



# **STANDING COMMITTEE ON THE ECONOMY**

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## **STANDING COMMITTEE ON THE ECONOMY**

Ms. Colleen Young, Chair  
Lloydminster

Ms. Vicki Mowat, Deputy Chair  
Saskatoon Fairview

Mr. David Buckingham  
Saskatoon Westview

Mr. Terry Dennis  
Canora-Pelly

Mr. Delbert Kirsch  
Batoche

Mr. Warren Michelson  
Moose Jaw North

Mr. Doug Steele  
Cypress Hills

[The committee met at 18:31.]

**The Chair:** — Welcome this evening to the Standing Committee on the Economy, and I will go through the committee members that are here this evening: myself, Colleen Young, as Chair. Substituting in for Vicki Mowat, we have Cathy Sproule. We have on the other side here as committee, substituting for David Buckingham, tonight we have Laura Ross. We have Delbert Kirsch, Terry Dennis, Doug Steele, and Warren Michelson.

This evening the committee will be considering the estimates for the Water Security Agency, the estimates for the Ministry of Environment, and Bill No. 124, *The Environmental Management and Protection (Environmental Handling Charges) Amendment Act, 2018*.

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

**Subvote (WS01)**

**The Chair:** — We will now begin our consideration of vote 87, Water Security Agency, subvote (WS01). Minister Duncan is here with his officials this evening, and I'll let you introduce who you have with you here joining us and make any opening remarks you'd like.

**Hon. Mr. Duncan:** — Thank you, Madam Chair, and good evening to the committee members. It's our pleasure to be here with you this evening to consider the estimates for the Water Security Agency.

I'm joined this evening by officials from the Water Security Agency. To my left is Susan Ross, she is the president and CEO [chief executive officer]. To my right is Sam Ferris; he's vice-president of regulatory. As well with us is John Fahlman, vice-president, technical services and chief engineer. Lionel Diederichs, the vice-president, corporate services and chief financial officer; Clinton Molde is the executive director of integrated water services. Doug Johnson is executive director of special projects. Thon Phommavong is executive director of environmental and municipal management services. Marjorie Simington is general counsel. As well . . . That's it this evening for the officials that are here.

The safety, security, and management of Saskatchewan's water supplies and related infrastructure remains a top priority for the government and for the professionals at the Water Security Agency. This year's Water Security Agency budget will once again take several key steps forward in realizing the goals of our 25-year water security plan.

The WSA [Water Security Agency] has achieved several noteworthy milestones over the past year and will also be expanding several critical initiatives in the upcoming one. We are holistically looking at how we manage water for the good of our economy, the good of our environment, and the good of our way of life.

So I'd like to share just a few of those achievements and the

future direction for the Water Security Agency. Our water infrastructure across Saskatchewan, including the 69 dams under Water Security Agency's purview, are a key economic cornerstone for the province. This network includes 49 structures that have been provincially controlled as well as 20 dams, mostly in southwest Saskatchewan, transferred by the federal government to provincial control. Considering many of these structures are decades old, they require significant capital investment to ensure they remain safe and operationally reliable.

This year, Water Security Agency will invest an all-time record of over \$43 million in these facilities, bringing our cumulative investments since 2010 to over \$103 million. By way of comparison, this year's capital investment will be 15 times what it was just over a decade ago.

Another \$13.7 million will be invested as part of a 10-year, \$100 million project to rehabilitate the M1 canal, a significant piece of the province's infrastructure. Built in the 1960s, the M1 canal is 22.5 kilometres long. It's a water supply canal that serves one provincial park, three potash mines, four regional water pipelines, five towns, six reservoirs, 13 wetlands, and 56,000 irrigated acres.

This year's M1 investment will increase canal capacity, improve reliability, and alleviate seepage on the last 4.6 kilometres of this system, which will bring the project to a close.

About \$10 million of the program will be devoted to the transferred federal dams, including \$4.2 million to Highfield dam, a facility just south of Rush Lake. We are in the second year of a three-year transition of ownership of these dams as well as additional lands and equipment associated with the dams. The reservoirs created by these dams are important water supply sources for municipalities and producers in southwestern Saskatchewan, and we'll be hiring additional new staff over the coming year to help us facilitate the ongoing transition.

As the committee will know, the Water Security Agency ambitiously set a new course to change how drainage is managed in Saskatchewan. After two years of diligent work, the strategy is seeing real results. A record 693 quarter sections were brought into drainage compliance in the 2017-18 fiscal year. If you compare the last year of the old regulations in 2014-15 to the first full year of the new agricultural water management strategy in 2017-18, we saw a 310 per cent increase in approvals, going from 147 quarter sections to 693.

This budget also provides \$1.2 million of strategic new investments in the budget. These investments will allow the Water Security Agency to enhance its water management strategies, respond to extreme weather events, as well as better assist and safeguard communities across Saskatchewan.

The investments will collectively improve Water Security Agency's core expertise of hydrology, the science of the movement and quality of water. This includes a \$500,000 initiative in the 2018-19 budget for the modernization of Saskatchewan's flood plain maps used for both community planning and emergency preparedness. New and updated

mapping is a crucial component for both the province's emergency preparedness as well as our climate resiliency strategy.

WSA will also invest \$400,000 to enhance its flow forecasting tools. This will improve snow and rain runoff forecast modelling as well as water routing on Saskatchewan's major dams and systems such as the Souris and Qu'Appelle.

Complementing these initiatives will be a \$340,000 budget investment in the hydrometric system, enhancing the WSA's water management and forecasting capabilities. This initiative will help the WSA determine water supplies, allocate water, and forecast the flows. The net result of the \$1.2 million investment will be to improve the WSA's ability to determine peak water level and flow information, operate reservoirs, and provide the public with timely information on lakes and river systems.

