



STANDING COMMITTEE ON THE ECONOMY

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STANDING COMMITTEE ON THE ECONOMY

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Regina Gardiner Park

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Mr. Bill Boyd
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Ms. Lori Carr
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Mr. Delbert Kirsch
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Ms. Laura Ross
Regina Rochdale

[The committee met at 18:58.]

The Chair: — Well good evening, everyone. This is the Economy Committee, as we all know. There are no substitutions this evening. I'll note we are starting early; we are very efficient tonight. We are starting at 6:58 p.m., I'll note for the record. And we are here for a mere three and a half hours this evening, considering estimates for the Ministry of Highways and Infrastructure as well as, I should also mention, the March supplementary estimates this evening.

**General Revenue Fund
Highways and Infrastructure
Vote 16**

Subvote (HI01)

The Chair: — Mr. Marit is here with his officials and we're going to begin consideration. I'll get to the script here. This is vote 16, Highways and Infrastructure, central management and services, subvote (HI01). So thank you very much for appearing before the committee tonight, Minister Marit and officials. I'll turn it over to you if you have any introductory remarks and would like to introduce your officials. The floor is yours.

Hon. Mr. Marit: — Thank you, Mr. Chair. And before I begin, I do want to introduce my officials that are here tonight. We have Blair Wagar who is deputy minister of Highways and Infrastructure; Tom Lees is behind me, deputy minister of operations division. Cathy Lynn Borbely is acting assistant deputy minister, planning and policy division. Miranda Carlberg is assistant deputy minister, design and innovation division. David Stearns is executive director, major projects unit, Regina bypass; and Wayne Gienow is executive director of corporate services division, Mr. Chairman. That is who is with me here tonight.

It's no secret — I do have an opening statement here — it's no secret that this has been a tough budget to prepare. And the provincial economy is still strong; however resource revenues are down, which challenges government's budgeting. We are now looking at a deficit in the neighbourhood of 1.2 billion for the fiscal year 2016-2017.

And as you know, government is committed to sound management and keeping our fiscal house in order. This year's provincial budget takes aggressive steps to achieve that goal. The budget features a combination of revenue generation, expenditure reduction, and transformational change initiatives intended to ensure government is living within its means.

At the same time, it's important to remember that there's a difference between the province's budget and Saskatchewan's economy. Despite government's revenue shortfall, I'm sure all the members of the committee agree there are many reasons to be positive in Saskatchewan right now. Both manufacturing and retail sales are up. Average weekly earnings saw the highest month-over-month growth among the province in December and are above \$1,000 a week for the first time in Saskatchewan's history.

And our population continues to grow. We've seen an increase

of 162,000 people over the last 10 years. This number represents the highest growth in any 10-year period over the last 84 years, since between 1922 and 1932. We led the nation in job creation in February, and there are more people working in Saskatchewan than any time in the province's history.

While we need to tighten our belts today, we also need to look at the future. We need to make strategic investments that will continue to grow this province. That's the context of this year's Highways and Infrastructure budget. This year's Highways and Infrastructure budget is \$1.1 billion. This includes 500 million for continued work on the Regina bypass and a capital construction budget of \$343 million.

This budget will allow us to continue to address the infrastructure deficit in rural Saskatchewan and make important safety improvements on the provincial highway system. It will also allow us to make targeted improvements to the transportation system in Saskatchewan's North. We'll continue to work on major projects that improve safety and respond to the growing traffic on our busiest highways. And we'll continue to partner with RMs [rural municipality] and urban municipalities with a focus on improving infrastructure that integrates the municipal and provincial road networks.

This is the second-largest highways and infrastructure budget in the province's history. It's the second year in a row that the highways budget exceeds \$1 billion. In fact, we've nearly tripled the transportation budget since this government came to office. This is a significant investment in these times of restraint and demonstrates our recognition of what transportation means to our province and our commitment to providing the infrastructure Saskatchewan deserves.

While this is the second-largest highways budget in history, it does represent about a \$50 million decrease from last year. On a percentage basis, that's pretty minor, but in real terms it means hard choices had to be made. When we have to cut spending, we try to make the cuts as invisible as possible to our customers who are the citizens of this province.

The first step we've taken is to identify about 3.8 million in operational and internal savings. We are reducing our on-road expenditures, both in terms of construction and preservation, by a total of about \$40 million this year. As you will see, however, we will be making significant improvements across the transportation system this year.

There is also a total of 3.5 million in reductions to our municipal programs. As well we are reducing funding to our area transportation planning committees by 25 per cent. These are not decisions we wanted to make, but they are decisions we had to make. Quite frankly, we need to watch what we spend until our revenues rebound.

Municipal roads for the economy program funding for this year will be \$14 million, a \$2 million reduction from last year. And funding for the urban highway connector program is down \$1 million to \$6.7 million. Despite the reduction, we will honour our operation and maintenance agreements with the urban municipalities.

Also we will be completing rehabilitation on Highway No. 4 at Swift Current, repaving the north service road on Highway 1 at Moose Jaw, and rehabbing the intersection on Highways 9 and 10 at Yorkton.

In addition to our program funding, we've made a \$500,000 reduction in the funding allocation to negotiate alternate truck haul agreements with municipalities and other partners. I want to assure you that we don't make spending cuts lightly.

The difficult decisions we've made in this year's budget are allowing us to move forward on some important work. North Saskatchewan remains an area of importance for our government. To highlight that importance, we've committed more than \$53 million to build, operate, and maintain highways and airports in northern Saskatchewan.

This work includes improvements to Highway 102 north of the junction with Highway 915 and the replacement of several bridges on Highway 165. Although we understand the fiscal parameters in which we must currently operate, our government appreciates that more work needs to be done to improve the transportation system in northern Saskatchewan.

While a growing province needs new infrastructure to accommodate more people and more traffic, it's important that we maintain the highways and roads we have in a sustainable manner. This year we'll repave about 300 kilometres of the provincial highway system. This includes some of our busiest highways, like Highway 9 north of Carlyle, Highway 11 near Lumsden, Highway 55 near Big River, Highway 12 near Blaine Lake, and Highway 21 near Glidden.

About 540 kilometres of highways will see light treatments this year, including Highway 1 near Moose Jaw, Highway 1 near Grenfell, Highway 1 near Maple Creek, Highway 2 near Weyakwin, Highway 3 near Kinistino, Highway 6 south of Regina, and Highway 11 near Osler, Highway 13 near Trossachs, and Highway 219 south of Saskatoon. This work restores the ride and fills in the cracks and the ruts.

Maintaining our bridges and culverts is also a very important work that we do. Worn-out bridges and culverts can present safety hazards and increase the risk of road closure due to flood damage. They can also make gaps in primary weight corridors if weight restrictions need to be put into place. This year we'll complete 25 bridge replacements, five major repair projects, and replace numerous culverts across the province.

Safety features prominently in everything we do at the Ministry of Highways and Infrastructure. As traffic volumes grow, we're always looking for opportunities to make our infrastructure safer. In all of our projects, whether they are repaving jobs or thin membrane surfaces, TMS upgrades, we look for opportunities to address safety concerns.

Over and above that, we will invest \$7 million to the safety improvement program this year. Examples of projects like this would be installing high-speed ramps at Kalium Road on Highway 1 near Belle Plaine, completing the traffic signals and turning lanes on Highway 6 through the Sherwood Industrial Park just north of Regina, and turning lane improvements on Highway 3 in the town of Shellbrook.

We will also undertake some projects to reduce the risk of flooding highways that are critical to the province. We are in the process now of building a grade raise on Highway 6 at Big Quill Lake. In recent years we have seen what can happen when the Trans-Canada Highway has to be closed for an extended period of time, so this year we will install larger culverts and berms near Wolseley. We will complete a drainage review so we can ensure we have enough culvert capacity at Indian Head.

When our government came to office, we inherited a large infrastructure deficit. We're going to continue attacking that deficit this year by improving 150 kilometres of rural highways. This includes highways like Highway No. 4 south of Cadillac, Highway 51 near Kelfield, Highway 80 north of Esterhazy, and Highway 322 north of Silton.

One of the challenges we've always had is TMS highways with low traffic volumes. Many of these roads are in bad condition and need to be fixed. Believe me, I know — a lot of them are in my constituency. For the last couple of years we've been experimenting with different fixes for these roads like upgrading them to supergrids or strengthening them with gravel and placing a lift of asphalt on top. These fixes may not last as long as full pavement, but they dramatically improve the road surface at a fraction of the cost.

In addition to rural highways, our government is pleased that funding is available to invest in rural airports. Funding will stay the same as last year's levels for the community airport partnership program, allowing us to continue to help rehabilitate and upgrade regional airports across the province on a cost-shared basis. As I said at the outset, our government is committed to keeping Saskatchewan's population and economy growing.

We have a number of major projects on the books for this year that respond to the congestions that an increased population has created, making the transportation system more efficient and improving safety. The Regina bypass is the largest transportation project in the province's history. It is also the first P3 [public-private partnership] in the province's history.

There are 95 Saskatchewan businesses contributing to the project, and in fact more than 70 per cent of the businesses engaged on the project are Saskatchewan-based or have significant Saskatchewan operations. And I am pleased to say it's on time and on budget. Overall, the project is more than 40 per cent complete, and that's in just one full year of construction.

This fall, phase 1 of the project will be open to the traffic. This includes the new overpasses at Balgonie, White City, and Victoria Avenue near Tower Road, and full repaving of the existing No. 1 Highway from Balgonie to Regina will be finished.

Regina is not the only place where we will be making major investments. Last year we announced a design-build project to install new overpasses at Warman and Martensville. Design work is largely complete and construction has begun in earnest. Last year we opened new twinned highways on Highway 16 and Highway 7, east and west of Saskatoon.

This year we will continue to work on twinning Highway 39 from Estevan to Bienfait, and begin work on twinning Highway 7 from Vanscoy to Delisle. We will also begin construction on two sets of passing lanes on Highway 5 near Humboldt. With safety in mind, we are also undertaking planning work for future improvements, including a combination of twinning and passing lanes on Highway 6 and 39 between Regina and Estevan; passing lanes on Highway 4, north of North Battleford; and passing lanes on Highway 7 from Rosetown to the Alberta border.

As members know, legislation has been introduced to wind down the Saskatchewan Grain Car Corporation. SGCC [Saskatchewan Grain Car Corporation] was established in 1979 to address the capacity crisis in the grain handling and transportation systems because major international grain sales had been lost. In response, the Government of Saskatchewan purchased 1,000 hopper cars to move cars to market, 900 of which are still in service. Today those cars are nearing the end of their life service, leaving us with two choices: either we plan to replace the fleet over the next 14 years at an estimated cost of \$100 million, or we sell the cars while they still have some commercial value.

There were good reasons for the government to get into the grain car business back in the '70s, but times have changed and we're in a much different place. Quite frankly, while more work is needed, we believe the grain handling and transportation system is well positioned to meet the transportation needs of Saskatchewan producers. As a result, we will be selling the fleet.

There's already interest in our fleet, and we expect a sale to occur this budget year.

[19:15]

By winding down the Grain Car Corporation, we'll also be eliminating the shortline rail sustainability program. For shortline operators, I know this is not welcome news; however, as the Premier and Minister of Finance have repeated over the past several months, difficult decisions needed to be made, given our current financial realities. And this is certainly one of those very difficult decisions. While the program is being eliminated, we wanted to continue to work with our provincial shortlines to investigate opportunities for federal funding in the future.

As I mentioned at the beginning of my remarks, this year's highways and infrastructure budget is \$1.1 billion. This is the second year in a row that the budget has exceeded \$1 billion. Even with financial challenges our provincial economy is facing, we are pleased to bring forward the second-largest highways budget in Saskatchewan's history. This year's budget will allow us to continue our work of improving safety and responding to growing traffic on our province's busiest highways.

It will also enable us to carry on the important work of addressing the infrastructure deficit in rural Saskatchewan. Rural and urban areas are represented along with northern Saskatchewan. At the heart of it all is a commitment to safety and economic growth.

Not everyone is receiving everything they wanted out of this highways and infrastructure budget. However, given the difficult decisions that we were forced to make and the fiscal climate within which we are operating, I believe this budget is good news for the people of Saskatchewan.

We understand there is still more work to be done, but this is a good start. Thank you. I'd now be pleased to answer any questions.

The Chair: — Thank you very much, Mr. Minister, for that overview of the work being planned for this upcoming budget year here in our province. As you mentioned, I'll now turn it over to committee members who may have some questions for you. I recognize Mr. Belanger.

Mr. Belanger: — Thank you very much, Mr. Chair. I'm pleased to join the minister this evening, and welcome to your officials. We have three and a half hours, so we'll try and make it as interesting as we can.

The areas I want to focus on over the course of the next three and a half hours . . . Well certainly as I've done time and time again, we've indicated to the minister and his officials, you know, the issues that we want to speak about because we obviously want them to prepare for some of the questions we have.

The first segment of my overview of the budget will deal with really the actual budget itself. And there's a number of other issues that we want to talk about, in particular the federal partnership as it relates to the railcar option, northern commitments. We're obviously going to be talking about the bypass as well and a few other things as well that we want to touch base on. So I share that with the minister.

But before I start, I want to say that the first part of my presentation or discussion is going to be around the notion of the actual budget itself. But before I do that, I wasn't noting . . . I was reading from my files here, but I wanted to note my math wasn't all that great. But on the Regina bypass, what does that constitute as the percentage of your budget? I didn't hear your numbers: this year alone, this year's budget.

Hon. Mr. Marit: — It's about 45 per cent.

Mr. Belanger: — So 45 per cent of your budget is committed to the Regina bypass? I just want to confirm that. That's where the spending for this year's budget is at?

Hon. Mr. Marit: — Yes.

Mr. Belanger: — Okay. Duly noted. And I think it's important to note, Mr. Chair, that 45 per cent of this year's budget for highways is on the Regina bypass, so we'll be spending some time on the bypass overall. And just for the sake of brevity, I'll be just referring to the bypass, but for the record, it's really the Regina bypass that we're speaking of. So that's just . . . instead of repeating it over and over again, that's the bypass we're making reference to.

