strategic orientation under our SPPI [strategic planning and performance improvement] group in the ministry.

Ms. Sproule: — So the landscape stewardship has been eliminated altogether. I believe there were other areas that that subvote was responsible for. They, I believe, used to receive and review all proposals for oil, gas, and mineral exploration, and provide the required environmental authorizations. Also, developing policies and supports for First Nations, as you mentioned, has now moved over to your engagement group. What's happened to the folks and the work that used to be done by that subvote for oil and gas and mineral exploration reviews?

Mr. Murphy: — Kevin Murphy. That function has been moved into our fish, wildlife, and lands branch which has a focus on ecosystem protection and habitat protection. So they received the entirety of those ecological protection specialist groups.

Ms. Sproule: — Are there any changes at all in terms of the work that will be done by that group?

Mr. Murphy: — We have some expectation of policy coordination, of looking at some of our connections with forest service as well. But in terms of the actual function that they deliver and the permissive process, not at this time, no.

Ms. Sproule: — Just in terms of FTEs for the ministry, I believe overall you are down almost six this year. Does the 859.5 estimate of FTEs include your seasonal fire workers, firefighters?

[20:00]

Ms. Gallagher: — So overall what we did was we, in order to address the FTE pressures within the ministry, we moved some positions into different areas and then we actually did eliminate certain positions. And so overall the ministry is down 5.9 positions, and we took those out of a variety of areas.

Some of them were that we had managers that were retiring or moving on. So one example there would be in our technical resources area, we had the chief engineer. He was moving on to another position, and so we moved our science directly back into areas in the organization where we could maximize their connection with the actual program area in the ministry.

So it was a variety of moves so that we could better allocate our staff directly with the program areas, as Mr. Murphy was talking about. We would hope that we would have greater synergies with having certain areas grouped together, and that was the purpose for the reorganization.

Ms. Sproule: — Thank you. Previously we would see the Aboriginal Affairs allocation was between 300 to \$500,000

under the landscapes stewardship. We don't see any allocation specifically for that. Is that amount being cut or is it being replaced with something?

Ms. Gallagher: — So some of the work that was traditionally done within the Ministry of Environment has moved over to Government Relations, to their Aboriginal group there. Within the ministry we have streamlined our Aboriginal engagement with the purpose of working more collaboratively with Government Relations. We kept the capacity that we needed within the ministry so that we could continue our engagement.

We have significant work that we do around treaty rights and access to hunting, fishing, and trapping. So we did keep some capacity and we moved it into a different part of the organization so that we would be able to also have them collaborate with our other engagement staff and then having, as I mentioned, the work that Government Relations does, working more in partnership with them.

Ms. Sproule: — So has that amount been cut? The 300 to 500,000?

Ms. Gallagher: — So we would have less resources that would be . . . Like it's hard to say that it was cut. We do have one less individual working directly with engagement, with our Aboriginal engagement file. That individual retired, the manager. So we took advantage of that movement so that we could put the group in the new area that you mentioned earlier.

Ms. Sproule: — For the work that you moved to Government Relations, did you transfer an allocation to Government Relations for that work?

Ms. Gallagher: — So maybe I was misunderstood. We didn't move work to Government Relations. We partner with Government Relations to meet our duty to consult obligations as well as to ensure that we have good engagement with First Nations and Métis, both addressing what would be our duty to consult but also to be proactively engaging with Aboriginal communities as directly relating to our files.

Ms. Sproule: — Thank you very much. Did that already. Oh, yes. For returnable deposit rates, what is the rationale for increasing the returnable deposit rates and adding milk containers to the beverage recycling program?

Hon. Mr. Moe: — I'll just start with a couple of opening comments, and then I'll turn it over to Wes Kotyk to just discuss the details of each of the compartments or sectors that will be increasing in price. But the increase in prices for the 1 litre and larger, for the most part is the 1 litre and larger containers that we have, and this aligns us very much with some of our neighbouring provinces with respect to what they do, in particular with Alberta.

The addition of the milk cartons is a discussion that's been going on for a number of years with the industry . . . anyway, the industry association — the milk producers I guess is the industry association — a discussion that has been going on for a number of years there on how to adequately recycle milk containers. As we know, a number of them have turned up (a) either in a blue bin, or (b) at Sarcen depots, now with no ability

to provide the recycling return to those individuals. Through discussions with Sarcen, and obvious success rates of their return rates well in excess of 80 per cent on the product that they do handle, it seems like the logical place to place those containers, as the industry association has had conversations for a number of years about putting them right there.

So I'll maybe let Wes go into the details about which 1-litre containers have increased and which milk containers have increased and by which amounts, and then those dollars obviously in two-year increments flow through to Sarcen themselves.

Ms. Sproule: — Actually the amounts are public, so you don't need to share that. But I'm just kind of wondering about the rationale. That was the question.

Hon. Mr. Moe: — The simple rationale is to align with the neighbouring province, namely Alberta, on the 1-litre containers, and the recycle rates are the driving factor on the milk containers, quite frankly, in excess of 80 per cent. Sarcen has in excess of 80 per cent recapture rates. I think it's 86 per cent, actually, if I remember correctly. Highest in Canada. And it seems like the logical place to do business with respect to milk containers.

Ms. Sproule: — You're raising the rates because the recycling rate is so high?

Hon. Mr. Moe: — No. We're raising . . . We weren't previously paid anything through Sarcen. They just show up there, and they'd take them pro bono and do whatever with them. Now the rates will be on the milk container when you purchase it, just like on your pop can. But recycling rates at Sarcen of pop cans and the products that they currently handle which aren't milk containers is 86 per cent, the highest return rates in the nation. It seems logical to put the milk containers into that type of an environment, if you will, being under Sarcen's purview that we would very quickly get up to 80 or even higher percentage return rates on those. It's a successful program. It's likely a flagship program here in the province of Saskatchewan, and it seemed like a good place to put the milk containers as the industry associations with respect to the milk containers were favourable of that.

Ms. Sproule: — Just so I can understand, in subvote 11 we see beverage container collection recycling system and your estimate cost for that is twenty-six million, five hundred and sixty-five dollars. And then if I look at Public Accounts from last year, '15-16, again it was \$25 million. How much revenue does the government get from this? Do we get . . .

Hon. Mr. Moe: — Zero. It's flow-through dollars.

Ms. Sproule: — When I pay 5 cents on my milk container, that does not go to the government at all, and yet we still pay \$25 million on top of what is collected? Is that what you're saying?

Hon. Mr. Moe: — No. The dollars that are collected, and I'll get a . . . Okay. The dollars that are collected is collected by government, and then the dollars . . . And then there's a two-year lag on what is recycled and that 86, that capture rate. And then that is paid out two years later to Sarcen on a

flow-through basis.

The piece that government does retain is the unredeemed deposits. So the amounts that are not . . . Sharla will explain precisely what unredeemed deposits are. But the dollars are flow-through and they're estimated and they're accurate because, you know, because it's based on two years previous and then percentages, I believe. But Sharla, if you'd explain, walk just through the process.

Ms. Hordenchuk: — Sharla Hordenchuk. So the process is, at point of sale is a consumer. At the till when you buy a beverage, you will pay a deposit that is returned to you at a Sarcan depot. And you will also pay an environmental handling charge, an EHC. Both of those monies flow into the General Revenue Fund and then are a flow-through to Sarcan. So Sarcan receives from government the amount that would be paid out to the public and the recycling fees are paid to Sarcan based on two years prior beverage sales to run the program and operate the depots across the province.

Hon. Mr. Moe: — I'll just, for example, I'll give you the last three years. And I think you had said 25.233 million was the one year you referenced? Is that correct?

Ms. Sproule: — Two hundred sixty-six, but anyways, 25.266 is what is in Public Accounts.

Hon. Mr. Moe: — Okay, so you're going to be out just a little bit, but on '13-14 the number that was collected was \$31.380 million. There would be 6.1 million roughly that was in unredeemed deposits, and the amount that goes to SARC [Saskatchewan Association of Rehabilitation Centres] would be 22.752 million. Sorry, yes, your 25 million . . . Forget everything I just told you.

Ms. Sproule: — I just wrote it down.

Hon. Mr. Moe: — The total revenue collected by government in that '15-16 was \$35,933,471. The grant payment to SARC in that particular year was \$25.266 million. And so the difference is the unredeemed deposits.

Ms. Sproule: — So there is a positive effect on the GRF [General Revenue Fund] then generally?

Hon. Mr. Moe: — There is a positive effect on the GRF with respect to the unredeemed deposits, yes.

Ms. Sproule: — And in the year you're speaking to, around \$6 million was what the . . .

Hon. Mr. Moe: — No, this particular year was 10.6.

Ms. Sproule: — Okay.

Hon. Mr. Moe: — Yes, by increasing these deposits on these 1-litre containers and whatnot also is going to drive that 86 per cent recycling rate up as people will be more apt to come to bring them in, which is the theory behind the including the milk cartons.

Ms. Sproule: — I guess just in terms of the sheer volume of the

amount here of 26 million, and I forget what your overall budget is, you know, it's probably almost a fifth of your entire budget. But it's really an in-and-out exercise. So it overinflates maybe the expenses under the estimates because the revenue is coming in as well.

Hon. Mr. Moe: — Yes.

Ms. Sproule: — You don't net that? I guess that's my question. Okay, I guess that's the answer. It's pretty obvious. Okay, thanks. We'll move on.

Hon. Mr. Moe: — There is a point there that there's a number of expenses, you know. The fire budget is, you know, what it is each and every year. And this is another example of this is, you know, what it is each and every year, and you know what it is two years previous. So there are a number of expenses that are not really, you know, subject to a lot of tinkering, if you will.

Ms. Sproule: — Okay. I don't have a lot of time left and I do want to spend some time on climate change. But I have one last random question, and this is in regards to pests and pest management, particularly West Nile funding and Dutch elm disease. Now I don't know . . . Did West Nile funding . . . If it came through your ministry, if you could explain how much has been cut from that program and also the Dutch elm disease program, and sort of the impact this is going to have on smaller communities and their ability to manage particularly Dutch elm disease but also the West Nile disease.

Hon. Mr. Moe: — Back to West Nile funding, we've never provided that through the Ministry of Environment in the province of Saskatchewan. With respect to the Dutch elm disease funding, we have \$185,000 that's been available for a number of years. It's available this particular year and it's available to support urban communities and the buffers that they provide in the relentless pursuit, in the battle against Dutch elm disease spread here in the province of Saskatchewan. So that funding remains constant with our municipalities this particular year.