The budget also provides \$2 million for the emergency flood damage reduction program. The long-term success of this program is unquestionable. Since 2010, WSA has invested almost \$75 million in flood mitigation to assist in excess of 3,300 applications to prevent flood damage. It has also cost-shared construction of almost 800 permanent works that will serve to protect our citizens from flooding now and into the future.

After August 1st, 2018, the program will evolve to the flood damage reduction program for the remainder of the budget year. The initiative will grant urban and rural municipalities as well as individuals, businesses, and non-profit organizations with funding for permanent flood mitigation projects which address ongoing flooding risks.

Madam Chair, I hope that I've given the committee a high-level overview of the good work that's been done by the Water Security Agency. And with that, we would be pleased to take the committee's questions.

**The Chair:** — Thank you, Minister. I'll now open the floor to questions from committee members. Ms. Sproule.

**Ms. Sproule:** — Thank you very much, Madam Chair. The first question I want to ask is a comment made by the previous minister on April 11th, 2007. Actually it was from Ms. Hrynkiw. And I had asked about the book value for the dams that have been transferred from the federal government and at that time she said, "We are currently working on determining what the book value will be." So I'm wondering if a year later you could provide the committee with that information.

**Hon. Mr. Duncan:** — So the federal government had previously established a net book value of \$38 million, and we as an agency carried that forward onto the WSA.

**Ms. Sproule:** — So the book value of the dams is 38 million? And how much did the federal government transfer to the province in cash?

**Hon. Mr. Duncan:** — 350 million.

**Ms. Sproule:** — So when you talk about the record investment this year, 43 million, how much of that is the federal dollars that

were provided as part of the dam transfer?

**Hon. Mr. Duncan:** — 10.1 million for '18-19.

**Ms. Sproule:** — And that 10 million is being used for rehabilitation of the existing structures. Is that correct?

**Hon. Mr. Duncan:** — That's correct.

**Ms. Sproule:** — All right. Thank you. I want to turn to the estimate figures on page 128 of this year's estimates. And it's a significant jump this year in the estimates for Water Security Agency. The transfers for public services, if I can just confirm that, 24 million is for the Water Security Agency operations. Is that correct?

**Hon. Mr. Duncan:** — Yes, that's correct.

**Ms. Sproule:** — And then the public services capital investment of 28 million, could you describe to the committee what that entails?

**Hon. Mr. Duncan:** — Ms. Sproule, just a clarification: you want a breakdown of where the capital dollars are actually . . . where we're allocating those?

**Ms. Sproule:** — Yes. Thank you. [Inaudible] . . . mainly because in the last three years there were no transfers for public services capital in the estimates. This is the first year we see it in the last four years. So I just want to understand what that means.

[18:45]

**Hon. Mr. Duncan:** — So I'll have Lionel Diederichs, he's our CFO [chief financial officer], speak to the specifics. And just keep in mind some of them will be smaller, you know, in the thousands of dollars, so we could provide that list. But I think Lionel will go through kind of at a higher level, and then maybe identify where some of the larger projects are.

**Ms. Sproule:** — I would prefer just anything over a million dollars, if that's okay.

**Mr. Diederichs:** — Sure. So first of all I'll go back and refer to the 28 million transfer. And you had commented, I think, asked about why it's in this year and haven't seen it in previous years.

In prior years, financing of our capital investments were done a couple of years prior by long-term loans, last year by funding from our internal net financial assets. This year our whole capital program of 43 million is being funded by the 28 million GRF [General Revenue Fund] transfer, which includes the 10.1 million for federal. And also 15 million of our net financial assets this year will be the other piece of funding, for the total 43 million capital investment.

**Ms. Sproule:** — That was my next question.

**Hon. Mr. Duncan:** — At this point I can jump in on that and say that of the 43.5 million, the larger items of that would be, Crooked Lake dam is 10.5 million. Highfield dam is 4.2 million. The M1 canal is 13.6 million. There's capital

equipment and hydrometric upgrades, 2.1 million. Theodore dam is 1.5 million. The Upper Qu'Appelle conveyance channel is \$754,000. And then various projects under a million dollars each total \$10.7 million to get us to the 43.555.

**Ms. Sproule:** — Thank you very much for that. When I look at the plan for '18-19, I've got to pull it out here. Here it is. So I have the '18-19 plan, and in there the statement from the minister says that investment in water infrastructure will increase from 28.7 million to 43.6 million. So that 43.6 million, I guess my question was, it didn't match up with estimates. But you say you're using 15.5 million of your own internal money?

**Mr. Diederichs:** — Financial assets.

**Ms. Sproule:** — Could you talk a little bit more about that 15.5 million and where it's coming from and how you've managed to gather that much money internally to invest in these projects?

**Hon. Mr. Duncan:** — So at the beginning of this fiscal year the net financial assets of the corporation are \$53.8 million. So in previous years there would have been a build-up. A portion of that would be cash; I don't have that number. We could endeavour to find that for you. So that's where we're essentially taking 15 million that's available in cash. That is available because of the surplus position in terms of the net financial assets. So we're forecasting that at the end of the fiscal year, because of that drawdown of the 15 million, our net financial assets at the end of the year will be approximately 35 million.

**Ms. Sproule:** — The most recent figures that are available publicly are in the annual report for '16-17—we don't have any report for '17-18 yet—and there it showed the cash at \$84 million. Do you have the year-end for 2018 in terms of the cash? Because this seems like a \$50 million drop then, over two years, from 2017.

**Hon. Mr. Duncan:** — So you're right. Last year all of the capital was funded under the net financial assets. This year \$15 million of that will be, so it has come down from approximately \$86 million two years prior. And we're forecasting that at the beginning of this year we're at \$53 million, and again at the end of this year we'll be at approximately \$34 million.