But while I'm on my . . . the opportunity to say that, as you probably are aware, Mr. Minister, Highways has always been a

very challenging department to manage. There is a lot of expectations as well. And certainly over the years, it's been certainly a funding challenge for any government, and having the opportunity to sit here and going through the budget is something that I think is very valuable.

I do want to recognize that there are a number of groups and organizations that are watching the proceedings tonight. One of them is the Why Tower Road? group. Obviously you probably are aware that these gentlemen and a couple of other folks as well have been really paying attention to the why Tower Road argument and the bypass project overall. And I must say that they put a lot of effort, they've put a lot of research . . . I think one of the figures that was quoted in the media, and certainly personally to myself, was something like 20,000 hours of research have gone into some of the issues that surround the Regina bypass project.

So these are something that, you know, I want to recognize. These are some of the groups that I want to recognize that have really had a lot of their time, their free time, to put together very, very compelling and very intelligent presentations on why Tower Road and certainly the challenges that they see and perceive with the route and of course the cost attached to the bypass.

But before we get into that — I'll probably hit that within the next 45 minutes or so — I want to go through the actual budget document itself. And we notice from the 2017-2018 highways budget that we've had roughly a \$47 million decrease, or roughly 4 per cent. And I want to kind of go through some of the cuts specifically, and if you can give me the answers, we certainly would appreciate that as well.

So I notice under the strategic municipal infrastructure there's a \$3.5 million cut. It says 2 million from municipal roads. I'm just wondering if you can give me some of the details on that. There's also a \$500,000 cut from the strategic partnership programs, if you can give me details on that. And certainly the interest of a couple of my colleagues on the urban connectors program, we see \$1 million has also been taken from that particular strategic infrastructure fund that was in place. Could you give me details around those three items: the 2 million from municipal roads, 500 from the strategic partnership program, and the \$1 million from the urban connectors program.

Hon. Mr. Marit: — Thanks for the question. As I said in my opening comments, that we did cut what was the MREP [municipal roads for the economy program] program by 2 million. Last year it got 16 million; I think this year it's getting 14 million.

We've had some discussions with SARM [Saskatchewan Association of Rural Municipalities]. That would just be the projects . . . They'll just decide what projects, along with the Ministry of Highways, what projects will get done. They rate the projects. There's a committee that goes through all the applications, and then they rate them. And then they'll be letting those municipalities know which projects will be funded out of that.

There's also the maintenance under the MREP. There's maintenance for what they call the Clearing the Path corridors.

Then there's also some bridge funding in there too, to replacement of bridges and culverts end of the MREP program.

Under the urban highway connector program, we'll be honouring all those agreements that we have now with the urban under this year's budget, on this 6 . . . roughly a little over \$6 million. It was cut \$1 million.

And on the partnership program, those were like alternate truck routes in communities, and working with communities, and maybe even some road transfer things. So that program got cut by half a million.

Mr. Belanger: — So when you indicate that a committee will be working with the municipalities to determine which of the municipal roads would get prioritized based on the formula and so on and so forth, who makes up the committee that makes these decisions or recommendations to yourself as a minister?

Hon. Mr. Marit: — The committee for the MREP consists of SARM and Ministry of Highways. I just need clarification on one other. Hang on. I just wanted to get the number. It's five SARM and three from the Ministry of Highways that go through the applications and rate them and rank them that way.

Mr. Belanger: — So I'm to understand that when you look at the strategic infrastructure project that's losing three and a half million dollars, \$1 million is coming from the urban connectors program.

Hon. Mr. Marit: — Yes.

Mr. Belanger: — Which I'm assuming are the urban . . . Is it the towns and villages?

Hon. Mr. Marit: — No. That's mostly cities.

Mr. Belanger: — Mostly cities?

Hon. Mr. Marit: — Yes.

Mr. Belanger: — So three ministry officials and five from SARM make a decision? Or is SUMA [Saskatchewan Urban Municipalities Association] involved in that as well?

Hon. Mr. Marit: — I just need clarification on that one. The cities make their application, but they're only evaluated by the Ministry of Highways for the urban highway connector program.

Mr. Belanger: — Okay. So the municipal roads — five SARM, three from Highways — and the \$1 million of the \$6 million, urban connectors, they have a separate relationship with the cities and the Ministry of Highways. Is that correct?

Hon. Mr. Marit: — That's happening. Yes.

Mr. Belanger: — The other issue on the operation of the transportation system, the \$4 million cut. When you say operational services, what are some of the details of that?

Hon. Mr. Marit: — Okay, on the operational side it would have been . . . They range in a few services: pavement

markings, signing, lighting, mowing, snow and ice control, and ferry and provincial airport operations. So things like that, there was some reductions. That's kind of what was included in that.

Mr. Belanger: — We also notice under the actual budget itself that there was a \$28.4 million cut from surface preservation. I'm just going through the budget itself. Could you give me some of the details around which areas would be impacted by the surface preservation?

Hon. Mr. Marit: — Okay. It was 18.4 million in light treatments, 6.3 million in crack sealing, and 1 million in consulting, is where the reductions were.

Mr. Belanger: — I'm sorry, I missed the first one.

Hon. Mr. Marit: — 18.4.

Mr. Belanger: — And what is that, sorry?

Hon. Mr. Marit: — In light treatments, I believe.

Mr. Belanger: — The other part of the cuts that we notice is around infrastructure and equipment capital, that looked at an \$11.7 million cut. I'm just going down through the cuts, and there's actually some confusing information here . . . [inaudible]. Obviously there's a bit of funding for airports and ferries, yet under this particular section it talks about cuts in general. So the questions are confusing, the information is a bit confusing as well, so I'll try my best to unconfuse the process here.

[19:30]

But under infrastructure and equipment capital, it says \$11.7 million cut. That's what the document reads. It says, 1 million new funding for airports and ferries. What are the details behind that? Like is that federal money or is that all provincial?

Hon. Mr. Marit: — It's all provincial.

Mr. Belanger: — Okay. And where's the increase going? Like what's the increase attributed to? Are you upgrading the ferry services? Are there longer hours? I just need the specifics.

Hon. Mr. Marit: — It's a northern airport. We're just trying to find the details.

The \$1 million will be doing geotechnical in summer and fall of 2017 on Pinehouse and Patuanak airports. That's where that money will be going.

Mr. Belanger: — Can we talk about Patuanak and Pinehouse airport upgrading, like what is being done? Is there a plan or is there a phase-in approach to providing . . . I'm assuming that it's going to be pavement to some of those airports. Is that ultimately the plan?

Hon. Mr. Marit: — Well that's what we're hoping what the geotechnical is going to provide for us, is what we're going to have to do to get to that level.

Mr. Belanger: — Under the infrastructure and equipment

capital, the 11.7 million, there's also a \$5 million cut for the infrastructure enhancements. What are the details on that particular segment of your budget?

Hon. Mr. Marit: — It's a combination of rural highway upgrades, but there's some projects that were carried over and then completed. So this year that's kind of where that's coming from.

Mr. Belanger: — So the \$5 million is really a carry-over from last year that was completed, and it just was spent this year? Is that correct?

Hon. Mr. Marit: — So really what it is, is just different types of projects. Like last year if we'd of did 10 of them, this year we're doing nine of them. So that's where you're seeing the reduction in those dollars.

Mr. Belanger: — All right. And 3.5 million out from the accommodation capital, what would you make reference to as accommodation capital? Like what are we losing there?

Hon. Mr. Marit: — Yes, what that is, is building upgrades that we've just deferred for one year.

Mr. Belanger: — Okay. So when you defer them for a year, is that assured that some of the accommodation capital will be done next year for certain, like they are the priority for next year? When you say defer, we're not talking about deferring it till next year and maybe or maybe they won't get done. Is it for certain that if they're being deferred for a year that that's the priority for next year around the spending for accommodation capital?

Hon. Mr. Marit: — Guess that just kind of . . . It'll be the same process as it was this year. Depend on the priorities, depends on the budget, and whether we can honour those commitments or what we'll be able to end up doing.

Mr. Belanger: — Okay. So I just want to make certain that we understood that. Because they're deferred till next year, it doesn't necessarily mean that they would receive heavy priority next year. They get thrown in the mix with all the other projects.

Hon. Mr. Marit: — Yes, because there still is some capital in there, so we'll have to . . . It'll depend on the priority of the needs, of what we're going to need.

Mr. Belanger: — Finally under this particular section of your budget, \$4.3 million cut from machinery and equipment. Could you give me details on that?

Hon. Mr. Marit: — Yes, we've just deferred or delayed any purchasing of any new equipment or trucks this year. The fleet is reasonably very solid.

Mr. Belanger: — So in essence then, you had budgeted 4.3 million and you said, well we're not going to buy anything new. So that would be considered a reduction in your department?

Hon. Mr. Marit: — That's right. In one year, yes.

Mr. Belanger: — Under the FTEs [full-time equivalent] we noticed that there was a reduction of 13 full-time equivalents. And just a question, you know: which branch were these positions eliminated, which areas? And obviously this was a result of restraint measures, and how were the determination of which FTEs would be let go?

Hon. Mr. Marit: — I'll direct this to the deputy minister.

Mr. Wagar: — Thanks very much. It's Blair Wagar, deputy minister with the Ministry of Highways and Infrastructure. Overall a net 13 FTE reduction, as you mentioned. We ended up having three FTE flow in with the Grain Car Corporation being wound down, so . . . Sorry, netted out 13; 16 overall.

The positions that we looked at, again some fairly difficult decisions in terms of where we focused. We do have a strategic plan that allows us to kind of look forward in terms of where some of our priorities on a go-forward basis, so some of that was taken into consideration.

We looked at different areas that we wanted to make some changes. For the most part, we were able to look at positions that were vacant. So the impact on actual people, there was about four positions with five people impacted because one FTE was a 50/50 shared split. So five people that were ultimately impacted. The position areas were in the admin area as well as the program area as well as one planning area, infrastructure planning.

Mr. Belanger: — Okay. Thank you. Thank you very much. Now I'm just going to shift my gears into the capital projects. We've just got in front of us a press release issued by the Government of Saskatchewan. So before I get into that, where there are some specific commitments made to some specific highways, I just want to talk about the capital projects that you've undertaken. And I notice that in the media that there were some announcements at the Warman overpass and also at the Martensville project as well. The project includes an overpass in each of the communities for a cost of 60.6 million. And correct me if these figures are wrong. But how much is flowing to this project this year for both the Warman and the Martensville overpass?

Hon. Mr. Marit: — It's 26.6 budgeted for this year, but we're quite hopeful more is going to get done. I know I was up for the opening and talking to the contractors, and they're very confident more work is going to get done this year.

Mr. Belanger: — Okay. And just to clarify, how much for each of the partners? Because I'm understanding that this is a joint project with the federal government. So which are each of the parties contributing to which project, and what are the amounts dedicated to each of these projects?

Hon. Mr. Marit: — It was tendered as one project, and the federal contribution is up to 32 million.

Mr. Belanger: — And that 32 million, like I'm just trying to understand. There is an overpass both for Warman and Martensville and is the project itself . . . For both projects it totalled 60 million, and of that, 30 million is coming from the province. So each of the overpasses cost \$30 million each, is

that correct? I just want to clarify that.

Hon. Mr. Marit: — The total project was just over 69 million. But the federal government doesn't recognize land acquisitions and engineering and design and that type of thing, so they only do the actual or share only the tender work itself, which came in at just over 60 million for the two. And it's a combined project, it went out as one tender and that's how it was bid out and spec'd out.

Mr. Belanger: — And with both of them, could you break down what the total amount of kilometres for each of the projects will be?

[19:45]

Hon. Mr. Marit: — We all know the purpose of these projects was really to mitigate safety, or to improve safety, and the concerns we had with the traffic volumes coming out of there. I think the daily count was in the neighbourhood of 12 to 14,000 vehicles per day at each overpass, or at each intersection. So we were very concerned about that.

The amount of kilometres isn't significant as what the bypasses are. And it's the construction around the, well, the new cities is what's really is important, is these bypasses. There is some realignment on No. 11 Highway, but I think in total, it's three or four kilometres there on realignment. But it's mostly the overpasses.

Mr. Belanger: — All right. And, again, you look at, these are some of the notes on the press release issued by the, you know, by your government. It talks about the overpass at Warman. It talks about the overpass at Martensville. It talks about the bypass, you know, the Regina bypass, and as well as the twinning and passing lanes on Highways 6 and 39, and passing lanes on Highway 5 between Saskatoon and Humboldt, which you spoke about at your introduction.

And further down in the press release, we talk about the highways 2020 plan, where you've indicated 25 or \$30 million in the first year of a three-year, \$70 million surge to fix more highways. And then you identified 25 million overall for upgrading and repaving of 252 kilometres. So then you identify the different highways that you're going to fix; so I guess I want to break down what these costs are.

So as I list some of the projects, can you indicate to me what the total cost of the project would be on each of the identified locations in your press release, as well as if there is joint funding for that particular specific project? And what is the scope of the project, like exactly what is being done and how many kilometres are being fixed?

So as an example I would use . . . Like while you overall indicated what you're going to be spending, it doesn't break down project by project. That's what I'm after, the project-by-project definitions. So for example, Highway 11 north of Davidson, the question I would ask is what is the total . . . [inaudible] . . . of that specific project? Is there any joint funding with the feds? If so, what is that joint funding agreement entail? And the final question is, what is the scope of the project, meaning what's being done and how many

kilometres are being repaired?

So there are, let's see 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 such projects identified in the press release — yours. And so I'll just start off with the Highway 11 north of Davidson. What are the total project costs? If there's any joint funding with the feds, what does that agreement entail? And what is the scope of that particular project?

Mr. Wagar: — Okay. In terms of the highway 2020 plan, would you like me to read through all the different projects that we have done right now, or speak specifically to the Highway 11 repaving north of Davidson?

Mr. Belanger: — Well if you have all the lists in front of you as I have, this is on your press release. If you can just go down to each of the . . . Like for example, Highway 11, Highway 1, Highway 21, if you can go down that list and explain the three questions that I have on each, that would be much the preferred route.