[20:15]

Ms. Sproule: — All right. I would like to get an update from you, Mr. Minister, on the status of the equivalency agreement or any of the equivalency agreements that you're currently negotiating. I think two years ago when we spoke you indicated there was a number under way. So if you could bring the committee an update on how those are going.

Hon. Mr. Moe: — I'll maybe just, rather than get too deep in, I'll just cut to the chase on a number of these. And there's the equivalency agreement that was signed with respect to coal-fired electrical emissions here in the province of Saskatchewan.

And I guess I just start off with this. A number of topics in our ministry, and other ministries quite frankly as well, but a number of topics that are front of mind for us, climate change very much being one of them, have required a change in focus to some degree as we've had a change in leadership and direction with our federal government. And we've had a number . . . You know, species at risk would be another one that

we're working very closely with the federal government on. Our pan-Canadian framework is something that we're working very closely with our federal government on despite, you know, obvious challenging topic around carbon pricing.

But there's a number of other efforts that are being made with respect to, you know, incorporation of technology, maximizing the opportunities that may be present in agreements such as the Paris agreement around internationally . . . trade mitigation outcomes, things of that nature. So there's a number of . . . The conversation has very much changed, I think, over the course of the last number of months as we are experiencing a different direction, if you will, from the federal government.

There's a number of . . . you know, I mentioned the carbon pricing. There's also then a number of other topics of finer discussion with different ministries across the nation, in all provinces, where there may or may not be potential for equivalency agreements, including coal-fired where we signed the intent to go into that. And those details are being worked on with Environment to some degree from the emissions side, but also with SaskPower as they have the actual coal mines in the . . . They are the electrical generator here in the province of Saskatchewan.

But a number of other topics I think of where there may or may not be opportunities for this type of a framework as we move forward, with potential regulations around natural gas-powered electrical generators in the nation, conversion of coal-fired electrical plants, which we hear a lot about being phased out through an equivalency agreement or just through general policy direction in many jurisdictions, but the opportunities to convert those to natural gas facilities as well. There's clean fuel standards — all on the regulatory side — clean fuel standards being discussed, building codes being discussed, an MOU [memorandum of understanding] with respect to methane. And there may or may not be opportunities for equivalency agreements on any number of those regulatory discussions that happen.

With respect specifically to the equivalency agreement in the province of Saskatchewan, it's being worked on quite closely now, but fair to say that SaskPower would be leading a lot of the work on the details, as they have the coal-fired electrical generators in the province. Our concern from Environment on the equivalency agreement is with respect to the emissions that come out the other end of that.

Ms. Sproule: — Okay. You said there was an equivalency agreement signed, but as far as I know it's just the agreement in principle that's been signed. Is that correct?

Hon. Mr. Moe: — With respect to the agreement that was signed, it was the principles of the equivalency agreement. Now what is being worked on are some of the details of that said agreement, with respect to the federal government and Saskatchewan Power Corporation, as well as Environment. Things like, for instance, estimating what the growth — allowable growth and potential growth — of the province will be, and ultimately the growth of electrical users in the province and the growth of our electrical generation system here in the province of Saskatchewan, and how that will be met and the opportunities that may or may not be into the future for

incorporation of things such as carbon capture and storage, recognition of the existing carbon capture and storage facility that we have at Boundary dam 3.

A number of different details with respect to that equivalency agreement are being worked on. But the agreement that was signed is the general principles — and there's eight of them — the general principles that were to frame the details of the agreement that are being worked on now.

Ms. Sproule: — So no equivalency agreement has been signed yet. Is that correct? Yes or no?

If I may, Mr. Minister, the first sentence of the agreement that was signed on November 22nd with your deputy minister was that “this is to follow up on the discussions between our two departments over the last number of months concerning a possible equivalency agreement for the coal-fired electricity regulation.” So this is not an equivalency agreement, correct?

Hon. Mr. Moe: — Yes, this is an agreement to work out the details based on the above eight principles with respect to the equivalency agreement. So the above eight deals, if you look, the last sentence is, if you agree to the above principles, reflect our discussions, and are an appropriate basis for moving forward, please add your signature below. So it's an agreement to work on these eight principles and work out the details for the actual equivalency agreement.

Ms. Sproule: — So there are no equivalency agreements in place to date?

Hon. Mr. Moe: — Yes, the actual details, the full equivalency agreement with the details will be . . . we're making good progress on that, and we'll look forward to that shortly. We have this agreement with the eight principles that will outline the details of the actual equivalency agreement.

Ms. Sproule: — When do you anticipate that agreement will be signed?

Hon. Mr. Moe: — At risk of being bold, I'll throw a date out there that we project, that we think the actual, all of the details, understanding the complexity of this type of an agreement, but we would be looking for, you know, being close or signing that agreement in the summer of 2018, understanding that it's an agreement to extend out beyond 2030 with our coal-fired emissions plants, or a certain number of them, you know, ensuring that we have equivalent emissions across our sector with the moves that SaskPower is making between now and that 2030 date.

So the agreement in principle is signed, and we look for . . . summer of 2018 is when we would project that it looks like, and we're making good progress on the details of that agreement. But I would reserve the opportunity for SaskPower to weigh in on that date, as they are very active in hammering out or working out the details of that particular agreement, as I said. And we all know they're the supplier of the coal-fired electrical and, you know, ultimately have the knowledge of the details of the agreement. Our concern is with the end result of having the agreement, being able to equalize those emissions across our sector with the incorporation of the other electrical generation

sources that we're bringing in to bring the emissions down sector wide, you know, balancing that with the cost of conversion, the cost of investment that's required to go to a lower carbon footprint with our electrical generation sector.

Ms. Sproule: — I asked the Minister Responsible for SaskPower similar questions on November 23rd, 2016, and he actually said that it was the Minister of the Environment that is working on this. I could just quote him. He said:

I might just add that the Ministry of the Environment . . . is involved in an ongoing dialogue with the federal government on what an equivalency agreement might look like in terms of emissions . . . and how some of that would be mitigated through that agreement. So a lot of . . . [that depends] on the contents of that [equivalency] agreement.

He went on to say . . . I asked, you know, "In terms of the equivalency agreements that are being negotiated by the Ministry of the Environment, are you at the table for those discussions at all?" And the minister said, "There's some support that's provided from SaskPower, but they're not at the negotiating table. That's all done by the Ministry of the Environment."

I went on to say, "In terms of the equivalency agreements, when do they need to be in place in order for you to meet your obligations under the federal regs?" His: "We don't have an answer for that. I think that's probably a question better put to the Minister of the Environment."

So I'm not really sure, Mr. Minister, exactly what's going on between the two areas. But perhaps you could answer that question, and that is, is summer 2018 the deadline for us to be able to meet our obligations under the federal regs? Or how will SaskPower be able to meet its requirements under the federal regs if you're doing the negotiating?

Hon. Mr. Moe: — The date for an equivalency agreement ultimately is to have one in place by 2030, as that's the date that it ultimately would become effective as 2030 is the federal targets that have been put in place.

With respect to the agreement, it was the deputy minister, I believe, of Environment that signed the eight points and the intent, the guideline document for the equivalency agreement. And it is a document that is led by Environment, although with respect to the details and the data that goes into the equivalency agreement, that very much — and I think it's logical to think — that a lot of that effort and a lot of that work has to come from SaskPower as they are the electrical generator. And in particular, when it comes to coal, they're predominately the coal-fired electrical generator here in the province of Saskatchewan. So we work very closely with SaskPower and take their guidance on, you know, how this will work in the best way with respect to the details of the agreement.

As I said, our concerns are the broader sector efforts that are being made to reduce emissions across the electrical-fired generation sector, which I think there's been efforts being made there that we can talk about. And there's most definitely been targets that have been set, I think fairly aggressive targets when you compare them to some of our immediate neighbours. So

they have a plan in place. They're acting on that plan to reduce their emissions. I believe the target is 40 per cent by 2030 across the generation sector. So it begs us a good stead, if you will, to work with SaskPower on the details of that equivalency agreement as they are the operator of the coal-fired electrical source of electricity here in the province of Saskatchewan.

But ultimately the equivalency agreement will be between, I believe it's the federal and provincial ministries of Environment. And there's a number of other ministries across government that are involved in that as well. Obviously, you know, legal obviously. There's a number of different ministries and individuals that will be involved with that as we move along. It's by no means a small agreement. The agreement in principle is fairly small, but there's a number of different details with respect to this, as there is with any of the regulatory packages that are coming alongside the coal-fired electrical generation piece and the ultimate equivalency agreement on that.

[20:30]

Ms. Sproule: — When do you anticipate that you will enact *The Management and Reduction of Greenhouse Gases Act*?

Hon. Mr. Moe: — So this is an example of how our environment has changed as our federal government has changed their direction, with a new federal government with respect to climate change and with respect to policies around climate change, around emissions and how that affects the conversation and the direction that we have here in the province of Saskatchewan. And as you know we released a white paper on climate change last December I believe, if I remember correctly, focused on a . . .

Ms. Sproule: — October.

Hon. Mr. Moe: — October. I get all of my months wrong. But with respect to some of the direction that we will be taking here in the province of Saskatchewan, and there's a number of ways that jurisdictions can address climate change and it's for those jurisdictions to choose the way that will work for their particular jurisdiction.

The first is through mitigation and that's been a very public conversation across the nation of Canada as the federal government has chosen to initiate mitigation measures in the way of either a cap-and-trade system or a carbon taxation system.

Another way would be through . . . And I think we all need to look at adaptation techniques — you know, how do we manage the effects of climate change in, whether it be agriculture, whether it be in our forestry, whether it be in our environment, you know, our parks, whatever that may be, and in doing so minimize any future impacts with respect to that.

And then lastly and not leastly — and this has been the focus of the provincial direction — is through the incorporation of innovation and technology in climate change. And the reasoning behind that in the province of Saskatchewan is with respect to our 10 per cent emissions of Canadian emissions, which is 1.6 per cent of global emissions, is it's our feeling that

Saskatchewan has much more to offer in the global conversation around climate change in the way of technology, in the way of what we've done in zero-till agriculture for example. And I know you're familiar with the great story we have in agriculture in the province of Saskatchewan in the way of sequestration of carbon in that industry.

I think if you look back a number of years, soil in the province of Saskatchewan was a net emitter of about 700 000 tonnes of carbon. Now through the incorporation of zero-till, they actually sequester about 11.4 million tonnes of carbon here in the province of Saskatchewan. I think that was mentioned last year here in this committee as well.

Technology and investment in, you know, places like the Crop Development Centre, the Global Institute for Food Security. But the Crop Development Centre and the incorporation of pulse crops that came out of that Crop Development Centre over the last number of decades and the aversion of nitrogen fertilizer that they are able to avert, I guess would be the word, in our province. They further avert another 2 million tonnes of carbon here in the province of Saskatchewan.