**Ms. Sproule:** — All right. I have more questions in that area, but I'm going to move on in the interest of time. You mentioned it in your opening comments and the news release of yesterday about the 693 quarter sections of land. I was wondering—and I know you won't have this information tonight—but would it be possible for you to table with the committee the land locations for these quarter sections?

**Hon. Mr. Duncan:** — Yes, we will be able to provide those with the committee.

**Ms. Sproule:** — Thank you very much. If possible, if you could table them with the committee so that they will be publicly available, that would be appreciated.

Of the 635 voluntary compliance approvals, how many of those were in the Lang West Conservation Development area?

**Hon. Mr. Duncan:** — With respect to your question, 30.

**Ms. Sproule:** — 30?

**Hon. Mr. Duncan:** — Yes.

**Ms. Sproule:** — And how many were in the Dry Lake area, Gooseberry?

**Hon. Mr. Duncan:** — 113.

**Ms. Sproule:** — All right. Thank you very much, and I'll look for the rest when you provide the list. And if possible, if you could identify whether they're part of a compliance . . . the pilot projects under the new system. Words are escaping me here.

All right. Just want to talk a little bit now about the agriculture water management strategy, and some of the activity around the Quill lakes. As you know, that's an active area. We were told in written questions that the WSA is working in that area on 13 requests for assistance drainage complaint files, but no ditch blocks, no consolidations, and no flow controls have taken place. Is that correct?

**Mr. Ferris:** — Okay. With respect to your question, the number that you were given in your written questions, I believe, was up until the end of October 31st, 2017. Currently there's 25 RFAs [request for assistance] in the Quill lakes area. Four have been withdrawn. Four are coming into voluntary compliance, we expect by the end of May this year. One RFA, we're working with the landowner to come into compliance. Five RFAs were surveyed last Monday and Tuesday last week in the potential for coming forward with orders to close those works, which leaves 11 RFAs remaining to be investigated and followed up on.

**Ms. Sproule:** — Thank you. And for the committee, could you explain what RFA means?

**Mr. Ferris:** — It's the replacement under the new regulations and legislation for the former complaint process. It's called a request for assistance.

**Ms. Sproule:** — Thank you very much. Is the Water Security Agency actively monitoring drainage activity in the Quill lakes?

**Mr. Ferris:** — In terms of monitoring the situation, we've undertaken a number of activities. We've established a semi-regional office in the town of Wadena. We've established some technical staff in the area, recognizing the Quill lakes is a very complex water management situation. We plan to hire a . . . Well there's a new person coming on staff to aid with the communications and public education activities for all ag water management activities in the province, but there will certainly be a focus on the Quill lakes area because of the importance of that area.

I think it's fair to say that we attempt to do the best that we can, but with the number of staff that we have and the variety and diversity of locations with drainage under way, it's not possible to monitor every location all the time.

**Ms. Sproule:** — So can you advise the committee whether WSA is monitoring drainage activity, actively monitoring it?

**Hon. Mr. Duncan:** — Thank you for the question. So I guess, I think it's fair to say that, particularly in light of the office opening up in Wadena and having dedicated staff and rotating some additional staff in, certainly we have staff available in the area to respond to requests for assistance, for the RFAs.

Certainly this has been . . . Not just the Quills, but obviously moving to the agricultural management strategy has taken significant resources. And moving just in terms of the way that we do deal with compliance and RFAs and the new regulations, you know, we are working with 10 priority networks around the province, and we're moving to, I think, a successful conclusion to the processes that are in place for those 10 priority networks. And as well, we are moving ahead and are going to be applying the agricultural water management strategy in the Quill lakes area as well.

So I guess it depends on what you mean by monitoring. Certainly when somebody does come to the office or phones the office at Wadena and is looking for assistance, then we do, yes, have staff available to assist.

**Ms. Sproule:** — Could you describe for the committee the number of staff that are available in that office and what their job title is?

**Hon. Mr. Duncan:** — So there are two staff members located in the Wadena office, as well as we are rotating additional staff in as demand requires us to do.

**Ms. Sproule:** — And their job title?

**Hon. Mr. Duncan:** — Project manager is one of the positions that is stationed in the Wadena office, as well as a technician?

**Mr. Ferris:** — Yes.

[19:00]

**Hon. Mr. Duncan:** — A technician is the second one, and the . . . I'll just maybe take a moment here. I didn't break them down; I should have. So the other positions that are rotating in are supervisors as well as technologists that we're rotating in as required.

**Ms. Sproule:** — I was north of Wadena in early September and was shown some egregious examples of unauthorized drainage. And I can give you the land locations on those. And I'll just give them to you now and ask that next year when we meet, I can get an update on those particular areas.

Northeast of 4, there's . . . wait a minute, one, two, three, four, five, six quarters in township 35, range 13, west of the 2nd. Those quarter sections are northeast of 4, northwest of 3, southeast of 9, southwest of 10, northeast of 9, northwest of 10. And I have some photos I will share as well I'll table with committee.

The second area where there's clearly illegal drainage, northwest of 19, west half of 30 in township 35, range 12, west of the 2nd. And the third area is west of Hendon. A very large ditch has been drained. It was a semi-permanent wetland. This is east half of 13, and southeast of 24-36-14, west of the 2nd. I

just have some photos that I've printed off my phone that I will table with the minister so you can have a look at the damage that's being created there. And if I could get an update, either by next year's estimates or before, it would be appreciated.

**Hon. Mr. Duncan:** — We will certainly provide the committee with an update. I would just say that from even the staff that we have here this evening, those land locations, the general area of those land locations — can't speak specifically to specific, exact land descriptions — but certainly the areas are familiar to the staff in areas that we are actively working on.

**Ms. Sproule:** — Yes, I can't imagine they're not common knowledge because the scrapers and the track hoes are parked right by the edge of the road. So it's a very egregious and, I think, bold project that is in violation of the law. And it's concerning when we know that the minister, your predecessor, had asked that there be no approvals in that area, in the entire Quill lakes area, and yet active drainage continues. So as you can imagine, people are concerned about that.