Mr. Wagar: — Sure. No, happy to. So starting with, we can actually start with Highway 1. So Highway 1, it's repaving near Belle Plaine. The length was about 20 kilometres, just slightly over 20 kilometres. The final cost was about \$4.6 million, and there's no federal funding associated with that. Okay.

Highway 1, it's a mill-and-fill with thin lift overlay just east of Gull Lake, about thirteen and a half kilometres. Just about \$600,000, just under \$600,000 in total, and again no federal funding.

I'll just say that there isn't any federal funding in any of these projects that we've done. These are all provincial funding. Highway 11, there's a repaving project there just north of Davidson. It's about, just under 35 kilometres. Sorry, that one hasn't been tendered yet, so I won't get into price, but that's about the size. Highway 13, it's a rut fill east of Assiniboia, about 25 kilometres and 1.2 million. Highway 15, rut fill east of Goodeve to Ituna, again just under 26 kilometres. This was \$650,000.

Highway 16 repaving near Maymont, actual length about 25 kilometres and 1.1 million, just over 1.1 million. Highway 19, rut fill north of Hodgeville, and actually in this one the seal portion will not be completed this year, so that one's still outstanding. Highway 21, rut fill and seal south of Highway 3. That one's complete, just under 18 kilometres at about 415,000. Highway 22, micro-surfacing west of Highway 35, about 18 kilometres, just under \$700,000 total. Highway 26 south of Turtleford, 20 kilometres at just over 1.2 million.

Highway 43, east of Vanguard, just under 25 kilometres and just under 1.2 million. And Highway 48, rut fill up to Highway 8 just east of Wawota, just under 23 kilometres and \$625,000. Highway 45, there's spot improvements there just south of Outlook, about 31 kilometres across. There were spot improvements done at just under \$700,000. Highway 58, regraveling south of Chaplin to Shamrock, about 36 kilometres at about 1.3, just under 1.3 million.

Of course Highway 220 and Highway 322, there was roto-mixing and dust treatment in around the Silton area. Just

over 22 kilometres altogether there, and just under a million dollars. And Highway 340, spot improvements north of Radisson to Hafford, just over 30 kilometres there, and just under \$900,000. And Highway 376, spot improvements north of Asquith to Maymont, just over 8 kilometres there at about a million dollars. And the last one is Highway 924, roto-mixing and dust treatment around Highway 55 to Dore Lake. There's about a 40 kilometre corridor there, and that corridor saw about \$600,000 worth of investment.

Mr. Belanger: — Okay. And just to clarify on some of these costs. I just want to make sure, when you say spot improvements, when you look at some of the stats and the figures or some of the kilometres, the distance in the figures that you've given me. As an example I would use Highway 43, junction of Highway 19, 31 kilometres, 700,000. What are you actually doing to that 700,000? Like is there a specific part of the highway that you're spending the money on, or is it kind of spread out, you know, to the whole highway itself? When you say spot improvements, what do you mean by that?

Mr. Wagar: — I can start, and then I might get some additional help. But each one of the projects that I listed — different treatments, different corridor lengths — so if you're looking to try to sort through what the average price per kilometre would be, you wouldn't be able to do that based on all the information that I gave you. You would have to look at each corridor on its own merits.

In some cases, just as you said, spot improvements, that would include us going in in over a 30 kilometre corridor range. We would go in and maybe only treat certain parts of that. Maybe a kilometre here, we would look at some spot improvements, and then, you know, another 4, 5, or 10 kilometres you would deal with other . . . You just deal with kind of the worst parts of the road corridor. And you just look at those particular spots and you bring them up to a safer standard.

Mr. Belanger: — Okay. And the other part of the press release spoke about rural highways, the TMS surface and other rural highways. You spoke about \$89 million in rural areas to maintain thin membrane surface highways, repair flood damages, and to incorporate safety improvements. So you're looking at 100 kilometres of rural highways to improve standards, safety, to some of the communities; as an example, you made mention of, Highway 322 north of Silton. Were all these improvements achieved and were the costs as expected? Or what's the update on some of these projects?

Hon. Mr. Marit: — Just looking at our numbers here, we actually ended up doing more rural highway upgrades than the number you just gave us. We ended up doing over 140 kilometres of rural highway upgrade. And the importance of that to us, I think that just brings into reality some of the issues we're having this year when we're even discussing with our municipal partners on the importance of our TMS network to them as communities, and how we can work together on bringing these upgrades. So we found significant tender savings, and that's why we were able to do a lot more kilometres than the number you have.

Mr. Belanger: — Okay. And then further down the press release you make reference to, again, 100 kilometres of rural

highway upgrades. Is this a repeat of what was actually said in the section before? Because again it goes back to 100 kilometres of rural highways, and then the second section it talks about repairing and upgrading highways, bridges, and culverts. So you kind of say that in one section, rural highways, you're going to be doing 100 kilometres, and then the next section, you repeat you're doing 100 kilometres of rural highways. Is that one and the same, or is there two separate initiatives attached to that? And I'm going by your press release here.

[20:00]

Hon. Mr. Marit: — Just for clarification, what you're reading there is from last year's, and that 100 kilometres is just the once. It's just 100 kilometres once for maintenance and upgrades.

Mr. Belanger: — But it's mentioned twice, so it's really one and the same. Okay. The 200 kilometre repaving, that wouldn't be part of the adding on 100 kilometres of rural highway upgrades as well to bump that number up to 200? Is that a totally separate initiative?

Hon. Mr. Marit: — Yes, that was separate, and we actually completed 280 kilometres.

Mr. Belanger: — Okay, and 400 kilometres of micro surfacing. What is micro surfacing and what does that cost, say on a per-kilometre basis?

Mr. Lees: — Tom Lees, ADM [assistant deputy minister] of the operations division. And your question on the micro surfacing is, what is it? So first of all, micro surfacing is a treatment where it's just a thin aggregate that we use to fill in the ruts. So if you picture a road that's got rutting which is 10 millimetres or greater, it would trigger what we call a medium treatment. So the micro surfacing really just fills in that rut, so it holds the water from ponding in the surface of the road and sheds the water off.

We can typically do two different things, where we do a rut fill in just the driving lane, in the wheel path themselves, and then we do a full seal coat over top. Sometimes if we don't have significant cracking, we will do what we call a full micro-pull, which is just doing a rut fill in the wheel paths as well as then doing a full micro over the whole top of the road to make it look black.

In terms of cost, they really vary on the thickness of the ruts, first and foremost, as well as whether we do the rut fill with a full seal or a full micro-overlay. But they can range anywhere from \$50,000 a kilometre to 125,000 a kilometre, depending on (a) what the design is, and what we're treating for.

Mr. Belanger: — Okay, and the other section . . . And I'll come back to the micro surfacing. Maybe you could explain to me, when you talk about 600 kilometres of sealing, how does it compare to micro surfacing and sealing? Like what is the difference between the two?

Mr. Lees: — So the difference between the two is when you're doing a full seal, which would be our light treatment program,

it's really triggering the cracking. So we use a thicker aggregate, and we bind it with an asphalt oil in order to preserve the water from going into the road. So that's when we've got significant cracking, but we don't have a rutting issue. Micro surfacing is a thinner aggregate that we use, and that is just to deal with the rutting components.

So when you think in terms of micro, it doesn't have the same ability to hold cracks from aggregating up and holding the water out. And that's why sometimes we use a light treatment, which would be a seal.

Mr. Belanger: — Okay. And I only served as minister of Highways for probably eight or nine months. It wasn't very long, so I didn't ask all the questions I wanted to ask. But one of the questions that disrupted me and I never did ask and always disturbed me but, you know, as you're travelling and you notice the fellows will put on a coat of oil — I'm assuming they're sealing it — and then they put gravel over that. And of course when people hit that gravel, you know, they throw rocks and whatnot. Is that the sealing process itself, where the gravel is embedded by the weight of the tires and the vehicle into the actual pavement? Is that constraint . . . or considered sealing?

Mr. Lees: — Sealing, yes. Absolutely, that's correct.

Mr. Belanger: — And then after a while, like I don't know how long it takes, then they come out and they sweep off the residual aggregate or gravel, right? Is that how it works?

Mr. Lees: — Yes. So they could do three to five sweeps, depending on the amount of aggregates that's there and the amount of traffic on that road. So they'll do the first sweep within hours of the application, and then they'll come back within 24 hours and 48 hours to do their second and third sweeps, just to get that extra aggregate that might slough off through the process.

Mr. Belanger: — We have the notion around the costs, as I mentioned. I don't know if we spoke about the general cost, like the average cost. You say there's different ways of assessing cost, whether it's a grooving issue or whether it's a crack issue. What are the range between micro surfacing and sealing in terms of the comparable costs?

Mr. Lees: — So as I had said earlier, really the cost per kilometre or the dollar per square metre is depictive on what type of treatment we're doing. So when you look at the three treatments — light, medium, and heavy program — the light treatments specifically are a less costly treatment, dollar per kilometre, and on average we can see it around \$50,000 per kilometre. But we have some seal projects that are higher than that if we're using a higher quality aggregate, a higher quality asphalt material that we use on some of our larger volume roads.

And then some of the seal that we do with our internal crews, we're using a lower quality aggregate; it can come in cheaper. In terms of the micro surfacing or medium program, those costs are usually higher than that, and like I said, it could range anywhere between 50,000 to \$125,000 a kilometre.

Mr. Belanger: — Okay, thank you very much. The other

question I have is around the same section under the upgrading highways, bridges, and culverts section. It's indicated in the press release that more than \$52 million to build, operate, and maintain highways and airports in northern Saskatchewan, and then they made another reference to \$52 million to upgrade or replace numerous bridges and culverts across the province. These are two separate funds, is that correct?

Hon. Mr. Marit: — Yes.

Mr. Belanger: — Under the bridges and culverts, how many of these bridges and culverts were replaced in Saskatchewan overall? And if you can break them down in bridges and culverts and also going to what I would consider the NAD [northern administration district] line, the northern administrative district line — there's one line that's been recognized for years — versus that of the southern district.

So the question is in two parts: what was spent for bridges in southern Saskatchewan; what was spent for culverts in southern Saskatchewan; and what was spent for bridges in the North and what was spent for culverts in the North? If you can break those down for me, that would be appreciated.

Hon. Mr. Marit: — Okay, I'll try and break this down for you. Last year in the North for bridges, the bridges and culverts were 7.2 million. This year just for the bridge and culvert, it's 5.1. And last year in the North, we had budgeted 52, and we ended up spending 61 million in the North last year.

[20:15]

Mr. Belanger: — And in the South? Is that specific to . . .

Hon. Mr. Marit: — The total for bridge and culvert is 45.9 for bridge and culvert, of which 5.1 will be going to the North.

Mr. Belanger: — So it's safe to assume that the majority of the lion's share of the work to replace, I'm assuming mostly, primarily culverts. What bridges were actually fixed in the North? Can you give me a list of what was done?

Hon. Mr. Marit: — I don't have the list from last year, but I do have the list for proposed for '17 and '18, if you want that.

Mr. Belanger: — Yes, I do. Please.

Hon. Mr. Marit: — Okay, I'll read that off. On Highway 102, that is a surface improvement. Do you want everything, or do you just want the culverts?

Mr. Belanger: — No, everything would be fine. And when you say 102, it would be nice to make reference to . . .

Hon. Mr. Marit: — Surface improvements.

Mr. Belanger: — Yes.

Hon. Mr. Marit: — Yes. 12 kilometres north of Highway 915 from kilometre 26.5 to kilometre 54.3. Highway 905, it's a grade and pave. Stony Rapids, that's an apron expansion. And also Highway 905 is Stony Rapids airport fencing project. I don't want to give the dollar amounts because I think these are

all going to be tendered. So on Highway 914 at Pinehouse Lake airport, expand and seal the runway and install — I'll have to get the acronym — it's PAPI [precision approach path indicator] . . . [inaudible interjection] . . . That'll be lighting. That'll be lighting there.

Okay, also on Highway 914, it's an EIA [environmental impact assessment] and design work. Highway 918, geotechnical investigation into the Patuanak airport. Highway 2, bridge replacement over Crean River. Highway 106 is a culvert replacing a bridge. Highway 106 is another culvert replacing another bridge at the creek near Big Sandy Lake.

Highway 165 is a culvert replacing a bridge southeast of Air Ronge over an unnamed creek. Highway 165 is a culvert replacing a bridge on the — and forgive me — on the Yaholnitsky Creek. Highway 165 is a bridge replacement south of La Ronge over Nipekamew River. And Highway 165 is a bridge replacement south of La Ronge over Meeyomoot River. Highway 165 is a bridge replacement south of La Ronge over the Bull River. Highway 165 is a culvert replacing a bridge over the Tippo Creek.

Highway 167 is a culvert replacing a bridge over the Mosher Creek. Also Highway 167 is a culvert replacing a bridge over Loon Creek. And on Highway 903 it's a bridge replacement south of Buffalo Narrows over the Apps River. I can give you the locations if you want them. It's at kilometre 52.8. I didn't know if you'd want them or not. Also on 903 is a bridge replacement south of Buffalo Narrows over McCusker River at kilometre 62.4. On Highway 994 it's a bridge replacement over the Kinosao at kilometre point one.

On Highway 2 there's a number of culvert replacements. A culvert replacement at kilometre 2.21, and also a culvert replacement at kilometre 14.24. This is all on No. 2. Another culvert replacement on kilometre 18.84, and a culvert replacement on kilometre 38.87. A kilometre replacement on kilometre 40.88, and a culvert replacement on kilometre 4.54. On Highway 102 we have a culvert replacement on kilometre 25.1.

And now we have a number on Highway 106. So starting on Highway 106, emergency culvert installations, five culverts between kilometre 30.9 and 39.7. Also a culvert replacement at kilometre 54.2, a culvert replacement at kilometre 1.22, a culvert replacement on approach at kilometre 13.3, a culvert replacement on kilometre 25, a culvert replacement on kilometre 55.4, a culvert replacement at kilometre 62.66, and a kilometre replacement at kilometre 2.