There is a number of meetings that myself and my colleague, the Minister of Energy and Resources, have had with a number of our heavy emitters across the province and have listened to stories of some of the best available technology that is being utilized in those industries. And in some cases, their emissions have levelized. In some cases, their emissions have been reduced. In some cases, their emissions have went up, but quite often also so has their production as they've expanded production and jobs here in the province of Saskatchewan.

So the other piece of our white paper did reference the technology fund and that we would be moving on that at some point. As we go through the next number of months and years . . . And I have had a conversation with respect to our technology fund and the percentage of emissions that it does cover in the province of Saskatchewan. But as we move forward with that . . . And I don't have a date on when that will be implemented, but it is part of our white paper, that we will look at implementing that on the emitters of the province of Saskatchewan so that we're able to reinvest, further invest that, as they already are doing in many cases, into technology that keeps our businesses — many of them emitting businesses but many of them also employing people of the province of Saskatchewan — at the very cutting edge of . . . utilizing the very cutting edge of technology, if you will, to reduce the environmental impact in all matters, not just in emissions but in reducing the impact to our land and our waters and ultimately our environment here in the province of Saskatchewan.

Ms. Sproule: — The question was, when do you think *The Management and Reduction of Greenhouse Gases Act* will be enacted? And maybe if I could add to that, on what page of the white paper does it say that you will be enacting *The Management and Reduction of Greenhouse Gases Act*? I read it today and I don't recall seeing that.

Hon. Mr. Moe: — So with respect . . . I think I may have referenced a white paper. I will check again, but I probably, I'm thinking I may have referenced the comments that were made with respect to the release of the white paper around the

technology fund.

With respect to *The Management and Reduction of Greenhouse Gases Act*, as I said, there's a number of conversations that are going on with our federal government on a number of different sector-specific regulations that are occurring. Some of those were being discussed under the previous federal government. There's a suite of additional ones that are now being discussed with our new federal government as well as a discussion, a well-publicized discussion around carbon taxation or cap and trade. Our Act, *The Management and Reduction of Greenhouse Gases Act* is part of that discussion.

But we will continue, you know, with that, with our federal government as well as our other provincial partners with respect to what impacts all of these layering of effects may have, first of all, on emissions in the province of Saskatchewan and, second of all, what's being recognized, what isn't being recognized. If we're just going to count emissions, we need to have in our, as was laid out in the white paper, a little more fulsome carbon conversation with respect to what we are doing here in the province of Saskatchewan, incentivizing some of the good work that has occurred to date.

So I won't give a date on when we will be bringing in that Act along with the technology fund, but it is part of the broader discussion that we're having with the federal government with respect to the pan-Canadian framework on climate change and how we do our part to meet federal targets.

Ms. Sproule: — Could you provide the committee with a time frame? The next five years, the next two years, the next 20 years — what is the outside length of time that you anticipate it will take to enact *The Management and Reduction of Greenhouse Gases Act*?

Hon. Mr. Moe: — Again . . .

Ms. Sproule: — Just a time frame, Mr. Minister. That's all I need.

Hon. Mr. Moe: — Yes. No, I'm not going to provide you with a time frame on a hypothetical case. There's a number of moving parts to the discussion that we're having with . . .

Ms. Sproule: — Can I rephrase the question then?

Hon. Mr. Moe: — Sure.

Ms. Sproule: — Will you enact *The Management and Reduction of Greenhouse Gases Act*?

Hon. Mr. Moe: — As I say again, there are a number of conversations with respect to how we get to that goal here in the province of Saskatchewan. We have that Act; we've talked about that Act for a number of years. But quite frankly, with the changes at the federal level, there'd be changes that would have to happen to that particular Act to be enacted, in order for it to be effective as we move forward.

There's a whole conversation that is occurring here now across the nation of Canada with respect to how you price carbon, how you price a certain percentage of carbon emissions in your

particular economy. And there's another conversation that is growing, and that is with respect to one that is beyond just that of emissions and tracking emissions, whether that be in the province of Saskatchewan or across the nation of Canada. In Saskatchewan and in every jurisdiction, there is a certain uniqueness when it comes to this conversation. And you know we can get into some of that uniqueness here this evening, or we can get into it at another date.

Ms. Sproule: — We've already been through that. It's all right. It's fine. We've already been through that in committee.

Maybe I could ask a different question then. In the press release in December when you announced that you had signed an agreement in principle with the federal government, your deputy minister had signed an agreement, you indicated in that press release that Saskatchewan will establish regulations under *The Management and Reduction of Greenhouse Gases Act*.

Now I asked the CEO [chief executive officer] of SaskPower in December what his understanding was, and he said:

... this is ... breaking news. We have to look at that together with our provincial Ministry of Environment and figure out the path forward. We don't have a concrete plan. The equivalency agreement was expected to allow us some flexibility ...

And I think they're anticipating there will be flexibility there. But I said to him, your understanding is that the Act will have to be proclaimed, enforced, and regulations will be established? And he said, that is correct, yes.

So he confirmed that the Act will be proclaimed and enforced and that regulations will be established under the Act. Will you confirm that as well?

Hon. Mr. Moe: — So herein lies the complexity of your question. It's not as simple ...

Ms. Sproule: — Just a yes or no would be fine.

Hon. Mr. Moe: — It isn't as simple as a yes or no. So I'll say yes and no; how would that be? Yes and no. There's portions of that particular Act that have to be adopted in order to move forward with the equivalency agreement with ...

Ms. Sproule: — When will those be adopted? That's the question. When? They have to be, so when?

Hon. Mr. Moe: — They will be adopted when we are able to move forward with the equivalency agreement.

Ms. Sproule: — Twenty years? Ten years? Five years?

Hon. Mr. Moe: — I indicated the equivalency agreement needs to be in place by 2030. So it would be between now and then.

Ms. Sproule: — Between now and 2030 you will enact the regulations under that Act, is what you're saying.

Hon. Mr. Moe: — The equivalency agreement is one that we're working on. I'd indicated we're making good progress on

it. But it ultimately has to be in place by the year 2030. And there's portions that will have to be adopted or looked at from the management of greenhouse gases Act in order for that equivalency agreement to move forward. Not the entire Act, but there are portions of it that will have to be moved forward. There's portions of it that quite frankly are outdated already as well.

Ms. Sproule: — So you're going to have to amend the Act.

Hon. Mr. Moe: — Pardon me?

Ms. Sproule: — You're going to have to amend the Act then?

Hon. Mr. Moe: — Amend, or adopt portions of the particular Act, or introduce new portions, whatever that would be, to satisfy the coal equivalency agreement as we get to the end point on that.

Ms. Sproule: — So SaskPower could be waiting as late as 2030 to have those regulations and they need to make some decisions, I believe, in 2018?

Hon. Mr. Moe: — SaskPower isn't waiting. SaskPower's actively, as we discussed earlier, part of the conversation with respect to the details of the equivalency agreement. And as I said, we're making good progress. So if there's portions ... If we would choose to move on the equivalency agreement with the federal government prior to 2030 and there's portions of that Act that need to be adopted and implemented in order for that equivalency agreement to be effective, it would stand to reason that those portions would move ahead.

But you're asking for hypothetical dates. I mean we're working as hard as we can on the details of this equivalency agreement, which portions of this Act would come along with that particular agreement. But like I say, it's a complicated discussion. There'll be nobody waiting for it at the end of the day, as they're part of the conversation of forming it.

[20:45]

Ms. Sproule: — What is the status of the equivalency agreement that was signed in 2009 with your predecessor and the minister of Environment at that time? Is that still in place?

Hon. Mr. Moe: — It seems, as there's been a change at the federal government level, that the current government has not been recognizing the previous equivalency agreement that was signed a number of years before which, you know, is what we're faced with, with a new federal government. We have their parameters, as I said, of this particular agreement that we're working on quite actively with the current government, and we'll continue to do so until we don't, I suppose.

Ms. Sproule: — Mr. Chair, thank you for your indulgence here. There are a couple of further questions that I'm a little frustrated that we haven't been able to have more concise answers tonight. But what is the status of the equivalence agreements with the oil and gas sector and in particular with the methane regulations?

Hon. Mr. Moe: — So with respect to the methane emissions

and discussions around equivalency agreement there, the parameters are coming forth from the federal government, or the regulations. Or the intended regulations or details of those regulations are not yet all known, it would be fair to say, by provincial governments as well as by industry. They're expected to be in effect sometime in 2018.

As we discuss — myself, the Minister of Energy and Resources, Minister of Economy — with the federal government with respect to future methane regulations that may or may not be imposed by the federal government, there may or may not be an opportunity for an equivalency agreement in that particular case, as we did in the coal-fired sector. And we would, you know, look for that opportunity and do look for that opportunity as we discuss with the federal government.

The added twist on, and as you know . . . And again we've met with a number of companies across Saskatchewan with respect to, you know, methane emissions, and there's intentions as we move forward to make a number of different strides with respect to reducing those particular emissions in the province of Saskatchewan.

And we hope that those same efforts will be made just south of the border in the United States of America as we move forward. Our fear is that they may not be. That does not mean that we don't continue to make efforts here in the province of Saskatchewan, but we need to be aware of what our competitors are abiding by with respect to . . . from the competitiveness factor as well.

Ms. Sproule: — Unfortunate. We're running out of time. But I'm just wondering if you could table with the committee . . . Under vote 26, subvote (EN06), climate change and adaptation, you say that that unit develops policy and regulatory frameworks to reduce greenhouse gas emissions from emitters in other sectors. I would like you to table with the committee any policy or regulatory frameworks that exist.

Secondly, it says it engages in economic modelling, scientific and legal analysis, and industry and stakeholder consultations to identify cutting-edge solutions. I was wondering if you could table any cutting-edge solutions that have been identified; and also, to me, the goals of Saskatchewan climate change plan. I have asked for years to see this plan and I haven't yet seen it. So perhaps you could table that with the committee as well.

So if you would agree that's the description of this program, I would like you to table with the committee the actual, tangible, written policies, written regulatory frameworks, written cutting-edge solutions that have been identified, and written climate change plan. If there are any of those documents that exist, would you be willing to provide them to the committee?

Hon. Mr. Moe: — So understand the changes with the federal government, at the federal nation, and some of the work that we've participated in, in the pan-Canadian framework and some of the work that we do in this particular division with respect to, as you say, policy work and some of the modelling that we do, we'll table you what we're able to, understanding that a lot of it actually remains a work-in-progress as we have changed some of our directions provincially as well with respect to working on some of the regulatory frameworks that are coming out of the

federal environment, if you will, as well as some of the work around carbon taxation and climate policy from the federal nature. So we can table what we have there. We'll begin to assemble that over the next short period of time.