Did WSA hire three contractors to map out some of the Quill lakes drainage networks in 2016-17?

**Hon. Mr. Duncan:** — So the Water Security Agency has and did hire QPs, qualified persons, to provide assistance in the work that was done to find an adequate outlet. So that assistance was provided, yes.

**Ms. Sproule:** — I'm more interested in specific drainage networks. So was mapping of drainage networks completed? Not just the adequate outlet at the southeast corner of the Quill lakes drainage outlet, but drainage outlets within the area . . . or drainage networks, sorry.

**Hon. Mr. Duncan:** — I'm going to ask Clinton Molde to provide some specifics.

**Mr. Molde:** — Yes, we did hire three QPs to act as technical assistants to landowners to provide them with options, particularly around consolidation of works on their own land so they could gain approval without draining water into the Quill lakes. Particularly, they were focused on two networks that we had located within the Quill lakes basin.

**Ms. Sproule:** — Can you give the name of those networks?

**Mr. Molde:** — We don't have specific names, just in the general area. They're in the northwest portion of the basin.

**Ms. Sproule:** — Could you provide the nearest community?

**Mr. Molde:** — Not off the top of my head, no.

**Ms. Sproule:** — How many drainage networks . . . I don't know if that's even useful. So you said you did mapping of two networks basically, or within two networks?

**Mr. Molde:** — Yes, they worked with individual farmers to see if they could come into compliance through approvals, and only if they wanted to work with us.

**Ms. Sproule:** — And how many farmers was that?

**Mr. Molde:** — Forty-two farmers all together, and approximately 20 took us up on that assistance.

**Ms. Sproule:** — And what's going to happen with the other 22?

**Mr. Molde:** — That was 2016. We are making plans to re-address those networks.

**Ms. Sproule:** — When will you re-address it?

**Mr. Molde:** — It's in our . . . We plan to do it this year. Yes.

**Ms. Sproule:** — All right. Are there any other areas in the Quill lakes that you will be looking at further?

**Mr. Molde:** — As the minister mentioned earlier, we are going to be looking at additional RFAs, the 11 that are yet to come. And so we'll be looking at those. And we've also been getting walk-ins into our office, asking for complaint forms. So I assume that we'll be looking at more complaints.

**Ms. Sproule:** — In 2017, as far as I know, no networks were completed. How many drainage networks do you plan to complete in 2018, and how much will this reduce inflows into the Quill lakes?

**Hon. Mr. Duncan:** — Thank you for the question, Madam Chair. So potentially two networks will be worked on in 2018. We suspect at least one of those, but potentially the two, and it would really have minimal impacts in terms of the inflow.

**Ms. Sproule:** — And how many networks would you, have you identified within the Quill lakes area?

**Hon. Mr. Duncan:** — So a third network had come forward in 2017, a voluntary network, so we will be following up with them as well this year. It's hard though to put a number on the potential number of networks. Just to put it in perspective, the two networks that I spoke about in the previous answer is made up of 77 quarters, but in the basin itself there are 13,000 quarters. So it's hard to put a number on how many networks could potentially be a part of this.

**Ms. Sproule:** — Doing some quick math here to try to get a sense of what percentage of the area we're talking about here. Seventy-seven quarters would be less than 1 per cent. My math isn't working. I can figure it out later. Thank you.

I just want to move on. Well I was looking at, on your website, the new agricultural water management strategy description page. And the English teacher in me has to point out a typo, I'm sorry. On the fifth line, "responsible" is spelled wrong. So if you care to look at that, that's interesting.

And you talk about the new approach: "The new approach is about approvals (all drainage needs an approval) . . ." I want to talk just for a couple of seconds about the drainage ditch at the Global Transportation Hub because, as you know, it's unapproved. It was approved by the city of Regina. And in 2014, WSA wrote a letter to the GTH [Global Transportation Hub] informing them that they needed to get approval for that ditch.

I spoke with a farmer in the area who is working on the conservation development authority or watershed, and he indicated when I spoke to him last — I think it was earlier this month or maybe late April — that as far as he knew that that was still an unapproved ditch. Is that still the case?

**Mr. Molde:** — Yes. The farmer and . . . A group of farmers there did form a non-profit organization and made application to be part of a watershed association. Other agents that will be part of that potentially will be the city, GTH, and the RM [rural municipality] of Sherwood. And when they form that watershed association, they have the authority to own and operate and maintain any waterworks and, in this case, the ditches that are there.

**Ms. Sproule:** — So currently, and for the last four years, that ditch is unapproved?

**Mr. Molde:** — So there are a number of ditches there. There's an old Highways ditch. There is the ditch that constructed . . . that GTH has. There's lands that go through CPR [Canadian Pacific Railway]. The farmers themselves have ditches on their own land that are not approved and require approval. So this is one where they're going to have to come together and work towards an approval, maybe even a network.

**Ms. Sproule:** — So in 2014 when the WSA wrote to the GTH and indicated that the ditch was not approved and required approval, has the GTH ever made any contact with the WSA or made any attempt to get that ditch . . . I'm speaking specifically, and I think you know which ditch I'm talking about. It's the one the city of Regina constructed through the south end of the GTH, and it extends out into the RM of Sherwood and heads right towards the Grand Coulee . . . the old ditch that you're referring to.

So I'm talking specifically about that ditch, and your letter to the GTH indicating that it was unapproved and that they had to get approvals. Has there been any correspondence between WSA and GTH in the four years since that letter was written, in regards to that ditch?

**Mr. Molde:** — I'd have to look into it. I can't specifically respond to that.

[19:15]

**Ms. Sproule:** — If you would look into it and provide that information to the committee.

May I remind you that under section 90 of the water security Act, 90(1) says:

No person shall . . .