So the next one is on Highway 123. This is emergency culvert replacement and slide slope repair on the Sipanok Channel at kilometre 22.53. On Highway 155, it's a culvert replacement at kilometre 16.

Now we have a few on Highway 165 as well. Highway 165: a culvert replacement at kilometre 33.6, another culvert replacement at kilometre 35.2, another culvert replacement at kilometre 37, and another culvert replacement at kilometre 24.7.

On Highway 167, we have a culvert replacement at kilometre 22. And on Highway 167, we have culvert replacements at

kilometre 15.56 to 19.7. So I'm assuming there's a few of them in there.

On Highway 905, we have a few there: culvert replacement at kilometre 4, a culvert replacement at kilometre 65.15, a culvert replacement at kilometre 53.32, a culvert replacement at kilometre 78.52, and a culvert replacement at kilometre 5.02.

On Highway 911, we have a culvert replacement at 12.32. On Highway 913, we have a culvert replacement at kilometre 39.3. And on Highway 914, we have a culvert replacement at kilometre 2.3. And on Highway 916, we have culvert replacements at kilometre 15.5 and 15.6. So there's two in there. And on Highway 936, we have an emergency culvert replacement at kilometre 13.1.

And now we have some major highway preservation projects too, if you want those. Highway 2, we are doing some micro surfacing near Weyakwin for kilometre 19.95 to 27.65. Also on Highway 2, we're doing some resurfacing north of Two Forks River to south of Montreal River bridge, from kilometres 48.2 to kilometre 60.5.

And on Highway 55, we're doing some resurfacing north of Big River, kilometre 4.1 to 12.05, and kilometre 12.05 to kilometre 20.10. And then also on 55, we're resurfacing from junction Highway 924 to junction Highway 155 at Green Lake.

So just to sum everything up for you then: the total plan for '17-18 is 53.2 million. And major capital projects, what falls under that is about 10.8 million; partnership expenditures, about 3 million; major preservation projects is about 10.3 million; and other preservation work is 29.1 million.

Mr. Belanger: — How do you get the actual culverts themselves? Do you put out a tender and does Highways actually order the culverts or does the company deliver the work and the culverts?

Hon. Mr. Marit: — The majority are tendered; the culverts are part of the tender. The only ones that wouldn't be is if it's an approach or something that we have inventory on that side of it. If it's an approach onto the highway, then we would have that supply. But anything else that we probably listed off, the tender would probably be, we'd be asking the contractor to provide the pipe.

Mr. Belanger: — Okay. And I'm assuming that, like is there a lot of companies from Saskatchewan that compete for the supply of culverts? Or is it primarily Alberta or out of country? Like who provides the contracts for the culverts? Do we have any of that information?

Hon. Mr. Marit: — Just from my previous history, I believe there's probably two or three companies in Saskatchewan that probably, I would say, supply 99.9 per cent of the culverts in the province.

Mr. Belanger: — No, and that's certainly good to hear that. I have a couple more items on to discuss on the actual budget. Then I want to get into the bypass project and particularly the progress on the bypass.

So the one point I wanted to ask about in terms of the actual shortline railway, could you give us a synopsis of what the shortline railway looks like as of today versus where it was, say, a couple years ago? And you made reference in your opening comments of federal partnership, that shortline railway of course is an integral part of our transportation system. And I just want to get your perspective as to where you see the shortline railway system and its owners and what role that they play in the distribution or collection of resources throughout the province. And you again made reference to federal partners. What did you mean by that? Like what were some of the initiatives that your department was working towards?

Hon. Mr. Marit: — Thanks for that. There's 13 provincial shortlines in the province right now. I think with the . . . Total kilometres as well is in excess of 2,100 kilometres with the shortlines in the province. And what I was referring to is, under the federal program, I'm hoping that under the green envelope that I'm hoping that we can access some dollars there for the shortlines for maintenance, to help on the maintenance side on that side of it. So that's where I was going with that one.

Mr. Belanger: — Right, and so you wouldn't have the costs to operate the provincial railcar system itself? Like when you say you're asking the federal government to assist in covering some of those costs, what is the ask versus what is the cost to operate our system? Is that information available?

Hon. Mr. Marit: — It probably would be through some of them. Like I guess, through some of the shortlines that I know, they're owned by municipalities, so they would have to be . . . that would be in their financial statements as far as their operations, that side. The private ones would be private, right, so I wouldn't know. And those costs would vary depending on the product they're moving and depending on the number of cars and depending on the miles of track that they have.

And also a big part of it would be . . . A good example would be Great Western Rail has significant bridges, where some of the rail lines might not have any. So maintenance would vary between the rail lines, as far as if you want to base it on a per kilometre of track. So that part would vary significantly between each shortline.

Mr. Belanger: — So based on that point, when you suggest that a federal partnership might be needed, what specifics were you thinking of? Because there's, like you said, there's a myriad of services. Great Western Rail crosses more bridges than the average, and then the average railcar or rail group, shortline group, some of the information on costs may not be available because some of them are private. Granted that as well. So is there anything specific that you're asking the federal government to help shortline railways with, and how is the progress on those discussions thus far?

[20:30]

Hon. Mr. Marit: — I haven't had the chance to meet with the federal Transport minister at this time. The way that I could see this come in to being is similar to what we had. It would be maintenance with matching money for rails and for ties. I don't think you want to do normal maintenance because that varies from rail line to rail line. I think if you do it for what we would

deem, as once being a shortline operator myself, we would deem it as capital on maintenance side, that I think there's an opportunity that we could prove to the federal government that there might be an opportunity for them to assist.

Mr. Belanger: — And where I'm going with this is the fact that now suppose the federal government says, well we're interested in helping the shortline railway system in the province, and so what is the current Saskatchewan government interested in having assistance with specifically and how much? And so if they were to propose that to you, and obviously it's something that's really important to the shortline rail operators, what position would you be in to be able to do your part as a contributing partner?

Hon. Mr. Marit: — I don't know how, you know . . . I think I'd have to have that discussion with my federal counterparts to see how that would roll out. I could see it in some aspects rolling out similar to the transit for the cities, you know, where it could be . . . because there'd be some shortlines that would have the ability to lever that, and there'd be some that wouldn't have. Some of them are very tight on revenues that way.

But one thing that should be put on record and made very clear is there's not a shortline in this province that, in its business plan, could use any provincial or federal money as part of their business model to seek funding or to become viable. No lending institution would take any of that into consideration at all.

Mr. Belanger: — So I guess I'm a bit confused here, but you're saying that as of today that if you had the opportunity to open federal partnerships, it wouldn't be on the operational perspective of the actual shortline. It would be more on meeting some of the infrastructure challenges, as an example more bridges for Great Western Rail, that you'd accommodate some improvements to the track system for them? Like I'm just trying to figure out where you would negotiate for federal partners.

Hon. Mr. Marit: — I think that we would negotiate mostly for the maintenance side because I think it's easier to do if you keep it very restrictive as far as what would be allowable. And I think if you kept it to rails, to railway, like to sections of rail or ties, I think that's more palatable for the shortlines too also because then they can use that on a section of railway that might be more important for them to do than, say, at one end or the other end because of traffic volumes or whatever.

Mr. Belanger: — So based on that position then, if the federal government come along and said to you, well I've got some money; we have some money for you for shortline rail — and we can be very specific as to what you described here earlier as to what would be advantageous and not touch the operational perspective because you wouldn't need to do that — you would obviously make an effort to find the money provincially to match that federal commitment. Is that correct?

Hon. Mr. Marit: — I mean first of all I think I wouldn't make a commitment without cabinet colleagues, for sure. That would have to be a discussion we'd have to move forward. It would be a budget issue. Also I think the federal government would not entertain anything other than capital, and I would hope that I could even, if that was an opportunity, that we as a province would be able to work with the federal government to even

deem railway ties and rail as part of capital, because some might not.

Mr. Belanger: — So really the effort to look at the federal partnership as it pertains to shortline railway is very limited in scope, and certainly the opportunity to look at the federal-provincial partnership on shortline rail, even if it's for a specific need, that you're not optimistic that they would consider rail or tie improvements to be part of what they would be prepared to offer. It's got to be something along the lines of capital as opposed to maintenance?

Hon. Mr. Marit: — Yes, and I think that's going to be the discussion we're going to have to have with them, that I would hope they would deem rail and ties as part of capital. That's the part, the issue we have. And I'll give you a very good example is rail crossings on roads. The ties, the top part of the ties aren't deemed as capital. Like you know, the crossing, the bridge planks. So there's those kind of issues that we'd have to have the discussion.

I think there's an opportunity here to show the federal government that rail traffic and rail transportation does have a green envelope to it. And I think that's where we have to go.

Mr. Belanger: — And in your estimations, again given your previous experience and access to information within government and having the officials that are very capable in assessing all of these things, what assessment or what estimation would you make around how many, say tonnes, of whether it's grain or just general crop overall, is being placed on the shortline rails versus a highway system? Is there some economic comparables for that?

Hon. Mr. Marit: — There is for grain. I don't know if I could do oil or other products but I could do grain. I don't know if we have the . . . I know Ag would have them. But the historic numbers on producer cars — not producer cars, I should say cars shipped off of branch lines — have been in the neighbourhood of 8 to 10,000 cars total, combined.

Now I don't know if that would bring in some of Manitoba because there's a couple of them that are members of the shortline association here as well. So I don't know if they bring those numbers over or not. But the railcar side, that side is about that number.

Mr. Belanger: — Now based on the notion of the carbon tax, that there is some — like you mentioned the green envelope — that if there is some correlation between the shortline rail system that is actually benefiting towards the reduction of cost of transportation and reduction of stress on the provincial highway system, and all that really equals carbon credits, has there been any discussion around the shortline rail system themselves, being in a position to reduce the stress on highways but also reduce the cost of transporting goods, that they would be in a good position to assume those carbon credits? Is that a fair connection to make?

Hon. Mr. Marit: — On the carbon credit piece, we just, we don't have enough information on that. I just want to revert it back to I guess in my previous life on . . . We know that a railcar contains roughly three super-Bs of grain in it. And we

look at it, what that takes off of our highway system and puts it on the rail system. Obviously it is the cheapest mode to move grain in the province and that's probably why you see 13 shortlines in the province of Saskatchewan, and I can see that number increasing.

Mr. Belanger: — On the actual grain car themselves, are there any discussions or possibilities that some of the grain cars that you are thinking of selling, that the shortline rail system may be interested in any of those vehicles?

Hon. Mr. Marit: — Thanks for . . . I just had to consult with the colleagues here just on some I guess really what I can and can't say, just because of the process. We had a discussion last November with the shortlines in talking about some of this, and maybe as a possible. So right now there's a request for offers is out there. It was issued on March 22nd. And for reasons . . . And you'll have to forgive me that I can't really talk about it because those offers don't close until May 12th. So I'm kind of bound by that, that I can't say too much until those close on May 12th.

Mr. Belanger: — Okay. That's fair enough. I guess the other question I would have is the Saskatchewan Grain Car Corporation, what has it made in profit last year and the year before? Have you got those figures handy?

Hon. Mr. Marit: — Okay, the Saskatchewan Grain Car Corp. annual reports have shown operating deficits of 221,000 in 2015-16; 485,000 in '14 and '15; and \$1 million in 2013 and '14.

Mr. Belanger: — And what was the losses attributed to each year? Is there a specific cause for the losses?

[20:45]

Hon. Mr. Marit: — Yes, it's a combination of expenses and revenues. Revenues are down because of rentals, and expenses have gone up with maintenance and everything else.

Mr. Belanger: — Okay. Thank you very much. I wanted to just touch base on one other item in terms of a partnership. We spoke about the railcars and certainly the opportunity to at least see if there's any point of discussion with the federal government on any front as it comes to supportive of a federal-provincial partnership on railcars.

Have you had any particular discussions with some of the First Nations groups or leadership or tribal councils as it relates to highway construction? Have you had any significant dealings with the First Nations that may come to you with a proposal from the federal government? Has there been any kind of thoughts to that particular partnership? And what's your view on entertaining that notion that if they are successful — they being the First Nations groups of the province in getting federal commitments for specific highways — what would your response be and what would your government say if that partnership was being proposed?

Hon. Mr. Marit: — Just to answer I guess your question on working with First Nations on . . . If it's federal funding and things like that, we sure would entertain those discussions and

have a discussion with First Nations that are . . . I guess if they have the equipment or have the capacity or the ability to do that. I mean we have some great working relationship with First Nations, as you well know, in the North with, you know, with operations and maintenance on our highway network up north. So yes, I would have no . . . I would sure be engaged in that discussion with First Nations if there was a federal program on highway, you know, on highway projects that had a First Nation-federal government component. I sure would have a discussion with that, yes.

Mr. Belanger: — Do you actually have . . . Now does your department have an anticipated potential ask of the province as it pertains to First Nations partnerships? Like as an example I would use, if one particular tribal council says, we can arrange this partnership, we can go see the federal government, they'll cover 60 per cent of this if you cover 40 per cent, and this is a \$5 million project. Like do you have an idea or a guesstimate as to what potentially that partnership might cost, based on some of the discussions or meetings or consultations you may have had with many of the First Nations in our province? Have you really began to correlate all that information?

Hon. Mr. Marit: — Well I mean we've always had ongoing discussions, you know, with First Nations and partnering and that type, on those, on highway projects or road projects.

The partnerships always do put pressure on, you know, on the provincial budget, as you well know, because the federal government comes out with a program . . . And it's not unlike any jurisdiction in Canada. When you're part of the partnership or the federal government is asking you to be a partner, it obviously is going to put constraints on your budget. Whether it's Saskatchewan, Alberta, Manitoba, or wherever, I think they all have the same discussion. And so we're always in negotiations with the federal government to see if we can seek other avenues or other opportunities to increase that portion of the federal allocation of dollars.