Ms. Sproule: — Okay. Last question — although, Mr. Chair, we may need to ask for more time at a future date because we didn't get through everything as quickly as possible — but I noticed that in your *2017 State of the Environment Report* that Saskatchewan's GH [greenhouse] emissions have gone up once again, now to 75.5 million tonnes.

I'm not really interested in a discussion on emissions intensity at this point in time, but my question for you is whether or not you believe that your government can still meet the target for 2020 of a 20 per cent reduction in greenhouse gases when they've been going up every year since you've been elected.

Hon. Mr. Moe: — Noting the change in direction at the federal level and the conversations that we have and the directional conversations that we have with respect to the pan-Canadian framework on climate change, and the targets that were previously set with respect to 2020 and the targets that were then nationally adopted with respect to 2030, and much of the effort, much of the conversation at the provincial levels tying into the federal targets is around that 30 per cent reduction by the year 2030.

So never to throw out targets that we currently and existing have, and we have, you know, good plans in place to reduce emissions over the longer term in the province of Saskatchewan, acknowledging . . . challenging to meet the 2020 target, which is why it's put out there, is to be aggressive, but challenging to meet in a growing economy that we have here in the province of Saskatchewan, a growing population here in the province of Saskatchewan. You know, we make every effort to reduce the emissions by working with our federal government where we can to . . . An example of that is the work around the coal-fired equivalency agreement, the work that continues on some of the other sector-by-sector relations.

But much of the discussion, much of the target, whether it be at global climate change conferences which I attended this past year or whether it be with our federal government and provincial partners, has very much over the course of this new administration been focused on that 2030 time frame, that 2030 target of a reduction of 30 per cent.

With respect to, you know, to how to get there, and I think when you look at the focus of the white paper on climate change and the focus on technology, the focus on innovation, Saskatchewan very much has a great story to tell there and a great story that is being adopted in other areas of the world and continues to be adopted in other areas of not just North America but around the world.

And you know, I spoke a little bit of the technology that's being utilized in agriculture. I think of the 4R program that the Canadian fertilizer institute is now . . . Saskatchewan has now signed on to with respect to the right time, the right place, the right type of fertilizer that is being utilized, and tracking that, tracking those savings in agriculture, which is one of our largest industries and really what I refer to as the spinal cord of the

economy here in the province of Saskatchewan. And a big part of what we do in this particular ministry as well as in Water Security Agency is work with that particular industry as they are very much a part of the environment and the countryside here in the province of Saskatchewan with what they do.

I talked about the energy industry and some of the . . . the mining industry and some of the work that they are doing, adopting and utilizing best in class or best available technology to keep their environmental footprint down, whether it be with respect to the discussion we're having around emissions or whether it be with respect to any other environmental impact that those businesses or industries may have. And also, you know, with respect to the investment of the people of the province in carbon capture and storage technology, and I know there's been, you know, good discussion with respect to that technology.

But the fact of the matter is, with that technology is there are now 16 large-scale plants that are operating around the world, and I think that needs to be recognized. The first post-combustion plant was here in the province of Saskatchewan. The most recent plant that came on stream also is a post-combustion carbon capture plant at Petra Nova, just outside of Houston, also being driven by enhanced oil recovery in that particular plant. That one's significantly larger than the one that Saskatchewan has at Boundary dam 3.

So there are 16 carbon capture and storage plants that are operating around the world. There's another five that are in planning or construction stages as well. It is a technology that is being looked at, not just by the coal-fired electrical generation industry, but it's being looked at by other industries as well. Some of the refinery industries, for instance, are looking at different types of carbon capture technology to capture that carbon and utilize it, whether it be in enhanced oil recovery or to sequester it in some way, shape, or form.

So it's technology that, you know, started with the post-combustion plant that we have at Boundary dam 3, but it's technology that is being utilized around the world to reduce emissions and enhance oil recovery, in many cases is being driven for different reasons in different parts of the world. But it is technology that is improving as we move forward, and it very much . . . Saskatchewan has a story to tell in the development of that technology.

[21:00]

There's a number of other stories I think with respect to innovation and technology that we can get into, but I think that's an example of just a few on how we in the province can impact this conversation much more by a 2020 target, in much more effective way than even a 2030 target.

But in saying that, in our growing, diverse economy, our growing and diverse population here in the province of Saskatchewan, we need to take efforts, make efforts and work with our federal government, whether it be through regulatory equivalency agreements and such to reduce our emissions here in the province of Saskatchewan. But we also need to have that more fulsome carbon conversation with respect to technology, sequestration, and additional topics that come up.

Ms. Sproule: — So do you anticipate that you will reduce emissions in Saskatchewan at any point in the future?

Hon. Mr. Moe: — The Canadian goal is to reduce the emissions in the nation 30 per cent by the year 2030. I think there's aspirational goals to even go beyond that in the out years. You know, Saskatchewan very much is part of that conversation and part of that goal. We're making efforts, you know. You talk about the intensity reduction that you didn't want to hear about with respect to the province of Saskatchewan. But the fact of the matter is that we have an economy that has grown, you know, largely over the last decade or so. We have a population that has grown largely by 160-some-thousand people over the last decade or two. Our GDP [gross domestic product] in the province is up 25 per cent while, as I said, our intensity emissions are down 12 per cent. You know that is a good story.

I know members will reference that Saskatchewan has the highest per capita emissions in the nation. We also have the highest exports per capita in the nation and that's what we do here in the province of Saskatchewan. And this is the whole conversation that we've entered into in the nation with respect to taxing carbon and why we're not supportive of it here in the province of Saskatchewan, as it is a cost on the exports that we have when some of our competitors won't have that cost on some of their exports. And we have a very real concern that while doing very little to reduce the emissions here in the province of Saskatchewan, it'll be very effective at exporting jobs in the province of Saskatchewan, whether that be in the energy industry, whether that be in the mining industry, whether that be in a number of industries that do emit carbon emissions here in the province of Saskatchewan. And in addition to that, it'll have the layered impact of just upping and increasing the costs on what is likely, traditionally, our most important traditional industry in the province of Saskatchewan, and that's agriculture.

So you know, those are quite obvious reasons why we haven't been supportive of that particular policy that has been enacted by the federal government, and we'll continue to take strides to not have that cost on the people and industries and the working people of the province of Saskatchewan into the future.

The Chair: — Thank you, thank you very much, Minister Moe. I appreciate your answers, your thoughtful and fulsome answers. I think it is time for a break where we can move on to the Water Security Agency. I want to have time for the committee to be able to ask questions of that part of your ministry and we will . . . It is 9:04 p.m. We will break for about 5 minutes. We'll try and keep it as brief as possible and then we'll reconvene from there. Thank you very much to officials.

[The committee recessed for a period of time.]

**General Revenue Fund
Water Security Agency
Vote 87**

Subvote (WS01)

The Chair: — And we're back. The Economy committee is reconvened. We were considering the Water Security estimates.

Minister Moe here, and the same committee members as the Environment. So this is being dubbed vote 87, the Water Security Agency, central management and services, subvote (WS01).

Minister Moe, once again, please if you do have any opening comments and introduction of your officials. It is 9:12 p.m., and I'll turn it over to you. You have the floor.

Hon. Mr. Moe: — Thank you very much, Mr. Chair. And hello and continued good evening, everyone, as we continue with our Water Security Agency vote of estimates here this evening. I do want to again thank all of the committee members on both sides for their time here this evening in consideration of what we feel is very, very important work on behalf of the province of Saskatchewan, the work that is conducted by the Water Security Agency here in the province.

To my right I have the president of the Water Security Agency, Susan Ross. To my back I have John Fahlman, the vice-president of technical services. To my far right I have Irene Hrynkiw, the executive director of corporate services. Behind me is Sam Ferris, executive director of environmental and municipal management services. To my left is Clinton Molde, the executive director of integrated water services. I have behind me Doug Johnson, the executive director of special projects. And Tyler Lynch from my office in the stands here as well.

I would just ask each of the officials as you approach the microphone or speak for the first time to introduce . . . or to state your name for *Hansard*.

As we know in this committee, in this room, water is one of Saskatchewan's major resources. It's a resource that we need to protect and manage with a long-term view here in the province. Our government recognized this in 2012 by creating the Water Security Agency and launching the 25-year water security plan to support this. We have been through a lot over the last few years, and the Water Security Agency has been there to support the people of the province and the communities within the province of Saskatchewan. They will continue to do so now as well as into the future.

With respect to infrastructure investments in the province, investments in infrastructure are key to maintaining our quality of life here in Saskatchewan. And since the 2010 construction season, the Water Security Agency has invested over \$70 million on water management infrastructure as well as rehabilitation. This year we will invest \$28.7 million in water management infrastructure. This includes a \$14.1 million investment in the M1 canal as part of our 10-year, \$100 million project to rehabilitate the M1 canal, reducing water loss. This ensures security of supply and increases the capacity by some 52 per cent to support future growth.

[21:15]

I'd like to highlight for the committee the importance of the M1 canal to communities and the province of Saskatchewan, as it provides water for one provincial park, three potash mines, four regional water pipelines, five towns, six reservoirs, 13 wetlands, and 56,000 irrigated acres. In addition to the M1 canal, the

Water Security Agency will make investments in 33 water management structures across the province to ensure dam safety and reliability in order to deliver water supplies to support growth in our communities and in our province of Saskatchewan.

The federal dam transfer agreement between our federal government and the Water Security Agency closed at the end of March. The Water Security Agency now owns an additional 20 dams, bringing the total to 69 dams across the province. The Water Security Agency received funding from the federal government for the operation, for the maintenance and the rehabilitation of these structures. The operation of the dams, additional lands, and the associated equipment will be transferred to the Water Security Agency in three years as part of this transition. This will give the Water Security Agency time to prepare operational staffing. And these dams are important water supply sources for many municipalities as well as many producers in southwestern Saskatchewan.

Last fiscal, the Water Security Agency made some gains in the agricultural water management strategy. The pilot project we spoke of at this table last year received approval, which was a historic moment for our province of Saskatchewan. The single approval was issued to 73 landowners for more than 18,000 acres of organized and responsibly managed drainage network. This Dry Lake project is located within the Gooseberry Lake watershed in the southeastern part of the province. And the Dry Lake project saw Water Security Agency take a number of new approaches to issue this historic approval.

A joint application was utilized for land control replacing the previous requirement for legal easements on 113 quarter sections, or hundreds of neighbour-to-neighbour land control agreements. Landowners in the project now have land control and security for their drainage works. By including 30 gated structures . . . And I think I said 20 earlier so I was mistaken, if I could correct that record at this point. By including 30 gated structures, controlled release of flows will throttle spring runoff to the equivalent of a 1 in 2 year flow rate. Flow controls for existing drainage will ensure that downstream landowners and communities will not experience increased flooding.