(h) construct, extend, alter or operate any works:

(i) without having secured the approval of the corporation.

And subsequent to that, subsection (2):

Every person who contravenes any provision of subsection

(1) is guilty of an offence and liable on summary conviction to a fine not exceeding \$1,000,000 for each day or part of a day during which the offence continues.

And as you know, Mr. Molde, the GTH certainly has the wherewithal to comply with the law. And as an authority issuing and taxing and all kinds of things like that, would it be your opinion that they should perhaps comply with the law?

**Hon. Mr. Duncan:** — Well thank you, Madam Chair, and thank you, Ms. Sproule, for the question. Certainly I would just say that the Water Security Agency I think is working with all of these agencies to help in any ways to encourage the watershed association to be informed, for them to take control of all the ditches that would come under this, and to be in compliance.

But I would just, I guess, remind the committee that the Water Security Agency, through the agricultural water management strategy, is fundamentally changing the way that water is managed on agricultural land across the province. There are many works and ditches and drainage projects that would not be in compliance. We're working hard to bring all of those projects into compliance. I think as the numbers have indicated, we are seeing significant success just in the first couple of years of moving projects from a non-compliance state into compliance, either through bringing them actually into compliance to operate or in terms of closure of those works.

And so there's a lot of work to do though. There are, you know, I venture to say that there are hundreds of thousands of acres in this province that would have some sort of works on them that technically would be out of compliance. And we understand that this is one, but we're doing a significant amount of work in a short amount of time. But there is a great deal of work to be done into the future, absolutely.

**Ms. Sproule:** — Thank you, Mr. Minister. And if I could remind the committee that this is not agricultural land; this is land that was agricultural and was expropriated and designated for a very specific purpose for transportation. Several million dollars of taxpayers' dollars were spent in creating those ditches on the footprint of the GTH. A lot of money was spent by the city of Regina in developing this drainage ditch that we're talking about that is currently unauthorized and has been for four years.

And I think the standard . . . I mean, you're talking about farmers across the province with their agricultural land. That's one thing. But I think it's important to note that this is a highly funded, taxpayer-driven entity that is not complying with the law. And from your responses, my understanding is there's no intent to pursue compliance until the watershed association is created.

What I'm told from the farmers, that they can create the watershed until GTH comes to the table and agrees to take responsibility. So he feels that the farmers' hands are tied and that it's really . . . They need some help from the Water Security Agency to move this along. And I think their feeling is the Water Security Agency basically said, according to the legal counsel for the Water Security Agency, that the entire Grand Coulee ditch is now nullified because of the actions of the city

of Regina.

So there's some very serious concerns in that area. And I think they're looking for leadership from the Water Security Agency, and perhaps tonight you could commit to some of that leadership that's needed.

**Hon. Mr. Duncan:** — I would just say, Madam Chair, that . . . So I have met with several farmers that are a part of this. And I think what the Water Security Agency is doing is we're trying to, in this case and in other cases, move people into compliance. And that will mean different things depending on the different situations, as I think I've already outlined.

But I think that's the best way that we can move these projects to be into compliance is to be collaborative and co-operative. And this involves a number of entities: the city of Regina, yes, the GTH, as well as the RM, as well as the adjacent landowners that do have their own ditches that are not approved.

And so, you know, I think we can take a couple of different tacks in terms of moving these projects forward. The one that I think is going to work best is to further the work of bringing these groups together in a formal structure such as a watershed association, and bringing the project into compliance. And that's certainly what we're working towards in this case.

**Ms. Sproule:** — I'm going to move on to irrigation projects. How many irrigation projects were approved in 2017?

**Hon. Mr. Duncan:** — We will, we'll endeavour to provide the committee with the exact number. I would just say that, keep in mind that Water Security Agency is a part of the process that an applicant goes through. Agriculture approves design. They approve the soil water compatibility tests. Water Security Agency though does grant the water rights licence and ensures that the water, the quantity of water that's requested, is a sustainable number that we can approve. So we'll endeavour though to provide the specific number on the approvals to the committee.

**Ms. Sproule:** — Thank you, Mr. Minister. There are some additional details I would like in reference to those. If you could identify, of those approvals, how many more expansions or reissuing of existing irrigation projects, how many were new? And are there limits in terms of how many you will approve on a particular watershed, or how do you judge that? And what is the normal time for the approval process? And is the approval times different for a new project as opposed to an existing, widening, or extending project? So all those questions are in relation to the irrigation projects that were approved in 2017.

I'd like to move specifically to the file in relation to Bill Boyd that has had a lot of attention as of late. And in particular I just have three or four questions before my time is up. Would it be normal to have upwards of 18 governmental staff across the two ministries plus three deputy ministers working on one file?

**The Chair:** — Ms. Sproule, I'm not sure that your question is connected to the estimates that are before us here tonight unless you can tie it into a particular area that you are looking for.

**Ms. Sproule:** — Thank you very much, Ms. Young, Madam

Chair. As you know, in the estimates that we were talking about earlier, it's a lump sum that's provided of \$27 million, taxpayers' dollars, to the Water Security Agency, and this is in relation to the work of those individuals.

**Hon. Mr. Duncan:** — So I would just say, I think it depends on the circumstances of a particular application and applicant. You know, the president has just indicated to me that with respect to the Water Security Agency part of this, a normal application could involve, you know, it could be four people depending on, I think depending on a number of factors. So you know, we can only speak for one agency. Obviously somebody also has to go through Agriculture. There might be, you know, as well there could be other groups that would be involved, but I think it's fair to say that it really depends on the individual circumstances.

**Ms. Sproule:** — Fair enough. Thank you, Mr. Minister. On April 28th, 2017 an email between WSA staff said, "FYI this is Bill Boyd, former minister of Economy." The email goes on to say that Boyd was referred to him by Susan, and Boyd was applying on behalf of his son Regan and Regan's numbered company.