Mr. Belanger: — Okay. Well thank you very much. I want to contribute the next hour and 45 minutes or so, you know, to the Regina bypass. Mr. Chair, obviously when we made reference at the start of our meeting, we spoke about the percentage of this year's budget. And in the minister's own words, it accounted for 45.9 per cent of his provincial budget. So the discussions around the Regina bypass that accounts to almost half of the provincial Highways department spending for this year, it's a significant, it's a significant part of this year's budget. It is probably the largest and huge cost demand on the highways budget overall.

And, Mr. Minister, I think I would be very careful in making sure I'm not misleading anyone in this particular process. I want to read out a statement and see if you agree with the statement overall. And I'm going to do this in part, okay. And correct me if I'm wrong because you obviously are the minister today and you've probably been up . . . You've been certainly updated in terms of where things are at now. And correct me if I'm wrong, okay.

So I want to talk about the Regina bypass, the Highways and Infrastructure land acquisition process. That has been one of the difficult challenges that we have. And the premise of my

questions for the next hour and 45 minutes really involve the \$500 million that we're spending from this year's budget alone towards the Regina bypass.

The overview I have on this, and again correct me if I'm wrong as I read it out. It's important that you acknowledge if this is in fact the case: 2,100 acres of land has been acquired from over 100 landowners for the Regina bypass at a current cost of \$82.7 million, mostly in a two-year period from April 1st, 2014 to March 31st, 2016. Just over one-half of these acres, 1,085 acres from landowners — willing seller and willing buyer — was at a cost of 35.8 million, and the other half was expropriated and that constituted a 1,020-acre piece of land at the cost of \$46.9 million.

The bypass project can be subdivided into three components: number one, east bypass, Balgonie to Highway 33, which is approved in February 2014; number two, the south bypass, Highway 33 to Highway 1 and the Pinkie Road, which is approved by April 2014; and the third component is the west bypass which is Highway 1 to Highway 11, which was approved in November 2008.

And a footnote on the component three, the west bypass: that Dewdney interchange changed to GTH interchange in September of 2012, amended and finalized to include GTH in April 2014. So the project began in 1996. It includes 12 new overpasses, 40 kilometres of new four-lane highway, 5 kilometres of twinning on Highway 6, and 55 kilometres on the east service road. Is any of the information that I just described wrong?

Hon. Mr. Marit: — Just to verify the numbers that you have, I would ask you that you give each number, each one you're asking for individually so I can verify with my officials that that is correct. So whichever one you wish to start with first, then we'll verify that for you.

Mr. Belanger: — Okay. 2,100 acres of land, the two-year period between April 1st and March 31st. Just half of those acres, 1,085 were from the process of landowners willing to sell, and of course the government willing to buy. That cost was 35.8. And the other half was expropriated, which was 1,020 at a cost of 46.9 million, for a grand total of 82.7 million that was basically attributed to land cost for 100 landowners that occupied 2,100 acres of land.

[21:00]

Hon. Mr. Marit: — Yes. So I just wanted to verify everything with my officials. And you had the cost totalling at 82.7. That cost now is just slightly over 83 million.

Mr. Belanger: — But it's safe to say that most of those numbers are correct?

Hon. Mr. Marit: — Yes.

Mr. Belanger: — All right. Now one of the things that I think is . . . As we look at the project itself, you made reference to the fact that I think it was something like — my numbers are certainly here — that a certain portion of the cost was covered this year, that you're quite in fact pleased at the progress that,

you know, of the bypass. So I wanted to ask you what the specific parts in each section of the bypass, what is the update on that section, and the specific cost of that section, and a breakdown as best you can as to what those costs are.

And I'll give you an example. What is the status of the overpass at Balgonie? And what is the total cost of that specific portion? And if you can break that down further into engineering versus actual construction of the overpass versus land acquisition, that kind of specific information. So in the first one, I would make reference to the overpass at Balgonie. Can you give me the status, total cost, and break that cost down for me as best you can.

Mr. Stearns: — David Stearns, and I'm executive director in the design and innovation division and in major projects, and I'm currently assigned the Regina bypass project oversight. Minister, first of all I won't be able to give you the cost breakdown as you're asking for because of course the bid that came in is really one big bid that's split into a couple of milestone payments, and so the exact details, we wouldn't necessarily have that breakdown that would be made available. It's very similar to design-bid-build jobs where we wouldn't disclose the unit prices as such. So I wouldn't be able to answer that, but I can certainly give you an update on the progress.

Starting with Balgonie, we'll work from that end and going around the project. Balgonie of course, the bridge that's in place, the girders were placed earlier this year. And in fact the deck pour that takes place on top of those girders has been completed already. There is still some more concrete work around that bridge. The earthworks are largely or substantially in place, although in order to facilitate construction of the east side of that interchange, we will have to get the traffic on top of the bridge. And then of course the ramps that are on the east side that are now cut off by the existing Highway 46 detour, that'll have to take place after.

So that particular bridge and that particular interchange is well under way, and we're pretty optimistic about seeing some of the traffic get on top sometime in midsummer or earlier, okay. The whole substantial completion of that bridge along with all of the phase 1 substantial completion which, as you describe, generally extends from Balgonie all the way around to Highway 33, that is in October of this year, October 31st, 2017.

Maybe just to give you a bit of a flavour of what is involved in these interchanges, and they vary a little bit from interchange to interchange or overpass to overpass. But of course in order to build a bridge, you have to build a foundation. And we look at the stratigraphy of the ground layers underneath, and then we start to look at the types of piles that might be put in.

In that particular bridge, there were actually a couple of different types of piles. It was an augered pile with a cage of rebar that was placed inside. That was the centre pier area. We also had what's called H-piles or I-beams, if you wish, that are either hammered into place or they are also augered and then pierced into the concrete. So there was a combination of piles at that particular location. If you're familiar at all with that area, of course we encounter a lot more sandier or siltier materials at depth in that area, so they were encountering . . . They had to adjust their pile types for the different sets that they had.

On top of those piles of course is constructed what's called a pile cap. So that's a reinforced concrete, essentially box, if you wish, that's put on top of those piles and of course is integrated with the piles themselves through the rebar structure that goes into that pile cap.

And then on top of that, depending on which type of pile or structure we're talking about, on the centre piers there'd be a pile cap. And then there's a pier structure that is formed with rebar and so on inside that form. They fill it up with concrete. And then there's a cross portion of that pier that then gets structured on top of that. It's called a pier cap.

On the other side, on the abutment side, some of the piles will end up with what's called an integral abutment scenario where there's no bearings that will allow temperature shrinkage and contraction at that point. So the piles actually stick up in the air, and you'll see, if you were out there, essentially putting culverts or cans, if you wish, over top of those piles. Inside that the pile is actually filled with Styrofoam peanuts. And then on top of those piles there is a cross member or a pile atop of the pile or abutment that's structured and reinforced concrete put on top of that.

So then once those are all in place in that particular bridge, we had precast box beam concrete girders that were hauled in. I believe there's approximately 44 girders in that particular bridge. And on top of that then, of course, there's a lot of rebar and so on put on top of those girders. And then there's a poured-in-place concrete layer which starts to form the top of the bridge deck. And of course along with that, there's forming to go in with the parapets or the rails on the side if you wish. So once that's all in place, that's largely what's there now in terms of the bridge.

As far as what's left for the bridge before we can put traffic on it, we would be looking at a rubber membrane type of material. It's just a sheet of rubber essentially that's put on top of the concrete deck. That makes it 100 per cent impermeable because of course we don't want to see the salt and water get into that concrete. We try to prevent that as much as we can. And then on top of that there's a high-quality asphalt concrete put on top. So once that's all in place, it would be essentially ready for putting traffic on top.

Of course the earthwork part of it, as I said, is substantially done. What's going on top of that, this particular consortium, they used what's called select granular subgrade material which is essentially a sand. What they're doing is placing that on top of the earth, the parent earth material. That's a way of strengthening the subgrade so that when they finally get to the pavement structure — which would be typically a sub-base sandy material, a crushed base course, 18-millimetre top size and then an asphalt-concrete layer on top — that's how you distribute the stresses down through that structure as they approach the bridge.

So all of that paving type of work has just started, and of course they'll carry on with that until they get to the point where they can actually switch from the detour and put it on top of the bridge. And then of course that allows them to then finish off the ramps that are on the east side. So that's Balgonie.

I won't go in quite as much detail on the rest, but as we move to the White City Highway 48 bridge, of course it's very similar. Those were driven piles, actually, where essentially you take a hammer and start hammering the H-piles into the ground, and they go as far as, in some case, as much as 20 metres into the ground. And then they were sticking up out of the ground, and that's where you saw where they put the cans again over top and all of that same discussion.

Centre piers, there were actually driven piles in the centre pier, but there was a pier cap, and then the formed pier on top of that, and then with the rebar cage and everything. So that bridge . . . Of course that was the first one last fall where we put the girders on, and the deck pour took place last fall. So actually that one's a little ahead of the Balgonie one.

In all likelihood that'll be the first one to see traffic over on top of it. They've already started to place some of that select granular subgrade material. They certainly have all of the other aggregates positioned. In fact around the project we have a lot of aggregates that are positioned to essentially facilitate a lot of paving that we expect to happen this year. But that one, same sequencing on traffic management. We'll have to get the traffic on top of the bridge, and then the existing Highway 48 will be obliterated and the rest of the ramps are constructed in there. And so that's how that one will go.

As we move to the Pilot Butte access road interchange, that one, the abutments or the outer edges of the bridge were very similar to the White City one, so I won't go into that. That one was an augered piles in the median and then of course the pier forming and the pier. And that one, the objective of course this year is to not substantially complete that overpass, but there is a commitment that RBDB, or the Regina Bypass Design Builders, who are the subcontractor of the Regina Bypass Partners, there's a commitment to get traffic over top of that bridge on at least two lanes. Not necessarily all the ramps in place, but what that will allow is for the connection of the Pilot Butte access road to the south service road, and therefore by fall we'll have all of the medians removed and there will be no more at-grade intersections as such on that whole section.

When we move over to what we call the Tower Road overpass or interchange, there's a couple of things that have gone on there. First of all, there's two bridges that have to go over top of the CP [Canadian Pacific] rail. And those are essentially very similar construction to what I've already described. The future eastbound lanes of Victoria Avenue, which will go eastbound and then just over top of the CP tracks, will veer off to the right and up and over that big, long bridge that you see there, and then it will come down and actually will enter at the main line or the Highway 1 East at the posted speed.

So that bridge is a little different because that involves steel girders. They're a longer span, so therefore you can't use the concrete, precast concrete type of girders. And those girders are comprised of a web which is fairly large plates. I just off the top of my head can't remember what the web height is, but they're substantial. And of course there were four of those girders placed over top of the piers. Piers and abutments were roughly the same as what I described before. On top of that they are just ready — and in fact they may have already started; I haven't been out there for a day or two — to actually do the deck pour

on top of that.

So that's part of their traffic management scheme where right now of course the traffic has been moved from a four-lane scenario to a two-lane — one lane in each direction using the north set of lanes, the westbound lanes. Once that bridge is finished and all of the approach to it and leading down from it is completed, then we will be switching the traffic over and there will be essentially the two-lane traffic on the south part of the set of lanes. But that allows them to do some switching back and forth to finish the tie-ins of the main line or the Highway 1. It'll swing off to the south.

So that's that interchange or that part of it, as well as it's a fairly big interchange in that it's a system-level interchange. What I mean by that is at least two of the legs are . . . I word it this way: you can travel from Highway 1 and onto the bypass heading south, which actually will become Highway 1. You can do that at posted speed at 110 kilometres per hour in either way, whether you're going northbound-eastbound, or westbound to southbound. So there's a lot of tie-in work that has been done with that.

[21:15]

But the other bridge that's associated with that is just south of there which is a northbound exit ramp that allows traffic to exit northbound on the highway and go up and over top of the bypass and swing in and tie in to an at-grade intersection at Tower Road. That bridge is also a steel girder structure over top.

Each of these bridges, I should mention that they have mechanically stabilized earth retaining walls that are forming part of the abutments. What that is, is panels, face panels, that are approximately a metre. They're not perfectly rectangular, but they're about a metre square, if you wish. And they have straps of stainless steel that are tied to them, and they extend backwards into the fill. That's forming the earth structure that actually acts as a unit, and that's a little different than say a cast-in-place retaining wall, if you wish. So those are quicker to build, and they're a little more flexible, although we do have some of the other type. So that's what we call, we refer to, as bridge eight, but that's the northbound exit ramp.

When we get down to Highway 33, of course the bridge is not necessarily part of phase 1, but they are well on the way to putting the deck pour on top of that. Of course the girders have gone up and pretty similar construction to what I've described already. We will see at least the north half of that interchange with the ramps in place.

So extending from Highway 33 all of the paving will be done. All of those overpasses, with the exception of Pilot Butte, will be substantially completed and fully functional. And Pilot Butte, again there will be two lanes that'll at least go across. They might have more lanes than that, but that facilitates essentially the full functionality of movement except for exiting and entering that particular interchange.

So that's what we have right now. They're definitely on track. Of course October 31st, we are going to have to have some good weather to make sure we stay on track. There are some

backup plans that they're already looking at, if we have to implement in terms of accelerating some of the construction. It isn't an issue of resources. There's lots of resources on the project that can be reallocated if we have to. It's more of a matter of dealing with some of the materials like the heavy clay and all of that and getting the paving down and all that.

And combined with that whole eastern side, we also have been doing a rehabilitation of the pavement which is essentially resurfacing or reconstructing the surface or the pavement structure. That's kind of an interesting thing that they're doing there. It's actually called cold-in-place with a full depth recycling. So what they actually do is they go in and mill off the top of the asphalt concrete, the old stuff. They save that of course. That gets mixed back in, in a certain percentage. Anywhere from around 15 to 25 per cent of that gets put back into the new mix, and then other parts are used as a black base course, if you want.

But anyway, that paving, the full depth recycling project, all of it has been milled up. So what happens is, is a big Rototiller . . . They mill off the top part of the AC, asphalt concrete, save it, stockpile it to be used later, and then they go in with a big rotor mixing machine and essentially rototill up the existing base course and the sub-base, and they get right down into it, mix it all up. And they'll mix it up where the particles are broken down to approximately 50 millimetres maximum. And then what they do is there's a final mixing where they come in and add in emulsion. It's actually a hot bitumen material. They shoot water at it just as it goes into the ground which foams it, and that actually facilitates a better coating of the material that's in there.