This project also restores 34 acres of wetlands on existing drainage and adds 21 acres of wetland retention on new drainage projects. The approval to construct, the approval to operate, as well as the aquatic habitat protection permits were all issued from one application and at one time with one set of conditions. The Water Security Agency is currently working on hundreds, with hundreds of other landowners, on an additional 12 organized drainage projects making up well in over 160,000 acres in the province.

This year Water Security Agency is dedicating significant resources for the implementation of the agricultural water management strategy, and water security has reallocated roughly \$300,000 to the strategy while adding an additional million dollars. In total Water Security Agency has 39.5 full-time equivalents and \$1.3 million dedicated to the strategy just this year. It's being phased in over time as we focus on priority networks in the province.

Although this year has been a fairly quiet year with respect to

flooding issues, our government is offering the emergency flood damage reduction program, or the FDRP, program to Saskatchewan people as a regularly budgeted program. This program provides assistance with the implementation of emergency flood protection measures for communities, for rural municipalities, businesses, for not-for-profit organizations, or individuals with rural yard sites, for country residences and cottages to prevent damages from imminent flooding.

In 2010, Water Security Agency has provided . . . Since 2010, pardon me, Water Security Agency has provided nearly \$75 million in flood mitigation to assist in excess of 3,300 applicants to prevent flood damage. The program is cost-shared construction of almost 800 permanent works that will serve to protect our citizens from flooding, not only in the year they were constructed, but into the future.

Mr. Chair, I've covered a few of the highlights with respect to the Water Security Agency priorities that we're working on this particular year. And I welcome any comments, questions, and I look forward to the discussion and dialogue that we'll have here.

The Chair: — Thank you very much, Mr. Minister, for that overview of the Water Security Agency. We'll turn it over to the committee if they have any questions. I recognize Ms. Sproule.

Ms. Sproule: — Thank you very much, Mr. Chair. In reference to the transfer of dams that you indicated is ongoing, can you share with the committee how much cash the federal government has provided you and over how many years? And also what is now the liability, the cost of the liability, and how will that show up in the provincial public accounts for these dams?

Hon. Mr. Moe: — So I will start. I'll speak to . . . The funds were transferred at the end of March of this current year. So the funds are with the Government of Saskatchewan. I'll maybe let Irene Hrynkiw just speak to the question with respect to liabilities of the dams.

Ms. Hrynkiw: — Irene Hrynkiw. There are no financial liabilities attached to the dams that are coming.

Ms. Sproule: — So in terms of the assets that are now on the books of the Government of Saskatchewan, how much cash did you receive from the federal government?

Ms. Hrynkiw: — \$350 million.

Ms. Sproule: — And that is in the '16-17 fiscal year?

Ms. Hrynkiw: — That is correct.

Ms. Sproule: — And are there any additional funds coming this year from the federal government or is that complete?

Ms. Hrynkiw: — That is complete.

Ms. Sproule: — \$350 million, And what is the book value of the dams themselves?

Ms. Hrynkiw: — We are currently working on determining what the book value will be.

Ms. Sproule: — How are you going about doing that?

Ms. Hrynkiw: — We're working with the comptroller's office, our external auditor, and the Provincial Auditor's office to ensure that everyone understands and is comfortable with the value that we're putting on the books.

Ms. Sproule: — So what is the consideration that Saskatchewan gave to the federal government in order to receive this book value, whatever it will be, plus the \$350 million?

Ms. Hrynkiw: — Okay. In the current year budget, we have \$2.69 million of operating costs included in the budget and \$7 million worth of capital rehab on these dams. We've taken a look at the 10 years of the program and we estimate it to be, between operating and capital, that we would require \$220 million.

Ms. Sproule: — So your 10-year program starting '16-17, you're estimating your operating costs will be \$220 million? So, now I just lost the number. You said you got 300-and-some million dollars in cash and you're also determining the book value. So where does the extra value come in? Is it just a gift then from the federal government?

Ms. Hrynkiw: — There's an element of risk in the sense of unknown requirements, so this is basically cash that we can use to address any unknown issues.

Ms. Sproule: — Although you say there are no financial liabilities associated with it, but there are unknown requirements? Is that not a liability?

Ms. Hrynkiw: — Not a financial liability.

Ms. Sproule: — But you've received cash for that.

Ms. Hrynkiw: — We've received cash in consideration of future needs of operating and maintaining the dams.

Hon. Mr. Moe: — Just with respect to that, understanding the dams, in many cases we'll be there, you know, longer than those 10 years, and understanding the interest that Saskatchewan communities and individuals that are being serviced by these dams, and understanding that these negotiations started some time ago with the federal government, seemed to be willing, wanting to remove themselves from the ownership and operation of these dams.

This is the ongoing discussion that came about. We came up with about 10 years of operation and capital funding to those particular dams, but understanding that they are a dam, and understanding that they'll be there longer than 10 years, this additional \$130 million was provided as well as we came to the ultimate transfer price of \$350 million.

Ms. Sproule: — So although you received it in one payment, it's actually intended to stretch out over 10 years? But it's on the books for last year. So the actual deficit of the budget from

last year, I think, is now projected at 1.3 billion, but it would actually be an additional — if you take out the one-year operation of the dams — 22 million. Anyway, that's a question maybe better for the Minister of Finance. But I think the actual deficit was actually quite a bit higher.

Hon. Mr. Moe: — There's a number of one-time ins and outs, yes.

Ms. Sproule: — I guess that would mean the actual deficit is quite a bit higher.

Hon. Mr. Moe: — Well yes and no. There's one-time ins and outs either way. You know, I think of the workers' compensation dollars out and the dams in, and you know, in the course of a multi-billion-dollar budget, there's going to be a number of fairly large numbers from time to time that are inflows and outflows and considered one-time. This would be a one-time inflow for these particular 20 dams.

Ms. Sproule: — Okay. I'm going to refer to page 52 of last year's Estimates in this committee, where the minister indicated as a result of the regulations that were introduced in September of 2015 that there was a 10-year project . . . It was going to be a 10-year project to get all of the between 100 and 150,000 works approved. You indicate a very small percentage of them are actually approved. And he talked about a pilot project at the Quills. He went on to say, at the bottom of the page:

We have now sent out the letters to the watershed authorities in that area which we felt was . . . something we should do first. We're now going to send out the letters to the people involved in those works, giving them a time frame until September to have the works closed and then we will go out and . . . have them approved or closed, whichever the case may be.

Can you provide the committee with an update on that situation?

Hon. Mr. Moe: — This is what's occurring, well, across the province quite frankly, including drainage networks in the Quill lakes. And this is a living and moving effort, if you will, as we move forward, which I think speaks to the importance of the advisory board as we move forward with the ag water management strategy in the province of Saskatchewan.

But what we need to do in . . . Maybe I'll just back up a bit. Again the ag water management strategy, the regulations that were introduced in September of 2015, are based on two main principles, the first being you need permission to move water off of your property onto someone else's. The second is where that water ends up needs to be a point of adequate outlet or be able at least at certain points at a time be able to handle the water that is being flowed into it, whether that be a stream, a lake, or wherever that may be.

In the case of the Quill lakes, although it's not unique, I think it's fair to say that the size and scope of what's occurring at the Quill lakes and the fact that there's a salt content in the lake itself, but the size and scope of . . . First of all that lake is up in excess of six metres, so it would be I think fair to say, or anyone in good faith, that we shouldn't be enhancing the flow

of water into that particular lake. And like I say, there's a number of instances in a similar situation across the province.

[21:30]

But as we move into the drainage networks that are in that area and other areas across the province, to go out and plug the end of that drainage network creates a number of challenges throughout the intricate networks that is there. What we need to do and what we have been doing in that particular area, and as well as in networks across the province, is looking at those networks of highest need or that have a significant amount of flow in the Quill lakes area and bringing all of those individuals into a room — we call them network meetings — and having meetings with all of those individuals about how are we able to organize and control the water movement out of this particular network, whatever that may be. And there's numerous of them that flow into the Quill lakes in particular.

As I said at the outset, in that particular instance we've lost the adequacy of the outlet in that particular area. So through the formation of the Quill Lakes Watershed Association and working closely with them, and I have been in contact with them more times than I can count since returning to this Chair, as Water Security officials have been in very close contact with them on a frequent basis, as have officials in other ministries as well that are involved in this file — Agriculture, Highways, Government Relations, others — and we continue to work with them on opportunities that they put forward to enhance the adequacy of that outlet. Whatever that means, it still requires the organization and control of the networks that are there. And so that's something that we're actively working with the producers on.

And alongside that, we're actively working with the Quill Lakes Watershed Association on initiatives that they put forward to enhance the adequacy of that outlet, you know, whatever that may be. And we look at those alongside that group, who is doing some good work in the area.

Ms. Sproule: — So for clarity then, when the minister said last year, "We're now going to send out the letters to the people involved in those works, giving them a time frame until September to have the works closed and then we will go out and [approve them or close them] . . ." has that happened at all?

Hon. Mr. Moe: — The letters have gone out to a number of networks in the area. And we very quickly went out and worked with individuals there and found . . . As I said, to just go out and plug the end of that drainage network means the guy next to the lake will catch all of the water. So we're working actively with individuals in the area aware of what natural flows are. And much of the flow in that area and other areas is natural flow.

But there is some enhancements in certain areas around the province. And that's where we're working with individuals throughout that network on a collaborative basis to organize and control the water flow that comes out of that network. Ultimately that can be done, you know, through the good work of those individuals involved in each of those networks, and that carries forward across the province.

The challenge we have in the case of the Quill lakes . . . And

that's the work that has to be done. Don't discount that that network, you know, installation of different gates, like they did in the Dry Lake project, needs to be done in the Quill lakes and needs to be done in other networks across the province. But the bigger challenge that we have in the case of the Quill lakes, and there's other cases around the province as well, but in that particular case, is actually the adequate outlet. We've lost that adequate outlet, at the time being, in that particular lake. It's been referenced that it's been this high, you know, in decades past. So it, you know, it may be an adequate outlet with no action taken, you know, in the next decade or two. Who are we to say?

But the fact of the matter is, this is where the Quill Lakes Watershed Association comes in, and we worked very closely with them, through the Water Security Agency and other ministries, to work with them on initiatives that they're looking at to enhance or increase the adequacy of their outlet. And they're looking at a number of different initiatives there, that we're working closely with them and providing them supports that we can, through different ministries within the Government of Saskatchewan.