So the question I have is, and this is for Madam President: did Bill Boyd approach you first for advice on his application?

**Ms. Ross:** — I'll tell you what my recollection is. And I don't have the world's best memory but . . . No, but I want to tell you everything I remember. I believe that he was sitting next to me at a caucus committee meeting, where I was presenting with then minister Moe on something, and kind of turned to me, knew who I was, and said, I need a water rights licence for an irrigation project. And I said, well then you need to talk to our licensing division. Here's the contact information for Jeff Hovdebo. And that's exactly what happened in my recollection. And then that's what he did, and the licensing division provided him with forms and information.

**Ms. Sproule:** — Okay, thank you for that. And I know my memory is . . . It comes with the hair.

Normally when people are looking for an application, would they go straight to your Director Hovdebo or would they go to field staff . . . or not field staff, but office staff, first?

**Ms. Ross:** — If he hadn't asked me he would probably have located someone else, but because that's who I knew to send him to . . . I've thought this through, like, you know, how did that happen? That's who I knew to send him to, so that's who I sent him to.

**Ms. Sproule:** — Thank you for that.

**Ms. Ross:** — So maybe it's a little off, different. But I also have to tell you, I wasn't exactly clear on who I was even talking to at the time. It's only in retrospect I kind of put this back together.

**Ms. Sproule:** — Yes, I guess we recognize him because we dealt with Mr. Boyd on a daily basis, but understandable. Just one more question on that: once it became apparent that he had very likely violated *The Environmental Management and*

*Protection Act* and *The Wildlife Habitat Protection Act*, which prompted an unscheduled meeting between yourself and Alanna Koch, who was deputy minister to the premier, why did you not report it to the authorities in early June? Why did it take a member of the public calling the tips line almost a month later, in early July, for that process to be initiated?

**Ms. Ross:** — I think there's a bit of confusion on the timeline there. I wasn't at a meeting in early June. I actually, I'm not sure that I even knew about it. That was the issue related to the WHPA [*The Wildlife Habitat Protection Act*] lands. And so when I go back through the documents, I can put back together what happened.

So sometime, it was in early June, the reason I actually found out about the file . . . After I had said, go to the licensing division, get a water rights licence, I wouldn't have been involved again, except for in early June the Minister of Agriculture asked us to hold off because it had discovered an issue with the wildlife lands, so the WHPA lands.

But that's only . . . [inaudible] . . . that's tangential for us. That's the Ministry of Environment's work or Ministry of Agriculture's. And I probably started to watch what was going on at that point.

But it wasn't until early July that the shoreline alteration was discovered. And at that point, that's when I did get involved and I did end up at a meeting in relation to it, trying to coordinate the matter with the Ministry of Agriculture and the Ministry of Environment.

And now I've forgotten the question. I'm sorry.

**Hon. Mr. Duncan:** — I think just further to the point, we're talking about two different issues. The WHPA breaking of the land would have been earlier in the chronology, so that would have resulted in the notification in June. But the shoreline alteration didn't happen until July. So I think the question is being asked in a way that, why didn't, why wasn't anybody . . . why did it take a tip line to notify about the shoreline alteration? Why wasn't that kind of discussed at June?

[19:30]

It's because it never happened at that point. It didn't happen until later in the summer, in the July time period, which then necessitated somebody calling a tip in. So it's two different issues. There's breaking of the WHPA land and the shoreline alteration, which happened at two different time frames.

**Ms. Sproule:** — But if I understand correctly, the shoreline alteration was also . . . It was on the WHPA land that the shoreline existed.

**Hon. Mr. Duncan:** — But there was the breaking, the cultivating of the WHPA land and there was the actual going into the shoreline and damaging the shoreline. But that didn't happen . . . It was two different infractions, and so the one happened subsequent to the discovery of the WHPA land being broken.

**Ms. Sproule:** — I'm not sure there was any cultivation of the

WHPA land. There was a 1-acre special lease that was ultimately issued for the installation of the irrigation pumps. And that's the actual damage that was done to the shoreline, like that they were directly connected.

**Mr. Ferris:** — My understanding is that there was cultivation on one boundary of the WHPA land that adjoined the land that was to be irrigated, a small portion of it, because of an inaccuracy associated with the GPS [global positioning system] equipment on the tractor.

**Ms. Sproule:** — Okay, but the shoreline alteration was also damage to the WHPA land.

**Mr. Ferris:** — Well I can't say that one way or the other. I mean, at what point . . . [inaudible interjection] . . . Pardon me?

**Ms. Sproule:** — Have you seen the pictures of the damage that was done? I mean that was on WHPA land. At any rate, we can go back and forth on that.

My final question then is, knowing that WHPA had been violated in June, knowing that the shoreline had been altered illegally afterwards in July when Mr. Boyd had already been told all the legal procedures he had to go through, why then did you go ahead and issue a licence in August?

Even though he had complied, I understand that he complied with all the requirements technically, but for someone who flagrantly and deliberately violated the law after being told by the Water Security Agency what the requirements were, why was that approval issued in August?

**Ms. Ross:** — Well there was no reason not to issue it. We can't withhold licences punitively. We were dealing with it under the legislation it was meant to be dealt with. He was being investigated and the prosecution was being investigated. There was no reason not to issue the water rights licence.

We would have done it for anyone. We were in a drought; he was trying to seed just like any other producer. And we knew that he had the land control. We knew it wouldn't jeopardize the investigation. We checked into that before we issued it. I think you can see that in the documents that have been put forward. And remediation was already under way so there was no reason to withhold a water rights licence.

**Ms. Sproule:** — Thank you very much, Madam Chair. That's the extent of my time, unfortunately. I have many, many more questions as always, but I'd like to thank the minister and the officials for your forthrightness and for the work that you do. So thank you.