Along with that, there's a certain amount of Portland cement that's added in, just a bit of it. That's a way of strengthening the top of that subgrade. And then on top that, of course, they go in and there'll be a base coarse material, a crushed aggregate, 18 millimetre top-size type of aggregate. That's put on anywhere from about 200 to 250 mms of that depending on what the actual design is. And then on top of that there will be at least 160 millimetres of the asphalt concrete on top of that three layers.

So that's what was done last year, extending from just east of the Pilot Butte access road all the way to Balgonie and back, so both sets of lanes. They're well ahead of the game in terms of doing the work this year. Of course it's a shorter stretch than what we had last year. I think it was 12 kilometres last year. We have about 4 kilometres . . . Sorry, it was about 16 kilometres last year and about 4 kilometres this year.

Of course what we'll end up doing also between the Pilot Butte access road and the Tower Road interchange because of the capacity analysis — that is the traffic analysis that we did using a travel demand model, and I can get into that if you wish — the capacity that we're looking at between those two interchanges, Pilot Butte access road interchange and the Tower Road interchange, we actually go to a six-lane freeway. So what you'll see out there today is they're actually busy removing . . . Well they've removed the topsoil from the side slope of the existing highway and cleaned it all off, and they're already building. They've extended a lot of the pipes already through there, and then they're building the new part of the embankment

and they'll pave it and that'll be a brand new pavement. So by the time they're done this year, essentially all the way from Balgonie all the way down to Highway 33, essentially will look all new. And last year's stuff will be a little older of course.

The other part of this is the service roads. There's in total about 52 to 55 kilometres of service roads. Maybe just going back, I'll put that in context a bit on those piles. There's over 1,000 piles on this job. Of course as I've just described what is known as area 3 or what you describe, all of those piles are done. But anyway what we'll see is the whole thing opened up with its functionality. The service roads, what we'll end up with there is the existing service roads are being reconstructed, and we'll leave those behind as primary weight service roads. So for years and years all that's been on there is a thin membrane surface, essentially black goop on dirt, if you want to call it that — and I know you're familiar with that — but essentially those are being reconstructed to a primary weight structural pavement.

That includes the new greenfield service roads, along with the existing are being reconstructed. It'll have a 9 metre top with three and a half metre driving lanes and 1 meter shoulders. Most of them are actually going to be paved now on the shoulders, but the ones that were done last year will be remaining as a gravel shoulder until their first repaving or rehabilitation, which will be down the road of course. Not unlike what we did on Highway 11 when we built that way back in the early '80s, where we have a composite shoulder, it's called, with some of the gravel on the sides.

So by the time we're done out in that east side by October 31st this year, we will have essentially all new road out there, all of the overpasses will be in place and — with the exception of Pilot Butte — and all of the traffic then will have an option when they're coming inbound to the city of course to go into Victoria Avenue and continue on, but they will also have the option to go down to Arcola Avenue and of course the option of going up Arcola Avenue and then connecting onto the Ring Road there.

It won't be until 2019 where the substantial completion of the entire project takes place that of course that extension will occur around the full bypass part of it. So that's the area 3 or what you described as the first part.

I can carry on into what we'll call area 2. So when we cross the Wascana Creek bridge, or the bridges in place on Wascana Creek on the east side, those are three-span bridges, each of them. There's two of them. The centre spans are already up. Those were driven piles again, H-piles into the ground. We did have some artesian type of aquifer issues that we had to deal with there, which have been dealt with, and all we really do is seal the pile off going through that particular layer of sand, if you wish. What that did is, from an environmental point of view, of course we lifted the girders off the ice, and that's the best way to do it from an environmental point of view.

As we go into . . . As things dry up, and the Wascana Creek of course is starting to drop off in elevation now, they'll move back in and finish the other spans that go into those bridges. So there's two additional spans in each of the bridges that have to go in. Contrary to using mechanically stabilized earth retaining walls, because it's a creek that can have quite a flow on it, we

have reinforced concrete retaining walls, which are quite a structure in themselves, and they'll have wing walls on them and kind of like you would see on a channel that has a lot more flow in it. So that's the kind of thing we have there.

As we move over to Highway 6 interchange on the south side, those piles are in. The centre pile cap has been placed, and of course they're just starting to construct the mechanically stabilized earth retaining wall in that particular bridge area. And that'll carry on through the summer, and they'll do the same sequencing, putting the girders up and all of that.

As we move around to the Highway 1 West interchange, which is also a system-level interchange, that particular one we've just started to erect the girders, actually last week, on the two bridges that are adjacent to the existing bridge. And of course the existing bridge is going to be used as a collector-distributor road, which is essentially a slower speed traffic between the loops. One loop is there and the other loop will be constructed yet. But the two new bridges are going in. Those are steel girders that are being brought in. There's two of them being erected every night, and if you want to go and see that, they start any time after about 8 o'clock and finish at 6 in the morning for sure, because that's what they're supposed to do for traffic management. Anyway that'll carry on until those girders are in.

We're also positioned to get one of the directional ramps, or higher speed ramps, posted speed ramp going. That would be in the eastbound to northbound direction. I believe that's the one anyway. We're also positioned to start erecting those girders soon after. There's been some concrete work there recently, and we should be positioned for that. A lot of work to go on that particular interchange yet, but we will be positioning where there's a potential that we could be looking at some sort of a higher speed connection in there if we needed to do it.

As we move northward to Hill . . . And now we're into what I'd call area 1. So it's essentially just north of Highway 1 all the way up to Highway 11. The Hill Avenue interchange . . . Well, generally I can say all of the piles are in place now in terms of the driven parts of them. The Hill Avenue just got those piles in place. The Rotary one, the interchange there that goes into Rotary Avenue, those piles are up, and they're just positioning to get a lot of the earthwork in place where they'll position it. A lot of the earthwork has already been done.

As we move over to Dewdney, this is where a lot of the focus of activity has been. For example, the railway crossing where Dewdney goes up and over top of the railway there — that's CP Rail, I believe — again, that's very similar to the other side of the city where we have the mechanically stabilized earth retaining walls, the driven piles, and they're getting set where they're ready to put in the foundations, if you wish, for those MSE [mechanically stabilized earth] walls. Some of them are already started building. We've had to use some what's called Fillcrete right adjacent to the railway because you want to make sure that that embankment doesn't slide out or move, so that's a low-strength concrete.

The bridges over the bypass itself, those are . . . the piers are in place largely. The piles are in place. There's a lot of MSE wall work that's just going on in there, but we'll see those girders go

up sometime this summer. None of the girders are up in area 1 yet.

As we move north from there, of course we have the CNR [Canadian National Railways] railway overpasses; there's two bridges there. The piles are all in place. Those are interesting ones because the centre piles were about 3-metre-diameter bored piles with cages put in them, so there's a fairly long span going across those railways, and they're quite high, of course. But those are . . . The embankments are largely in place on that.

As we move north of there, the Wascana Creek bridges are not started yet, but there is a temporary haul bridge there, and that one is what can handle those 777 off-highway trucks that go over top of it.

As we move north from there, we can go into the 9th Avenue bridge area. Those piers and the MSE walls are all up. They're pretty close to where they would probably be able to put girders up in that area. A lot of the embankment's in place.

[21:30]

So we go from there, as we go north from there, of course the Last Mountain Railway, the piles are up, the embankments are largely positioned to go in place there. MSE walls have not started there yet.

As we go north from there up to Highway 11, what's interesting about that is we've — just similar to what we did with the Highway 1 West interchange — we've planned in for the future where the freeway could go north of Highway 11 and up and around the city at some point, when it's actually justified. But that's why you'll see that there's actually what appears to be an extra stand in there because this time around, instead of the collector-distributor road as I described at Pinkie Road or Highway 1 West going over top, it'll go underneath similar to the Albert Street bridge interchange on the Ring Road, when it's built. It'll be a service-level, partial service-level and system-level interchange once it's built, but ultimately it's positioned and designed that it can be upgraded to a full directional ramps and system-level type of interchange. So that's kind of all of that part.

Of course there's lots of RM road connections and so on that we've had to construct to make sure that the connectivity of those roads . . . When you put a freeway through greenfield areas or for that matter even brownfield as we call it, existing road, of course you're severing some of those RM roads and you have to make sure that they're connected up so that the agricultural traffic can get in and around.

And so I've met with the RMs and for that matter, the city of Regina and all of that kind of stuff and what's happening with those roads. A lot of that earthwork is already in place, so we're in good shape that way.

I think that's . . . I could go on quite a bit in terms of other parts of it, but that's kind of an overview of it. Of course there's 12 interchanges, as you mentioned. There's actually 33 new bridges. So every one of these bridges have got spans in them and abutment walls and piles and pier caps and all of that kind of stuff.

I mentioned there's over 1,000 bridge piles. All of the eastern side is in. All of the area 1 between Highway 1 and up to Highway 11 is in place. And then of course area 2, which is around the south side, there's still some piles to go into that area.

Bridge girders, we have over 400, almost 500 of those going in. A lot of them in the eastern side are in place already, with the exception of Pilot Butte. And of course we're seeing them catch, you know, progress on as they go through the rest of the project.

MSE walls. There's well over 20 000 square metres of those. It's a big project in itself just building those walls. And every one of them has to be designed in a particular way, depending on how high they are and how long they are and the kind of earth that's underneath them. And that dictates the strap lengths, the stainless steel straps that go behind them and hold those wall faces up.

Surfacing materials, a lot of it's positioned. Of course they're ready to do all of the paving on the east side of the city. They're actually positioning some aggregates in the southwest part of the project also. And overall they've got a lot of that material in place, but there's still a lot to come in over the next couple of years. I think that's probably enough.

Mr. Belanger: — Yes. I'm certainly pleased that you've given us that information. And I was going to ask for a traffic count on some of those spaces or some of the highways, but I'm afraid you might give me the make and model of each vehicle. No, I'm just kidding.

I want to point out, you've been an engineer with the Department of Highways for a number of years. Is that correct?

Mr. Stearns: — I hate to say it, but I started in 1976. But I actually left the ministry in 1991 and I went out to the West Coast and I worked with two different consulting firms. And I worked all over British Columbia and part of the United States on different projects. And then I also worked with the BC [British Columbia] Transportation Financing Authority where I got involved in some of the P3 work and also the early design-build work that they started up in the mid-1990s. So yes, I've been around the block a few times. I've pretty much been involved in everything from design, traffic engineering, traffic safety, construction, operation and maintenance, as well as all of the rehab work.

Mr. Belanger: — Yes, and certainly I think from the perspective . . . [inaudible] . . . make a great water cooler conversation tomorrow morning. I would point out that, as an engineer, I think, and based on your broad experience, and impressive experience as well, could you give us a percentage of completion, just for our purposes, as to where the whole project is at? Not breaking down specific sections, but just the project as a whole.

Mr. Stearns: — Overall it's just over 40 per cent. I think we've already mentioned about 43 per cent. I have some later numbers, actually . . . 41. Actually I have some later numbers but those will be made public later on, but we're probably a little ahead of that now. There's always a bit of a time lag as

these things . . . They're going so fast in this project that even I have difficulty keeping up as to what they're doing, and we have to get out quite often.

Mr. Belanger: — Now as well, if you look at the — again, going back on your experience — the cost for each bypass, and I made reference in the Assembly of the Coquihalla, even today's dollars, 1.8 billion. And we're all familiar what the Coquihalla's all about, which is a very impressive project that's quite radically different than what's being built here.

Mr. Stearns: — Yes, I've done some mountainous terrain type of design. And in fact I was indirectly involved in some of that Coquihalla, well after it was constructed, mind you, but we were looking at a traffic revenue grade study to look at turning it into more of a concession road, where we would look at essentially potentially privatizing the whole thing. And then also from Merritt over to Peachland, that was another part of that project, where I looked at some of that analysis and . . . Yes, I'm familiar with it.

Of course the project, and you're probably going to reference the costs of that project, went up quite a bit. Of course mountainous terrain construction's quite a bit different than what we would involve here. The time frame that that project was delivered was quite a bit different.

Mr. Belanger: — Now based on your experiences, there's two questions I have, you know, as an engineer. First of all, what is the design parameters for the overpasses and the bridges you make reference to? What is the volume of traffic that this system is designed for? Could you give us a number of that?

Mr. Stearns: — Of course it changes over the whole length of the project, but if you want to reference it to British Columbia, of course what we look at is actually a level of service. So a freeway segment, we would look at a certain level of service, whether it's 110,000 vehicles a day or whether it's 50,000 vehicles a day. So that really comes back to an analysis of the laning.

When we look at the interchanges or the overpasses themselves, we look at each movement at those particular ramp terminals and so on, and getting on and off. We also look at what's called sort of the interaction between those two interchanges.

Here in the Regina bypass what we did was we spelled it all out. It's actually found online where we spelled out for the design builder what particular connectivity or movements were required. And then we also spelled out the level of service at those . . . for every movement that we had.

And essentially in a P3 of course we created what was called a reference concept that they can use in terms of understanding that connectivity, but the actual design comes to them in terms of designing it and making sure that they have the laning and everything in place, and all of the . . . whether it's even as simple as a little right turn lane at an intersection, all the way to the freeway segments and making sure they have that in place to meet the level of service. And there's a lot of detail there. It is all found in one of the appendices of the online project agreement.

In terms of estimating the traffic so that we could understand it, there's two ways of looking at this. One is of course looking at the historic traffic and those trend lines and trying to project that into the future. What we did, we actually used that along with what's called a travel demand model. What that is, is it's called a gravity-based system, but we can go in and actually look at individual developments. So actually what we took, we used the . . . It's called an Emme model. It's one of those particular travel demand modelling software packages that the city of Regina uses. We actually took that and in partnership with them we used that to expand it out to a regional model.