So as we got on the ground through working with individuals in the region, not a totally different approach as we're still organizing and controlling the water, but we've, you know, through consultation with people on the ground, we've altered how we approach that to organize and control those networks as opposed to just plugging them all at the end, and organizing control of them with respect of . . . and identifying what natural drainage is as well.

Ms. Sproule: — So for clarity then, when the minister said last time that you were going to send letters giving them a time frame until September to have the works closed, were any works closed in September of last year?

Hon. Mr. Moe: — When we went out and worked with the people on the ground — and maybe I didn't explain this quite clear enough — and consulted with the people of Saskatchewan in that particular area, we've changed our approach to this, to this network, this network work that we're doing, working with the individuals on the entire network as opposed to working with one individual in what would be a much larger network. So it's fair to say that through consultation with people in that particular area that we've changed our approach.

Ms. Sproule: — Would you say that any works have been closed at all?

Hon. Mr. Moe: — So with respect to closing works through the normal procedure across the province, there's works that are, you know, complaints that are being made and processes that are going through all the time. And there's drainage works that are being closed across the province, including in the Quill lakes watershed basin. But more specific to the reference to the letters that I think the previous minister was referencing of being sent out, when we went out specifically to those individuals in those networks, what we found is that we've, through consultation with those people on how to best work this, that we've shifted our approach, if you will, to this network approach.

If they're going to have any success in enhancing the adequacy of the outlet and achieving some type of adequate outlet in that instance, they're going to need to be able to control and organize the water movement out of their systems, control how much is coming out of it, what day that, when that water is coming out of those systems. And so that's the work that's occurring now, the same work that's occurring in a number of different drainage networks, if you will, across the province of Saskatchewan, the same work that occurred with respect to the Dry Lake project which is now permitted.

Ms. Sproule: — I seem to be having difficulty getting an answer from you, Mr. Minister. My question is, how many works have been closed in the Quill lakes area as a result of the change of the regulations since they were implemented in September of 2015? Two? Ten? Is there a number?

Hon. Mr. Moe: — Sorry, I thought I was being clear, and I apologize for frustrating you. But the fact of the matter is, is there's drainage works that are closed across the province as complaints come in from individuals. There's been a number of quarters in that particular area that also have been closed through that standard process that we have.

But specific to the letters that I think the minister was referencing last year, we've changed our approach specific to those drainage networks. And we're working with the individuals on those networks more in the same fashion that we worked with the individuals from the Dry Lake project, understanding that it's not just one individual that you can close that particular drainage ditch. You need to work on this more collaborative network basis to control and organize the water that's coming out of there. When you control and organize the water that's coming out of those networks, you control and organize it to that natural flow rate, that natural drainage rate.

So if we're not able to enhance their outlet that's currently running into the Quill lakes in some way, shape, or form so that wherever that water goes the outlet can handle it, then we will have . . . Those drainage works will be closed to their natural flow points because the gates will be closed. If we're able to actually enhance the outlet and they're able to open those gates at a future date, then those gates will be ready and the networks will be set up and permitted and ready to go.

So the work . . . How many have been closed? There'd be a number. I don't know the number in the Quill lakes watershed as a whole. There's been a number that have been closed across the province just as a standard operating course of business of the Water Security Agency. But specific to what the minister was referring to last year, we've changed our approach on there. So specific to those ones, I'm not aware of any that have been closed because we're working on this network approach to bring things back to the natural course of drainage with the gated structures that would allow them to drain to levels that they currently are or whatever would be permitted at that point in time.

So I apologize if that isn't clear, but that's about as clear as I'm able to make it.

Ms. Sproule: — So you're saying that no works have been closed as a result of the changes to the regulations?

Hon. Mr. Moe: — No, that wasn't what I was saying, no.

Ms. Sproule: — In the Quill lakes area, the minister indicated last year . . .

Hon. Mr. Moe: — Right.

Ms. Sproule: — That he sent out letters to a number of individuals and they were going to give them a time frame until September to have the works closed. Have any of those works closed? I believe your answer is none. Is that correct?

Hon. Mr. Moe: — Specific to those networks that he was referencing, we're working with those networks. None of those have been closed.

Ms. Sproule: — Okay, that's all I asked for. None of them have been closed.

Hon. Mr. Moe: — We're working with those networks. No, no, no. It's not a yes or no answer. You keep asking for yes or no, and it's not yes or no. The fact of the matter is is that we're working with those individuals on those networks to bring that entire network — not the individual; not close the individual — to work on the entire network to bring it back to that natural, organized state.

Ms. Sproule: — With all due respect, Mr. Minister, it is a yes/no question. You choose not to answer it that way, but that's a completely different thing. I just asked a yes or no question, and if you want to pontificate, that's fine.

Hon. Mr. Moe: — No, it's not a yes or no question, and I'd appreciate you clarify that because you asked in the Quill lakes area or the Quill lakes watershed, which is much broader than the letters that went out and where we focused our work from the Water Security Agency. It's not a yes/no question.

There's a number of drainage works that are closed as a standard operating business across the province, including in that Quill lakes watershed area. We're working on specific networks within that area which the minister was referring to last year, and which I'm referring to now, that we're working with those individuals. Of those individuals, there's been, to my knowledge, none of those closed because we're working on the broader solution, if you will.

Ms. Sproule: — Then the answer is no, quite frankly, Mr. Minister.

Hon. Mr. Moe: — In your mind it's no, and in reality it's not no.

Ms. Sproule: — The next question I have is that the WSA [Water Security Agency] and the minister have stated that the Quill lakes are no longer an adequate outlet, so licences will not be issued to drain into the Quill lakes. Drainage into the Quill lakes has not stopped since all the flooding began. What plans do you have to stop the construction of new drainage ditches in the Quill lakes, and what plans do you have to enforce compliance?

Hon. Mr. Moe: — Okay, I'm going to go back to my drainage

networks in there, and I'm going to just maybe re-explain what a drainage network is. It is a number of quarter sections that may have either natural or enhanced drainage that go into quite often a major tributary, into some type of outlet. In this case in particular we're referring to the Quill lakes.

We've lost our adequate outlet in that particular situation, which we talked about. The existing drainage works that are there are what we are working with on these network basis to bring those existing networks back to what would be their natural spill points. You can do that through two ways. One is plugging the ditches all along, filling them back in. Or the second way, it'd be to the installation of gated projects and whatnot all along, much like what we did in the Dry Lake project, so that when the opportunity for an adequate outlet is there, you're able to open those gates and release that water and retain the benefits, whether those benefits be for a community that's moving water out of their community, whether those benefits be for, in the case of agriculture, to move that water off the land so that we're able to farm much of that land, quite frankly. And in this particular area and other areas, ag water management is a necessary part for access to a fair amount of agricultural land up the east side of the province.

So with respect to new drainage and compliance of existing drainage, that's exactly what we are doing, is working with them on the installation of these network drainage works, installation of gates, like we did in the Dry Lake area.

If we're not able to have an outlet to put that water into, if we're not able to, you know, lower the level of the Quills or move that water into fresh water that's coming in, and it is quite fresh in these streams that are coming into that area, if we're not able to move that water into some other watershed or something to that effect — or there's some other things that are being looked at — then those gates will have to be closed to their natural spill level. That's compliance. So that's the work that's happening.

[21:45]

That's why we're taking this network approach, working with the individuals so that we're not just going to the one individual and closing an individual here and there. We're getting everyone in the room, bringing things back to what's an organized maybe consolidation of some of the water in certain areas within that network, much in the way we did in the Dry Lake project, and going about it that way.

I'm confident in that particular area and across the province that we'll get to that point where we can have these organized and controlled drainage networks that will be relative back to natural drainage spill points, which ultimately is when the water is going to run anyways, whether there's ag drainage or not.

And then the parallel work that's happening through the Quill Lakes Watershed Association is, what opportunities do they have to enhance the adequacy of their outlet or where can this water ultimately go, this fresh water that is being collected out of some of these streams and whatnot? So that work's going on parallel to the implementation of the drainage regulations that were introduced in September of 2015.

Ms. Sproule: — I'm going to try this question again. There's

no adequate outlet. So what plans do you have to stop the construction of new drainage ditches?

Hon. Mr. Moe: — Okay, I'll answer again.

Ms. Sproule: — New drainage ditches. What plans do you have to stop the construction of new drainage ditches? New.

Hon. Mr. Moe: — So again I will go back to these networks that we're working on. The system is the same for permitting a new drainage ditch, or new drainage works, as it is for an existing one that isn't permitted. You work together on that network basis. You ensure that you have it to the natural spill point, and if you want to permit some type of device, whether it's a gated culvert or something that would allow water to run below that natural spill point, you can put that in. And if you have an adequate outlet and an operating agreement, you're able to let that water go at certain times.

In this particular case, those new drainage networks, on the network basis, may be able to put in those works. They could get it approved possibly for construction of those works, but they wouldn't be able to let that water go until we have a place, an adequate outlet, for that water to go into. That's the same permit that would be relevant for unpermitted existing works, is relevant for new works.

Ms. Sproule: — Okay, I'm going to try something else here then. Let's see how this goes. As the Provincial Ombudsman recently pointed out, WSA does not require a complaint to enforce the WSA Act and close illegal drainage. What enforcement plans do you have going forward?

Hon. Mr. Moe: — So I think what you're referencing is recommendation no. 6 with respect to that. The works are still ordered, you know, if there's a complaint, the works are still ordered closed under section 62(1)(c) of *The Water Security Agency Act*. Under the previous system they would go through, you know, the whole assessment of impacts. Well first of all, they'd go for a request for assistance and the two individuals would talk. You're familiar with that process. That would take a number of months and sometimes even in excess of one or maybe even two years. It may end up in front of the Water Appeal Board and so on.

With respect to the regulations that we have now, we show up . . . There's two things that occur. First of all, when there's someone that says someone has been draining on to their property, the first question is, do they have a permit? And if no they don't, you say, well you need a permit or you aren't going to be able to have those drainage works.

What we're finding through that is that often this complaint is part of a larger symptom. It's a symptom of part of a larger effort that needs to be made. And province wide — if I can just expand beyond the Quills for a minute — province wide the goal here is to organize and control our drainage networks in the province of Saskatchewan so that we can retain those benefits, whether they be from a community or agriculture moving that water off of their property, but also to mitigate the impacts for those that reside downstream, whether they, you know, they reside there or own property down there.

That's the goal of this. The goal of this is not to go out and close drainage works across the province arbitrarily. The goal is to control and organize them for everybody's benefit, and I truly do think that is for everybody's benefit.