**The Chair:** — Before adjourning consideration of this vote, I would like to ensure that we table these four photos as ECO 14-28 by Cathy Sproule. And they're photos of illegal drainage. Have been tabled.

We'll now adjourn consideration of the estimates for vote 87 of the Water Security Agency, and a brief recess if the minister needs to change officials.

[The committee recessed for a period of time.]

## General Revenue Fund Environment Vote 26

### Subvote (EN01)

**The Chair:** — After our short recess now here, we will continue with consideration of vote 26, Environment, central management and services, subvote (EN01). Minister Duncan, if you would like to introduce your officials you have with you here this evening and make your opening remarks.

**Hon. Mr. Duncan:** — Thank you, Madam Chair. Good evening once again, to you and committee members. We're pleased to be here as a part of the budget deliberations for the 2018-19 budget.

With me are a number of individuals that I will introduce. To my right is Lin Gallagher, the deputy minister. To my left is Kevin Murphy, assistant deputy minister of resource management and compliance division. And behind us, Wes Kotyk, the assistant deputy minister of environmental protection division. David Brock is the ADM [assistant deputy minister] for climate change and adaptation. Veronica Gelowitz is executive director of corporate services division. Steve Roberts is executive director of wildfire management branch. Sharla Hordenchuk is executive director of climate change. Ash Olesen is executive director of environmental protection branch. Brady Pollock is director of environmental assessment and stewardship branch. Richard Post is executive director of compliance and field services branch. Stephanie Walton is the executive assistant to the DM [deputy minister]. And Cheryl Jansen is director of budget and reporting.

This year's budget is keeping Saskatchewan on track by controlling government spending while continuing to deliver high-quality services. The Ministry of Environment budget continues to support growth in our province through the sound management of our natural environment. The ministry's 2018-19 budget of \$159.537 million will support the provision of science-based solutions, compliance, and measures to protect the environment, safeguard communities, and help ensure balanced economic growth and a better quality of life for the residents of our province.

The budget includes \$5.7 million for the La Ronge hangar and apron upgrade, which represents a \$2 million increase in continued funding for the aerial fleet sustainability project, to expand and improve critical infrastructure used by the ministry's wildfire management program.

The budget includes an increase of \$215,000 for wildfire prevention and mitigation programming to expedite required mitigation work. An additional \$175,000 in new capital funding is included for the replacement of the current Saskatchewan air monitoring laboratory, which has reached its useful life expectancy.

The budget includes \$2 million to help support transition and integration requirements for the ministry's conservation officer services as part of the new provincial protection and response team. This funding will better position the ministry to address public safety in rural communities and on highways as a part of

an expanded provincial initiative.

The budget includes an increase to environmental handling charges on all beverage containers by 2 cents to help support the operation of Sarcan's beverage container collection and recycling program and to enable the ministry to maintain its oversight of solid-waste management programs.

The budget also includes \$2 million to help support and implement commitments made by the Government of Saskatchewan in its prairie resilience climate change strategy. The provincial climate change strategy includes commitments not just from the Ministry of Environment, but is a whole-of-government effort that includes 43 commitments from eight different ministries or agencies.

The provincial government is committed to reducing greenhouse gas emissions from the electricity sector, from the oil and gas sector, and the largest industrial emitters in the province. Saskatchewan's climate change strategy commits not only to reducing emissions, but to making our communities and citizens more resilient to the climatic, economic, and policy changes that we are already seeing as a result of climate change.

This budget allows the ministry to continue managing the health of Saskatchewan's environment in a respectful and responsible manner that balances the growth of our province with sustainable development through objective, transparent, and informed decision-making stewardship.

Madam Chair, with that we would be pleased to take the committee's questions. Thank you.

**The Chair:** — Thank you, Minister. I'll now open the floor to committee members for questions. Mr. Forbes.

**Mr. Forbes:** — Thank you very much. And thank you very much, Minister, for those comments and for the officials to be here tonight. I know we've got a lot of work to go through, and we're also going to be looking at a bill at 10. So those comments I might, or questions I have specifically about environmental handling charges may wait until that time, but we'll see how we go.

But I just, right off the bat, I do have a question around the staffing reductions in Environment. We received this sheet on budget day that your FTEs [full-time equivalent] are projected to be 853.5, I believe, and that's a reduction of six. Can you let us know where those reductions are?

**Hon. Mr. Duncan:** — The reductions in FTEs in the ministry are the result of eliminating six vacant positions that existed. Four of those were in corporate services and two were in forest services.

**Mr. Forbes:** — In forest services?

**Hon. Mr. Duncan:** — Correct.

**Mr. Forbes:** — Okay. And they were vacant?

**Hon. Mr. Duncan:** — Correct.

[19:45]

**Mr. Forbes:** — Now, Premier Moe . . . The discussion has been about reaching the 3.5 per cent wage or the salary reduction in the course this year. Well he said instead of achieving it through bargaining, that it would be achieved through more or less attrition in your staffing. So that would be . . . I think, if you're 850, 3 per cent of that would be 12 or 14. Is it in your target? Is it your plan to achieve that?

**Ms. Gallagher:** — So thank you for the question. Lin Gallagher, deputy minister, Environment. So our portion of that would equal to about 750,000 out of our budget. It's actually 1.2 per cent that we will work to achieve through attrition. So we have identified those reductions in our budget, but they're not allocated proportionately. We know where we have current or expected vacancies, and so the ministry will manage that going forward. Although we have identified the reduction in the estimates that are here today.

**Mr. Forbes:** — And where would those reductions be?

**Ms. Gallagher:** — So again, thank you. So we've identified several areas in the ministry, as I mentioned earlier, where we have knowledge of vacancies or we expect that there will be some opportunities. So the areas that we're looking at would be our subvote under central management and services. We have some opportunity under the climate change area; under fish, wildlife and lands. There is some under compliance and field services; in the environmental protection subvote; forest service; and wildfire management.