So what that does, and I just pulled a number — I kind of anticipated you might ask this again — I pulled out a couple of examples. So the Canadian Institute of Transportation Engineers has what's called a traffic generation manual. And of course it has a huge variety of types of development types in there. For example, a single family dwelling unit in Calgary, for example, generates point seven trips in the morning and one trip in the afternoon per unit. And then, of course, in and out of that depends, so in in the morning is 20 per cent; 80 per cent out.

So what we do is we actually go in and understand what development is there as a baseline of that model, and then we can assign in and out trips traffic generation. So when we got into the travel demand model and making it regional, of course we start looking at what kind of development can take place outside of the city. And we went all the way out, as far as 50 kilometres even out, where we captured Highway 20 and Regina Beach and all that kind of thing, and we estimated the trip generation that would come out of development.

Now the planning horizon for the bypass project is through to 2049, so it was really a 30-year planning horizon. Actually it goes beyond that. The level of service, or the design year, the structure that we want in place — not unlike when we did the Ring Road way back when — is actually 2040. So we estimated the background traffic. We had to look at what the origin-destination traffic is on the outside of this model. And then inside the model, we looked at the existing . . . We looked at a high growth rate, a medium growth rate, low growth rate, regionally generating that traffic. So now what we're able to do is not only look at the historic traffic trends, but we also can look at this demand model. Now the reason it's called a gravity system is, if you look at each of those nodes of these types of development with a certain amount of traffic that wants to go in and out of them in the morning peak or the p.m. [after noon] peak, what we do is, of course we look at it with a whole lot of different algorithms that are inside the modelling software. But very simply it's kind of like just as you would drive which is the easiest route to go from here to here, and with an origin-destination structure over top of it we can actually calculate what's called desire lines, travel desire lines.

On top of that we can start to analyze the probable levels of service for different laning configurations. So that's how we used it to actually structure the reference concept. Of course what we did then is we, in the project, the procurement process, provided the proponents with the connectivity in those levels of service, and they had to go in and do their own calculation on that.

So we have a very good handle on the traffic. There are some

examples around where, for example, Edmonton, the Anthony Henday, some of it has reached capacity very quickly. And quite frankly they didn't do the same level of analysis on some of that that we have done here. In fact our modelling and our effort on this was recognized by the Canadian Institute of Transportation Engineers a couple of years ago in terms of the work that was done on all the engineering work.

We should make it clear that it's not just engineers that are involved in that kind of modelling. Of course you bring in transportation experts, so there's economists that were actually involved in this in terms of understanding how the economy and how the development might take place in terms of, you know, what would happen in high growth, what would happen in medium and low, and some basic assumptions on that. There's a lot of analysis put into that alone. So this model is actually in partnership with Regina. It continues to be used and continues to be developed. Out of interest, we're looking at the same thing in Saskatoon. And I know that Moose Jaw has a different VISSIM; it's a different software package. There's about three out there. There's Emme models, VISSIM, and TModel2, which is the other one that's out there.

Mr. Belanger: — Well I think one of the things is studying the traffic volume, and certainly the type of traffic is essential to developing a functioning system. I think that, in layman's terms, that's as basic and as simple as I could get.

[21:45]

So when you look at the location of the highway from the argument . . . Now nobody's arguing that we can change the route now; we're 43 per cent complete here. But prior to this, the argument around traffic volumes, as to why the southeast route was approved as opposed to the northeast route, was it made sense to have the northeast option, based on the commercial industrial business district being in the northeast of the city.

So part of the functioning plan is that when you do these plans you have to make some very basic assumptions. And part of the functionality of the plan going to the Southeast was based on the traffic volumes. And when the study was done on this particular process as to where the traffic would actually go, we're not arguing about the formula. We're arguing about the functionality of the choice of the actual highway. Why didn't it go northeast as opposed to southeast? That's where the argument always has been.

So a statement was made in one of the reports, and I want to get your perspective of it because you're an engineer who's quite proficient at assessing traffic volumes. And so the statement was made as it relates to the Why Tower Road? group. They'd done a lot of work on this. And I should point out the Why Tower Road? group, they understand that the project has proceeded despite their best efforts to try and convince government that this was not the route to use. It fell on deaf ears. And we're going to get into that particular argument of the lawsuits and the process of how Highways handled people that wouldn't sell and the different standards of treatment of people living three or four blocks away or three or four short distances, a minute walk from each other.

So I want your perspective as an engineer, from a professional perspective, based on this statement, and I quote:

Future (2017) southeast and northeast bypass traffic volumes were estimated at 10,800 and 11,300 vehicles per day respectively. Of the 10,800 vehicles per day on the Southeast Bypass, only 1,630 [which is] (15.1 %) were assumed to be through trips. It was assumed that 660 of these through trips would be trucks attempting to bypass the City of Regina.

What's your response from the formula-based argument that you made earlier?

Mr. Stearns: — Of course there were six studies and 38 supplemental studies, so I don't know which particular study you're looking at there. But what I can say is that we actually were able to test going around the north side using the travel demand model. And using the 2040 design year, if I recall, it was about 21,000 vehicles going around the south versus about 8,000 going around the north. In fact that information was conveyed to the Why Tower Road? group. And that comes straight out of the modelling.

As a matter of fact, on top of that, if you went around the north side it still doesn't resolve some of the congestion and issues that are going on Victoria Avenue. And if you don't address that, what you start to see is what I call rat-running. It's not much of an engineering term, but you start to see traffic actually short-cutting through neighbourhoods and everything — in fact you're already starting to see that a little bit between University Park Drive, Prince of Wales, and others — to try and get between those two areas to get in and out of the city.

So the fact of the matter is that not only by building around the south you're going to accommodate more traffic, which if you translate that into the benefits side of, not only from an overall safety point of view but also from a travel, what we call a customer account . . . So there's a safety part of it, which is an element. We look at the travel time aspect of it. We look at vehicle operating costs part of it. And all of that analysis, if we look at the benefits versus the costs and when you start weighing what would happen in going around the north side, certainly the traffic is a lot less going around that side.

That does not take away from the fact that in order to get the traffic around the north side, 46 Highway, which I actually personally designed in the late '80s and into the '90s, is already starting to reach, some parts of it where there's some capacity challenges there in terms of the two-lane roadway. In order to four-lane that roadway of course in the vicinity of Pilot Butte, for example, you would actually have to shift it north. There's not enough room to get it in there and around that hole.

So by the time you look at four-laning Highway 46, by the time you look at the interchanges that you would need off of 46 as well as coming up and around and hitting Highway 6, coming back down Highway 11, you wouldn't have near the functionality and near the same kind of benefits that you're achieving by going around the south side. So the costs are still there.

That still doesn't address the fact that some of the existing

interchanges at Victoria Avenue, Arcola, Wascana, as well as Highway 6 interchange on the Ring Road, they're very much starting to reach some of that capacity. By ignoring it just makes it all that much worse. And ultimately something has to be done with all of that part of the facility if you ignore that and go around the north side.

On top of that, the same functionality in terms of connectivity to the national highway system isn't there. You're only connecting from essentially Highway 1 up around the north side to Highway 11. In order to achieve the same functionality you'd have to come all the way back down to Highway 1. You would still be missing your major commercial travel desire line down to North Portal with Highway 6 and Highway 39. You would also be missing Highway 33 that goes straight into the Bakken oil field area.

And so from an overall benefits point of view, the benefits are such that not only from the traffic that creates those benefits but also the economic spinoff of the connectivity for movement of goods, because every time you slow down a vehicle, or even stop them on Victoria Avenue, it costs money. The travel time goes up. The cost of moving those goods gets translated through the movement of goods into the consumers have to pay for it. So overall the economics are such that it would, certainly not only from a traffic point of view but also from an economics point of view, plus the safety improvements that you're going to see along Highway 1 East, definitely drive you into going around the south side.

On top of that, if you go online you'll actually see a presentation of mine where I've actually gave it and the Why Tower Road? group were there actually at the one presentation that shows you the desire lines, travel desire lines based on this model of what I described as a gravity-based system where it determines and calculates where the driving paths, or the desired driving paths, are. And it's certainly not up around the north side of the city. It's not to say that the north side of the city doesn't need a consideration for that future freeway, and in fact it's highly desirable to start thinking about it now.

No different than when we were building the Ring Road, which actually was inside the city, and I'll get into that discussion in a moment, where already some of University Park was already in place, as well as on the other side we actually had to take out part of the trailer court just north of Victoria Avenue to actually fit in the Ring Road in that place.

But even at that time we were already starting to think about the next bypass. In the mid-'80s I personally did a footprint analysis of the interchanges at Prince of Wales Drive. That's how we ended up landing on the location of Quance, for example, on the intersection, with the idea that there could be, that was actually at that point in time, was envisaged or in concept would be the interchange, and that's actually the bypass would be swinging down from, that would be the next interchange, then Victoria Avenue. And that would swing down through University Park Drive and then swing up and connect on to the Wascana Parkway freeway. Actually some of that concept is actually in the official community plan for the city. They've still got that connection in place.

But what I was going to get to is if you look at it this way, in

terms of optimizing location, if we go really far away from the city, of course you're not picking up cross-city travel as much, if at all. You start to lose some of the traffic volumes because, for example, if we went out as far as Balgonie, well you're missing all of what's coming in on Pilot Butte access road. So the point being that your benefits start to drop off. And not only that. The distances that you have to build could become longer and longer and longer. So all of a sudden you're looking at your costs versus your benefits. That ratio goes out of whack.

If I reverse that, working on the Lower Mainland, that wasn't unusual. I built one section through Nanaimo that was in the order of about 25 million a kilometre in 1995 dollars. Well okay, we could actually if you really wanted to — it wouldn't make any sense at all — but we could actually drive an eight-lane freeway right down Victoria Avenue and have one interchange out at Balgonie and one interchange out at Belle Plaine, if you want. But of course that would be a horrendous cost with little benefits, right?

So it all becomes a question of where can you optimize it. Now that's not . . . That doesn't come without other considerations. I talked about the customer account. Of course there's the financial account where we talk about the capital costs, the operation and maintenance. And out in British Columbia we also talked about the revenue generation that we could maybe generate out of that particular facility.

Customer account, but we also have an environmental account, so by constructing the bypass we do have a positive impact on the carbon footprint. Off the top of my head, I don't have that information here but it certainly all was part of the analysis and has been looked at. The other part of that is the environmental account. What's the impact on the environment? And that's all considered.

The social account, of course, what does the city of Regina and what do the RMs . . . And in fact we went through, in that period of 1996 to 2014, 24 separate open houses that provided all that opportunity for input. And all of the municipalities, including the city, sanctioned and support the bypass in terms of what's being done on it in terms of the location.

If we carry on then, I mean . . . So the point is, it's actually 1996 is where it was confirmed it was needed, but I was personally involved in thinking about this in the '80s as the district design engineer in the Regina district. We used to have six districts. And even then, we started looking at the footprints, as I described, at Prince of Wales, and we start looking at control of access of Highway 1 and trying to have that plan in place.

In the early 1980s, we actually lost our planning group, which was a . . . I think in hindsight we're much better off now in terms of having our policy and planning group back in place. We're being able to look at some of these long-term plans and trying to get these corridors in place. On top of that, when you start talking with pipeline companies and power line companies and all of this sort of thing, the whole concept of linear infrastructure and having these common corridors for that kind of infrastructure comes into place.

If we go back to 1882 when the railway was actually put across

Saskatchewan from just inside of Manitoba over to Alberta, the track was laid all in one year. If we look at that . . . And it's unfortunate that we actually had the Dominion Land Survey in 1871, which actually put us on the grid system. Because when you look back at, say, a 1926 map, you'll see that it's jagged all over the place, and of course the railway was a nice smooth line cutting across the countryside. And if you think about it, we've spent the last 100 years actually trying to straighten some of those out and follow essentially a common corridor.

But this planning and how we went about it . . . And I of course was not in Saskatchewan in the 1990s, but very familiar and have undertaken numerous transportation studies myself, including a study for a P3 project going through the Lower Mainland on the south side of Highway 10. I did studies in Port Alberni, studies on the gateway corridor leading out of Kelowna. And so the same principles, is what I was going to say, are commonly applied in higher population areas. What was applied here was actually right on the mark in terms of, if you want to say Saskatchewan growing up and seeing all this growth that's happening, it's about time that we started using additional tools in our planning tool box, and that's actually what happened here.

So the long and short is that I certainly understand and respect others, and they have their opinions. But when it comes back to the professional engineers that were involved and many of them, as well as transportation economists, and everything else that got involved in the analysis of what we first of all look at as a concept.

[22:00]

And then we look into general location which is kind of like a single-line drawing plus or minus 500 metres either side. It can even be a kilometre depending on where you are. When I was involved in the Kicking Horse Canyon and trying to figure out where the road was going to go, it was kind of like, is it on this side of the mountain or that side of the mountain? Same kind of thing in Nanaimo. So that's general location.

We then elaborate on that, and it's a progressive elaboration in terms of building the scope and building scope and finally coming to a conclusion. But we end up with a functional design which now puts it into three dimension, and we start looking at environmental and some of the impacts from there. And then of course you go into a preliminary design, detail design. And essentially we had what I'd call a preliminary, a functional, an integrated functional design.

So if you look at the bypass, out of six major studies and 38 supplemental studies, of course one of the things we had to do when we were looking at the scope of this project is to start to integrate all of that. It evolved from even in 2003 where there was a simple, I'll call it a service-level interchange at Tower Road, that would connect down across Highway 33 onto the curve of the Ring Road, which is just south of Wascana Parkway. That created a significant safety issue from a weaving point of view, where people wanting to get into Albert Street. That was all part of the analysis. It also would have meant reconstructing the Highway 6-Ring Road interchange, as well as it still wouldn't have addressed some of the capacity issues that would be sitting on Wascana Parkway and a bunch of

things like that.

So when you look at how we elaborated and evolved the scope of the project, it was in bits and pieces. At one point we were at a point where it was largely in place. Later on, of course, when you look at Hill Avenue and 9th Avenue, it didn't make sense to not put an interchange at 9th Avenue. It would fail on day one. So coming back to your comment about how do we determine this, it was deemed very appropriate to add an interchange at 9th Avenue and the one at Hill.