The new drainage regulations that were introduced assess this quite well. We do move and we try to work with those individuals as we did in Dry Lake, which also was instigated by a complaint and ultimately ended up in an 18,000-acre, 73-landowner approval and a works I think that is beneficial not only for those 73 landowners but for those downstream as well, as they've reduced their outflows to a one-in-two event. So that is beneficial for everyone with the catch basin capacity that they have.

But in some cases that network just isn't possible or isn't going to work and then in those cases that's when those drainage works without a permit — and this may come back to your previous question — those drainage works without a permit will have to be closed.

Ms. Sproule: — So what enforcement plans do you have going forward? Will you do any enforcement or are you just going to continue to work with people?

Hon. Mr. Moe: — So let's use April, April of 2016 as a benchmark here, when I get into some of the numbers. With respect to the complaints that we've had since April 2016, 142 complaints, 78 of those works have been closed. So there has been enforcement that has been occurring. But even I think just as importantly as the works that may have been closed, there's been 181 requests that have been approved since that particular time, requests that have been approved under the new drainage regulations that were brought in. So your comments with respect to, are we going to enforce things? We have 78 enforcement orders that were put in place since April of last year. We're doing that.

But our first and foremost goal when anybody enters, and always was, has been for decades — it was done a little differently prior to the new regulations — is if there's an opportunity to work with the individuals in the network to permit and control and organize the drainage that's coming out of that network, we'll always take that opportunity prior to just arbitrarily closing drainage works throughout the province.

There's times, and there's 78 of them since April of 2016, that we've had to close those networks or provide the enforcement that you have asked for. But there's also many, many times where we are able to work with individuals and grant approvals for well-organized, responsible drainage works.

Ms. Sproule: — I'm hearing from producers that have filed complaints that they're now being threatened with expropriation from the same individuals who have been illegally draining onto them, saying that they can get land control from these flooded producers if they form a C & D [conservation and development area authority] or conservation development authority. Will the government support a landowner's right to say no and deny the formation of C & Ds who seek to obtain land control in this way?

Hon. Mr. Moe: — Yes, I believe what's being referred there is

with respect to either a watershed association or a conservation development authority that has been formed with the . . . And then that Act came in in the 1950s. They can be formed on a 66 per cent or greater landowner majority.

Once they're formed they have a certain suite of powers if you will, and one of those powers is not to actually expropriate land but it's to expropriate the easement, or access for a necessary — or what's deemed by the majority to be a necessary — access to keep conservation and development authority works open. That's been there for six and a half decades now, those laws, and I think that's what he's referring to. So there's no plans to change that Act in the immediate term.

Ms. Sproule: — I think you're missing the point here, Mr. Minister. The issue here is that the landowner is being illegally flooded and the people who are flooding him are saying they are going to form a C & D, and then they will seek to expropriate that flooded land, even though it's illegally flooded. Would you support a landowner's right to say no, and deny the formation of that new C & D if they're trying to obtain land control in this way?

Hon. Mr. Moe: — I'm just a little bit at . . . I find it difficult to just comment on, without knowing all of the information with respect to this particular individual. And if you want to advocate on their behalf, you're more than . . . You know, I'd encourage you to bring it to our office. Quite frankly, if it's as severe as is indicated, it's probably somewhere in the water security system already being dealt with.

So there's a number of policies and procedures that are followed through this. You know, at the end of the day the conservation and development authority Act has been around for decades. It's worked quite well, I think, for that length of time. With respect to, you know, trying to make a judgment call right here on what I would do, with respect to just a brief overview that you've provided me, I don't feel that I should be expected to do that.

But I would encourage you to bring that particular case, and if they are working on a C & D, the petitions will be out from the Water Security Agency already. And we're probably quite familiar with all of the information involved with that particular case, or any others that you may have because I know there's a number of them that we're working on at the moment, 12 large networks as we speak.

Ms. Sproule: — I just want to go back to Dry Lake as we talked about it earlier. You had indicated there's 18,000 acres that are in the area that's being created or formed in this new association. And I think you indicated that there's 55 acres that are retained wetlands. Am I correct there?

Hon. Mr. Moe: — There's 55 acres that are retained as part of the drainage network. There's in excess of another 1,000 that are not drained within the network from my understanding.

Ms. Sproule: — All right. Can you explain to me how from a flood, or water quality and habitat loss perspective, you deemed the mitigation to be sufficient?

Hon. Mr. Moe: — So with respect to the water quality coming out of that particular system, what that system does when it . . . involvement of those 30 gates — and again I apologize; I had mentioned 20 gates earlier tonight — but reduces the flow on average out of that system to a 1 in 2 year flow. With that lower flow coming out of that system lowers the erosion rate, you know, whether it be soil erosion or the pace at which the water comes off the land in that particular system, which ultimately lowers the . . . doesn't degrade the water quality going into the systems because of the lower water flow that's coming out of that particular system.

With respect to the wetlands in this particular system, there was wetlands that were incorporated into, and holdback areas that were incorporated into the system itself, as well as in excess of a thousand acres of wetlands that wasn't drained throughout the particular system. So that is what it is, quite frankly, is there's still wetlands remaining within the system.

But there was a desire in this case, through a local organization, 73 landowners, to band together and utilize what is a much simpler and more streamlined provincial set of regulations, to utilize that to ensure that they're able to move some water off of their properties to ensure their agricultural practices — not just this year, but have it permitted so that they can ensure that they have access to that land in years to come.

Ms. Sproule: — I think the question though is, how did you decide that that amount was sufficient? Did you use a rubric or some sort of metric like your CLEAT [Crown land ecological assessment tool] assessment or, how did you determine that that amount was sufficient? It shouldn't have been more, or maybe it was too much? Like was there any sort of thought that went into whether that was sufficient or not or, you know, that maybe they should have had another 2,000 acres that should have been retained?

Hon. Mr. Moe: — The rough principles that were talked about . . . And this isn't policy, but some of the rough conversations that did occur with respect to this particular approval with respect to not moving water out of wetlands that were larger than 10 acres, and roughly being within that 10 per cent area of wetlands in the system. So that was the conversation that were part of this particular approval. Those aren't standard policy or operating policy of the Government of Saskatchewan or Water Security Agency, but those are the conversations that were looked at with respect to this Dry Lake approval.

Ms. Sproule: — And where did those principles come from, in theory?

Hon. Mr. Moe: — As we said at the outset, this is a pilot project that was embarked on and this came about through discussions with the individuals involved.

Ms. Sproule: — So basically they were negotiated?

Hon. Mr. Moe: — It wasn't negotiated. It was a proposal that was put forward, and then, you know, they loosely looked at it as they went through the process, from both the landowner's side, as well as from the Water Security Agency side.

Ms. Sproule: — So these principles of not moving water out of

bodies larger than 10 acres and retaining 10 per cent wetlands in the system, those principles are WSA principles? Or are they . . . where did they come from?

Hon. Mr. Moe: — Like I said, this particular case was a pilot so this is something that was put out there from WSA and it was looked at as it went through this pilot program. And you know, as we move forward with respect to other networks across the province there'll be, you know considerable conversations that will happen with respect to this.

I think this again speaks to the importance as we move forward to the appointment of an advisory board on future regulations and policies within Water Security Agency, an advisory board with those individuals from across the province that have an interest in ag water, in our ag water management strategy here in the province of Saskatchewan, you know, people or individuals representative of conservation groups, of municipal groups, as well as from the agricultural community, to work with WSA on our policy, on our regulations, and potentially legislation as we move forward.

That's how we got to the ag water management strategy was through a number of online consultations, in-person consultations, and the Minister of Agriculture and myself got us to this point. But I think as we move forward, we need that continued consultation, if you will, and I feel that the best way to do that is to appoint an official advisory group representative. We'll have representation from those three — municipal, conservation, and agricultural — sectors to help with things just like this as we move forward with official policies in ag water management in the province of Saskatchewan.

Ms. Sproule: — Can you tell the committee what specifically WSA is requiring those producers in the pilot project to do to mitigate for flooding, impacts to water quality, and loss of habitat?

Hon. Mr. Moe: — Specific . . . Again and this just gets back to how you control the water coming out of these systems is through those gated structures that are installed, quite often brought up either to a natural spill point or even higher in some cases, so that when you let water go below that natural spill point, you have an operating permit to do so. And you're able to do that when the outlet can handle it. You're able to do that in a controlled fashion to limit erosion, limit the quality . . . keep the quality of water as pure as possible going into, ultimately, the adequate outlet, whatever that may be — a lake, river, or stream — in the province.

In this particular pilot project, we worked on this 10 per cent of wetland restoration or retention as well as not looking at draining those water bodies that were larger than 10 acres. As we move forward, we would look to that water advisory group that we will be moving on in the near future as to, you know, what those policies may be in certain areas of the province.

This is a very different animal. And I think, you know, one of the members in the municipal community summed it up very well. When you talk about water, if you bring 100 people in the room, you'll have 50 per cent that are for, you know, moving massive amounts of water, and you'll have 50 people that don't move any water. And it's a very divisive topic.

It's also very different across the province, whether you're in, you know, out in southeast of Regina; in maybe in the Moosomin area, out east of Regina; and north, up into the Yorkton area, up the northern side. I think of some of the C & Ds up in the Carrot River area and over into the area where I live in the Shellbrook, Rosthern, Spiritwood area, which is different again as we have, you know, an outlet in that area being the Saskatchewan River, but sometimes it's hard to get to as it's a little more rolling topography.

So each area is a little different. And that's why you need that local input through whether it's the conservation and development authorities, which we talked about earlier in the case of the Dry Lake, where they installed these gates to lessen the erosion and ensure a good water quality going into the adequate outlet, reduced the flow to a 1 in 2 year flow and, in this particular case, have used as guidelines this 10 per cent wetland retention as well as keeping those 10-acre and larger sloughs. But again as we move forward, the advisory board, we would, you know, look to consulting with them on what our policies should be across the province or in certain areas of the province on all of those topics.

Ms. Sproule: — Yes, the question was about what specifically was happening in the Dry Lake, but I know we got in to the topography of your home area.

You have mentioned quite often the idea of gating something to a natural spill point. How do you determine where the natural high-water mark is on those particular water bodies?

Hon. Mr. Moe: — The identification of spill points and high-water marks and natural spill points, that's what the Water Security Agency and others in this industry are able to do. Whether it's combining information from historical maps that are available to the public and to the Water Security Agency and you combine that with field inspections of certain fields, although in many cases there may be a works already in place. This is what Water Security Agency is able to do, is to identify high-water marks and spill points and then fill . . . As you construct your drainage works, that's the natural target, is to bring it back at least to that natural spill point. And anything below that would be covered through the operational permit that you would have with however many others are involved with that.

Ms. Sproule: — Are you suggesting then that a natural spill point is an absolute point that can be fixated for all points in time? Like, don't they move up and down as the hydrology cycles change?

Hon. Mr. Moe: — Not a spill point. It wouldn't, no. Spill point would be where the water spills out of that particular wetland or slough or whatever it might be.

Ms. Sproule: — Okay. So in the case of the Quill lakes, we know that there was a spill point 80 years ago, that now with the creation of roads and railways and different points, or different obstruction techniques, that the actual spill point has changed over time because of human interference. So are you saying there's no accounting for human activity in the determination of these natural spill points?

[22:15]

Hon. Mr. Moe: — I'm not sure what year you're referencing with respect to the spill point in the Quills. But the spill point there now is 521.47. That's been the historic spill point that Water Security Agency has had since we've been involved in this particular project. That spill point is east of Nokomis, out in that area.

Ms. Sproule: — The one I'm referring to is, I believe from the 1920s, through written historical accounts of the area. But in general, I guess my question is, when do you account for human activity when establishing natural spill points? Do you just use the records you have? Or you know, what impact do roadways, railways, human intervention, where there's silting and flooding and additional draining that causes erosion, how do you know that then that's a natural spill point?

Hon. Mr. Moe: — So understanding, and this may be again a little broader than just specific to the Quills, you know, when roads are built — whether they be in RMs [rural municipality], highways, whatever that may be — and there's water involved, Water Security Agency is quite involved. And always the effort is to . . . And those natural flows . . . And we've seen this over the last number of years with, you know, large culvert replacement of bridge areas and whatnot, but with natural flows, is to not impede the natural flow of water. And so that's the goal in the construction of many of our works.

Now in saying that, you know, with the construction of towns and cities over a period of time and roads previous to really making that effort to not impede the natural flow of water, there may be instances where we have human activity — roads and towns and such — that are changing the flow of our water to some degree, and that's . . . In the case of our ag water management strategy, that's the effort where we want to use that natural spill point as our base, and anything below that, we're able to control and organize.

But in years past, there's been construction of different things that may have held up some water. Maybe it wasn't considered in the particular year of construction, for example. Things were constructed in drier years, and we've experienced a number of wet years in a row that have changed, you know, now we have water spilling in areas where, you know, not normally in recent history we can recall that. So there's a lot that changes when we have 6, 8, 10 very, very moist years or wet years in a row coincided with a bunch of runoff.

So the goal is, with those human activities, to not impede the natural flow of water. But in some cases that may be, and we work with what we have at that point in time. From the ag water management strategy, we're pretty confident in most cases that we can get a pretty good feel of where the high water level points are for the most part, and what that spill level point is, and bring that back to that. And then anything below that would require the permit through the new regulations.

Ms. Sproule: — Going back to mitigation, we know the Ministry of Environment has developed and has been using mitigation guidelines for wetland loss for some time now, so specifically wetland loss. Are these guidelines being used by the Water Security Agency?

Hon. Mr. Moe: — With respect to wetland replacement, similar to what the Ministry of the Environment is looking at, was different industrial activities, things like the bypass and such. The Water Security Agency has . . . As we said, we're just in the infancy, if you will, of these new regulations and working with individuals to actually permit and organize structures in the province of Saskatchewan.

As we work with them we'll . . . We talked about in the Dry Lake, some of the parameters and guidelines we used there. Those didn't necessarily come from the Ministry of Environment. We haven't adopted what the Ministry of the Environment is doing in their industrial or other situations that they have.

But as we move forward, and I think I mentioned this, we will have that advisory group. We will call on individuals to represent the conservation, the municipal, and the agricultural sector on that advisory group, and we'll look to them for advice on a number of different policy topics as we move forward. And wetlands policy would be part of that.

In the interim, like I said, we utilize this particular discussion that we had with respect to Dry Lake.

Ms. Sproule: — So you're not using the mitigation guidelines that your ministry uses for the industrial developments in Water Security Agency activities?

Hon. Mr. Moe: — We didn't in the pilot projects, and it's not to say we will or won't in the future. What we will do is, you know, bring conversations like that up with the advisory board. And any policy that we would write with respect to wetlands mitigation in the future would be something that we would broach that advisory board with as to their input on what it should or shouldn't be.

Ms. Sproule: — Who's going to be on the advisory board?

Hon. Mr. Moe: — As I said, we don't have the final membership down, but there will be representation from the municipal sector, from the agricultural sector, as well as the conservation sector on that board. Those are, quite frankly . . . you know, we'd look to a certain segment of groups of the groups that we consulted with. I think we consulted with 15 groups in the lead-up to the ag water management strategy that's got us to where we are. And we'd sit down and go through a selection of those groups to likely or possibly others to sit on that particular advisory board into the future.

Ms. Sproule: — Is there any reason we could see why the mitigation guidelines would not be used by the Water Security Agency in the future?

Hon. Mr. Moe: — If the advisory board was, you know, very supportive of moving in that direction, I think it's something that probably any government in Saskatchewan would consider. But we would . . . I won't preclude what they may or may not, what they may or may not discuss or recommend.

Ms. Sproule: — But you ultimately are responsible for retention of wetlands as the Government of Saskatchewan, so would you not just direct the advisory board to adopt those

guidelines? If they're good enough for industry, why wouldn't they be good enough for the other groups in Saskatchewan?

Hon. Mr. Moe: — Each industry is different and that includes agriculture. And what we're trying to do in agriculture, with our permitting and organizing of our ag water management strategy here in the province of Saskatchewan, is quite broad across the province. It's quite different, as we talked about, in different regions of the province. Different than, for instance, the footprint of a mining site or, you know, a specific industrial activity. Agriculture . . . It's not uncommon to have, you know, agriculture producers with 2, 3, 5,000, 10,000, even 20,000 acres that they pass over over time, which is a lot larger and broader area than most industrial sites.

So that's something, I think, we would look to that sector for guidance on with respect to things like wetland management. Things, you know, such as what we'd do with respect to infilling of certain small depressions that we have, you know, how we'd do that. Do we do that? Things like those same small depressions, you know, is there reasons to treat those differently than, say, a 2- or 3-acre wetland that's looking at being moved? Is there reasons to treat that 2- or 3-acre wetland differently if it's being moved off your property into a stream and away, as opposed to maybe consolidating it with another 2- or 3-acre wetland on your . . .

So those are all things that we've had different discussions about in the lead-up with our stakeholders, internally within Water Security Agency. And I think we would look to get the stakeholders in the room and as part of this advisory process or advisory board process, and not preclude what they may or may not come up with at the end of the day. So the long answer to a short question is, what we're doing in the ag water management strategy is somewhat different than what Environment is doing with their industrial sites.

Ms. Sproule: — Often conservation development authorities are formed for a number of reasons, but primarily is to promote drainage and wetland loss, generally to move water out of the area. Now that is kind of in direct conflict with Water Security Agency's mission, which includes reducing flood and drought damage, protecting aquatic habitat, and protecting drinking water supplies from the source to the tap. How do you reconcile those two things?

Hon. Mr. Moe: — So with respect to C & Ds, I think they're . . . they've been around a number of decades, quite frankly, and my experience with most of the C & Ds — and I would say all, I'm not aware of one that I don't have this experience with; I'm sure there is one — but is that they are advocates of responsible water movement in the province of Saskatchewan.

They're the groups that have formed legal entities. They're organized. They're very early adopters of controlling water through different gating systems, working together to ensure that that water isn't flowing too fast. And although they're moving water off or bringing it together so that they can farm property, it would be my experience that they've been doing that in a very responsible manner for years. And I think the formation of that type of organizations is something that we encourage, as they are in our opinion responsible water managers in their particular regions.

I don't know what else to say to that. They've been around for decades and been successful for that reason. They enhance, I think, the benefits that we can get from agriculture. I think they preserve wetlands in many cases through their systems. And we talked about the joint system in Dry Lake and the wetlands that are in that particular area and that plays out in a number of C & Ds across the place.

And I think they also are part of the other side of the conversation, if you will, of ag water management. Proper ag water management isn't shutting everything down and closing every ditch that is there. It's actually being able to control where that water goes when it goes into that system so that you can . . . and that system can actually take it at that particular point in time. That not only benefits the individuals that are maybe moving that land to farm it, but it also benefits those downstream, as you're able to hold that water while your creek or river or water body is at peak flow and then let it go when that subsides.

And it very much, I think, speaks to these conservation development authorities, groups of farmers getting together under these regulations and organizing and controlling their drainage, being part of the solution in the conversation that we have about downstream water management, you know, when that water's coming, how much. Agriculture, through these regulations, these responsible ag water management regulations, becomes part of the solution as opposed to some of the conversations that have happened over the last number of years where they've been viewed as potentially part of the issue for whatever degree ag water or rural water flowing into our systems may be.

The fact of doing nothing will get us into, in these wet years, quite frankly, a fill-and-spill situation. You used the example that the Quills spilled years ago or was full years ago. There probably wasn't near the drainage works in that area in that particular point in time which speaks to those . . . Those depressions just fill up. They spill at that high water mark, and the more water that comes it just uncontrollably spills.

In this instance, when we actually control the water we're able to have those basins empty quite often in the spring area — not every time — but have those basins empty and those gates closed and retain that water in the spring and then it let it go at a time when the creek is able to take it.

[22:30]

This is precisely what we do with our dams across the province. And I think everyone saw a news release where we dropped Rafferty-Alameda late this winter by 3 metres and are now retaining that water to control, you know . . . We were able to not dump water into the Souris River in that instance and try to hold that 3 metres worth of water back so that we're not dumping that water in and going right into ultimately Minot, North Dakota and back up into Manitoba.

And so we do that with our dams. And through the proper ag water management, responsible ag water management here in the province, the intent is to do that across the province of Saskatchewan. And we've started that. We have the single largest approval that we've had in the history of the province

with the Dry Lake project, working on an additional 160-plus thousand acres. And we'll continue to work on that in the days and weeks and months and years into the future.

The Chair: — Well thank you very much, Mr. Minister. You've been here for a long evening as well as committee members. So I thank the committee members for their questions and all the officials for being here this evening. It's just past 10:30, the time for adjournment. I will give the minister a chance to say some final words if he so chooses.

Hon. Mr. Moe: — I'd just take a moment to again thank the committee members, and I'd also like to thank Ms. Sproule for her questions on topics that I know are important to her and important to a number of people across the province of Saskatchewan. And through her, I would ask her to extend my thanks as well to Ms. Rancourt who was here at the earlier part of the evening. Again, thank you and good evening.

The Chair: — Thank you very much, Mr. Minister, and officials for staying with us at this late hour. This committee stands adjourned to the call of the Chair.

[The committee adjourned at 22:32.]