Of course a lot of this is not only driven by capacity and all of those benefits, but some of the other benefits are economic development opportunity. So that starts positioning the RMs and the city and everybody else for growth and economic development. And so those two interchanges were added, as well as the utilities. We intercepted over 400 utility conflicts on this project, over 10 of them were considered major utilities. And in order to resolve some of those conflicts, as we engaged the utility companies in a more meaningful way of having them do what's called class 4 estimates, they came up with some estimates that allowed us to better estimate. So between two additional interchanges as well as a better understanding of utility costs, that's how it evolved up to sort of that common number that you hear of the capital cost.

But it's not realistic to compare a couple of interchanges to 12 interchanges. It's not realistic to compare 10 kilometres of four-laning to 60 kilometres of four-laning. And unfortunately some of the people out there maybe don't understand it completely, and they're a little bit misguided on some of their statements.

Mr. Belanger: — Yes. Well that's one of the arguments that people are using, is the fact that, well we shouldn't be calling it the bypass then; we should be calling it an economic corridor. Because you look at your potential argument, you know.

Mr. Stearns: — Actually, I 100 per cent agree with you. It's just a freeway.

Mr. Belanger: — Yes, that's right. And then as you head further south, after you come to the Tower Road location, you're skirting off, I don't know how many kilometres south of the city. So if we were to theorize your formula, that you want to drive in much economic benefits on your model, then why are we heading — I don't know; what's that? — 10, 15 kilometres south of the city?

Mr. Stearns: — Correct.

Mr. Belanger: — How many kilometres is it south of the city?

Mr. Stearns: — South of highway . . . The Ring Road intersection down to the bypass is 5 kilometres, I believe, and that goes just down to Rowatt. So the other part of that is you've got to keep in mind that we do have to have some realistic understanding of some of the obstacles. So we can't actually build over top of gas caverns, natural gas caverns, which exist in the southwest corner, just southwest of the city, for example. Or let's not forget the travel desire lines, where you've got your commercial port down at North Portal with a large truck traffic desire line that goes up and down through that

corridor.

So moving further south wasn't necessarily hampering the benefits. It did increase the cost of the facility, of course, but to bring it up tighter, it wasn't actually possible because of some of the obstacles that were in the way. So it was brought in at a reasonable location south and with an interchange that'll tie into Highway 6, and that's how that took place. All of that was accounted for in terms of the business analysis that was done.

Mr. Belanger: — So I think, based on what you told me today, in my . . . Is it safe for me to assume that the route that was selected wasn't just a functional route to handle traffic. There's a lot of economic considerations. There was a lot of other considerations at play, and so I want to make certain of this. Because your point being that it, in theory, wanted to bypass the city, you just build an overpass over the entire city. Where's the economic benefit?

So then you build a Global Transportation Hub on the other side as we begin the process of building from that end. So the whole argument is that when you look at why you went in as opposed to bypassing the city, then you went further south, again I would say it contradicts your economic modelling argument. But that being said, why did we make reference to this project being a bypass all the way through? In theory, based on what you articulated very well today, this is simply an economic corridor.

Mr. Stearns: — No. It's benefitting international, national, interprovincial, inter-regional, commuter, and some cross-city travel, and that's where a lot of those benefits are coming from. The safety benefits, if we as engineers, we actually do have the unfortunate task of placing value on life and injury and property damage. When we look at the vehicle operating costs, the travel time costs, when we look at emissions, when we look at the economic development opportunities, as you put it, along with environmental and all of these different factors that are put in, there's just no question that we're on the right side of the city.

Then you start getting into the detail of, okay well we have a general location, but where are we actually going to put this thing. So you go into the functional design level and that's where you start understanding better some of the obstacles, whether it's pipelines or any other type of obstacle like a gas caverns or that kind of thing. Obviously there's consideration for trying to minimize the impact on farm land and that certainly was a factor in terms of some of that.

But it's a multiple account evaluation or a total-cost-accounting approach to things. Now there's different levels of that kind of analysis. If I was doing, personally doing the analysis on the Lower Mainland, I've had one project where the emissions actually drove the project. Likely not to happen quite that way here, but certainly travel time, vehicle operating costs comes into play. Safety is certainly one when we look at Highway 1 East.

Mr. Belanger: — I have other questions as to the process and the bypass itself. These are more questions that pertain to land acquisition. I'm not certain if you're in a position to answer that, but whoever is the individual in charge of the land acquisition process, I would certainly ask that individual to step

forward from the ministry's perspective.

Thank you very much, Mr. Chair. It wasn't very long ago that we had discussions around the purchase of land, as we know that the Ministry of Highways has the ability to seize land and offer money that is based on appraisal of that land, and there's various models that are being used to appraise certain lands. As a former minister, I can say that we've had a few occasions in which we've had to go through this process. And obviously it's never a good process to go through, as you would hope that some of the land that you require from private individuals would be used for highway construction would be an easy process to undertake. But a lot of times, they are difficult to get to agree and this is when you begin to actually force them to sell the land to you as a government.

Now there was the land issue itself, the purchase of land. There was such a huge issue that continues to haunt the Ministry of Highways and Infrastructure. And in fact the auditor has said, and I quote, "MHI's approach used to purchase [Regina Bypass] land left MHI, the Government, and taxpayers exposed to increases in land prices." Based on this, it is clear that there are concerns with how taxpayers' money was used to acquire land for the bypass. Is the ministry able to table a list of all the parcels purchased by the ministry for the bypass, when they were purchased, and how much was paid?

Hon. Mr. Marit: — Your reference . . . What page of the auditor's report are you giving that from, may I ask?

Mr. Belanger: — I'll give the pages for you, but the statement that she indicated that there . . . Again, the taxpayers were exposed to increase in land prices. We can get the direct document to you, Mr. Minister.

It's obvious that she made some very compelling and strong statements as to the process that was involved, in which there was exposure to the Ministry of Highways and the people of Saskatchewan on these increased land costs. So this information is highly required from a lot of people that are watching this.

As you know, Mr. Minister, there has been a number of lawsuits over the land issue. And of the original legal cases related to land purchases for the Regina bypass project and the Global Transportation Hub, there are nine ongoing cases of the original 15 that we were provided.

[22:15]

Can the minister indicate the value of the agreement with each of the following legal cases: the first one is *Hadwiger v. the Government of Saskatchewan*; *Hayward et al. v. the Government of Saskatchewan*; *Ripplinger v. the Government of Saskatchewan*; *Tanner et al. v. the Government of Saskatchewan*; *Voss v. the Government of Saskatchewan*; and *Voss v. the Government of Saskatchewan* again.

There were six . . . the minister did indicate that there were six of these cases which were concluded by agreement between the parties, and these were the cases that were settled. So would you be able to provide that information to us tonight?

Hon. Mr. Marit: — Just on the point of the values, typically

we can't comment because they're typically non-disclosure agreements. So we can't give those numbers. And I just want to clarify your previous comment. I just want . . . on the auditor's report and comment that the auditor made. And what our ministry . . . I mean:

Ministry of Highways places a strong emphasis on detailed processes and procedures that align with relevant legislation to help acquire land in a fair manner. It maintains Land Standards and Guidelines and, from time to time, issues Technical Bulletins to help it acquire land in a manner consistent with its legislation and case law.

I just wanted to make that point very clear.

Mr. Belanger: — Well the problem we have . . . And I'm going to get you the page that I made reference to. And the auditor indicated, and again, and I quote: "The Ministry of Highways and Infrastructure's approach used to purchase land left the ministry, the government, and taxpayers exposed to increases in land prices."

What is happening here is that, if things were handled accordingly based on the statement that you made, there wouldn't be six cases that you settled out of court and now you can't disclose the basis of those settlement figures. And secondly is, I think you're still going to court with other individuals who are not happy with the manner in which they were dealt with. So we have the auditor that really chastises your ministry for exposing taxpayers to increased land values based on a process that wasn't followed.

So that page I made reference to with the auditor is page 42, and I'm getting you a copy of that particular page where it says . . . It's the auditor's special report on land acquisition. And I'll be getting you a copy of that particular page, but it was the auditor that was not . . . It was not an endorsement of how the Ministry of Highways approached to purchase land. She was actually . . . The report was quite scathing, and I think at the extent of the fact that your government, the ministry, exposed taxpayers to an increase in land prices. So we paid a lot more for land than what it was worth.

Now we use figures in the Assembly, and we continue hammering for questions there in question period. So we're in this committee and once again we're asking the question, if things were handled as they should be, why did you settle out of court with six cases? And taxpayers would like to know, as the opposition would like to know, what were the settlement amounts?

And more so I think dealing with an out-of-court settlement, Highways, they didn't handle the process correctly, and that's why you got sued. And you're getting sued by many others as well. So can you tell me, how many court cases are pending against the ministry as it pertains to unfair land acquisition process undertaken by the Ministry of Highways and Infrastructure? Can you give me a number and the names of those individuals suing your government right now?

Mr. Wagar: — So in terms of the number of lawsuits, there's two with the Regina bypass specifically, five for the west Regina bypass, lawsuits that are outstanding still, and one

within the GTH [Global Transportation Hub] footprint. Of course the Ministry of Highways was involved in the assembly of the core GTH lands at the beginning. So those are the outstanding lawsuits associated with the Regina bypass.

As the minister mentioned, when we settle lawsuits, the number, the dollar figure, because that's private information, we typically do not disclose that information publicly. So that's to protect the citizen themselves when we reach agreements.

I think, you know, the member will know and had referenced that the ministry has a well-established land assembly process. It's been in place for a long time. Anything we can do to avoid moving to expropriation, we work through that process to do that. But the expropriation process is twofold. One, it protects taxpayers in terms of making sure the ministry is paying appropriate values.

It also protects the landowners if they feel that they aren't in a position to agree with the land as it was valued by appraisers. It's a process that binds the ministry and that landowner into a process to work through an agreed-to price. At any point in time, the ministry and that landowner continue in discussions to try to reach an agreeable price, and that's where some settlements can occur. In other cases, it goes right through the court process. That's how the decisions around value are determined, and we of course, both the landowner and the ministry live with that.

Just in terms of the auditor . . . And of course the whole land assembly process when it relates to the Regina bypass has been looked at in significant detail by the auditor. There was references of course that you made in terms of the process and lots of recommendations that were made to the ministry that we're following up on.

The follow-up to that particular quote that you referenced also talked about the ministry's approach to buying land and the following benefits of the land purchase approach. Waiting until finalization of route design for each component before starting acquiring this land, there's lots of debate internally. We would like to get out in front, and in many ways when we're doing our planning, if we can purchase property as far out as front as possible, there's benefits to that. There's also costs associated with that in terms of us getting out buying land that we may not need, depending on how final design. When you start to drill down into what you actually need, we could end up purchasing land that we don't need or expropriating land that we don't need.

So we balance that about not getting too far out in front. We also avoid carrying costs. If we acquire that land too early, then we're left to look after that land as well, which adds costs. So there is a balance between the timing of when we acquire and finding that sweet spot.

We're also looking to . . . When we're getting appropriation, our objective is always to put as much of our resources into the road asset itself. Buying land in advance again has some benefits that the auditor pointed out, but it also has risks in terms of additional costs that aren't money that we're able to put into the road infrastructure in today, as opposed to purchasing land that we may use into the future. So those were some of the additional comments that we were able to provide

the auditor in terms of balancing when we purchase land and how far out we purchase it.

Mr. Belanger: — Now is it fair to assume this? Okay, I understand the process and I understand the predicament that Highways is in. The bottom line is Highways has the authority and the ability to expropriate land. I recognize that. But somehow along the way, the lines got crossed and Highways wasn't engaged in this process. Now the question that the auditor is asking and I'm asking is, I think it's fair to assume guilt in the process of, not so much Highways but the fact that Highways was bypassed. You have six cases that have been settled out of court. To me, I think that's an admission of guilt. There's eight more cases pending, if my numbers are correct, based on the information that you just served me.

Now I made reference . . . The minister may not know this, but here's page 42 where the Provincial Auditor cited Highways because Highways got left holding the bag on this. And I'll share the page with the minister, the whole document in fact. I'm certain the minister has it in his office when he says, what report are you making reference to? Well he knows what report I'm making reference to. It's right here. So if you don't have a copy of it, I'll table that copy for the minister. Here you go.

So the bottom line is, from our perspective we're going to spend the next two hours tomorrow going through each case, each argument around two or three things. One, the people that are watching this particular exchange want one thing understood. The manner in which people were dealt with when it comes to purchase of land was radically different from one case to another. The treatment of some of the people and the businesses in the Regina bypass location was absolutely offensive. And they are absolutely angry, the fact that they were treated this way by their own government. Some of them took legal action. There was debate around the route. Well that debate is gone now. We're 43 per cent complete, as people are telling us.

Now they want to be able to do two things, to show how there was a complete breakdown of how people were treated when it came to the land acquisition, and that the hurt and harm done to certain people as a result of this economic corridor or, if you will, the freeway — it's not a bypass; it's a freeway — that even the auditor supported their arguments around how they're exposed to increased land sales for some and decreased land sales for others. And that's why you have six settled out of court and eight pending. So this is where the anger is based on.

So tomorrow, my last two hours, we're going to be spending time on the cases of people that have come forward and shared with the public, with the media, and now with the courts, of how this bypass or Regina freeway has dealt with them and their businesses. There's a lot of anger out there, and they want to be able to tell their story and they want us to learn from their hurt. But they also want us to build for the future.

[22:30]

So tomorrow it's all going to be about the bypass. It's all going to be about the auditor's report. And it's all going to be about the fact that every single month — I want the minister to confirm this, beginning May 1st — that we're paying \$8.3

million every month for the Regina bypass in payments.

The Chair: — Thank you very much, Mr. Belanger, for your questions this evening. We have reached the time of adjournment. It is 10:30 p.m. I do not need a motion of adjournment. We've reached the agreed-upon time, so we will return here tomorrow at 7 p.m., as Mr. Belanger referenced, in this room, May 2nd. So thank you all for your answers this evening. We'll see you tomorrow. Committee is adjourned.

[The committee adjourned at 22:31.]