**Mr. Forbes:** — And so these are all retirements and job vacancies? It seems like you've got six already.

**Ms. Gallagher:** — So not necessarily retirements. It might be that we have a gap. Sometimes if we don't anticipate that an individual is leaving, we're not ready to staff right away. So there's efficiencies then and savings that we have between the individual who's currently occupying the position leaving and when we fill the position. So those are the types of opportunities that we will take advantage of to meet our target as a ministry.

**Mr. Forbes:** — Thank you. Are there any staff from Environment being seconded to Executive Council?

**Ms. Gallagher:** — We have one in play who is seconded now to Executive Council. I think she has been appointed into the role as working with Kent, the deputy to the Premier. And that has been for a couple of years she's been working with Executive Council and that will continue for now.

**Mr. Forbes:** — Sorry, I missed that part. There's a fan going on here, which we appreciate, but it's quiet.

**Ms. Gallagher:** — Sorry. We have one individual who has been seconded to Executive Council. She has been working with Executive Council for a number of years and she's been extended for . . . She will be moving into a role under Kent Campbell's area for another additional time for her secondment.

**Mr. Forbes:** — Now when you say Kent Campbell, I'm not

sure, but I think his . . . Can you elaborate for the people at home?

**Ms. Gallagher:** — In his position as deputy to the Premier, she'll be working in his office.

**Mr. Forbes:** — Okay, fair enough. Okay, thank you. And then, you know, we are in the second year of budgets or they're trying to balance budgets, and so questions about travel and conferences. Is that going to be going up or down this year? Are you travelling more? Is the minister planning out-of-country trips?

**Hon. Mr. Duncan:** — Thank you for the question, Mr. Forbes. So last year travel for the Ministry of Environment out of province was 416,000. Of that though, 324,000 of that was wildfire assisting and fighting fires in other jurisdictions, which is a cost recovery. With respect to my travel, it was \$8,639 out of province and one of those was out of country. That was to Washington, DC [District of Columbia] late last year.

**Mr. Forbes:** — Thank you. Thank you for that. Now is the ministry involved in any lawsuits? Is there any litigation against Environment at this point?

**Hon. Mr. Duncan:** — I'll have ADM Wes Kotyk speak to . . . I think it's one that specifically that he'll speak to.

**Mr. Kotyk:** — Hello, Wes Kotyk, ADM with environmental protection division. The one incident or legal challenge that we're involved in would be the negotiations that we've started with the lawyers representing the adults for the adult claim for the North Battleford cryptosporidium water contamination. Those discussions have just started, so we do not know yet what the amount of that settlement will be.

**Mr. Forbes:** — Can you explain a bit more about that? I'm not familiar with the circumstances.

**Mr. Kotyk:** — Do you want me to continue?

**Hon. Mr. Duncan:** — Yes.

**Mr. Kotyk:** — So with the North Battleford water contamination incident, in roughly around 2000 there were some claims because of impacts to health for the adults, the number of adults who were impacted by the contamination. They've arranged for a lawyer and are consulting with our Justice to determine what would be an appropriate mechanism for payout for the sufferings that they . . .

**Mr. Forbes:** — All right. Thank you very much. I just want to quickly turn to your operational plan, and I have a few quick questions from that. And I may come back to it, but there's some that caught my attention right away, and one would be around the solid waste management strategy and what's happening with that. And where are you at and what will be done over the course of the year?

**Mr. Kotyk:** — All right. The solid waste management strategy, we have been working on developing a draft. We have engaged with municipalities and stakeholders to determine what the path forward might be and options for going forward. What we are

doing right now is the strategy is in draft form. We're preparing to do additional consultation. We're pulling together a group that will lead the consultation and assist the ministry on reviewing the regulations for landfills. So we anticipate that that will happen during the fall season.

**Mr. Forbes:** — How long has the work been going on on this project? When did you start it? Is this the second round of consultations?

**Mr. Kotyk:** — All right. This will be our second round of consultations that we're going to be going out for. The Premier has asked us to take a more wholesome view of the project and proposals, so there has been a bit of a change and a shift in some of the information that we're looking for to include in the solid waste management strategy.

**Mr. Forbes:** — Is plastic going to be, plastic bags particularly, going to be an issue that you're anticipating now that . . . I know in Saskatoon, they're not accepting?

**Mr. Kotyk:** — The solid waste management strategy, it is open. It could contain recommendations on a number of things, and that might be one of the items that would have some recommendations.

**Mr. Forbes:** — I want to turn to the question around conservation officers. I think this is an important one and the minister alluded to it in his opening comments. How many conservation officers are actually employed right now by the ministry?

**Hon. Mr. Duncan:** — We have 140 conservation officers.

**Mr. Forbes:** — Okay. And all the positions are filled?

**Hon. Mr. Duncan:** — Yes, they're currently all filled. Yes.

**Mr. Forbes:** — Now is that an increase or is that more or less than say five years ago?

**Hon. Mr. Duncan:** — We don't have exact numbers from five years ago, but the deputy minister and the ADM have indicated that it's stable over that period of time.

**Mr. Forbes:** — Yes. I might submit a written question to that effect and then we can get that. But that's fair enough.

[20:00]

So now with the added duties, how is that playing out in terms of the conservation officers' workday? Are they able to achieve their primary goals that created the position? And that is in terms of dealing with wildlife issues and hunting and conservation, all of those things, but now having those extra duties. If you could talk a little bit, even, you know, talk about what the extra duties are in terms of what the expectations are for conservation officers in rural Saskatchewan now.

**Hon. Mr. Duncan:** — So thank you for the question, Mr. Forbes. So I'll first maybe talk a little bit about the training that was done for the conservation officers that are part of the protection and response team.

So the safety education recruitment and training unit established a list of additional training or augmented existing training that was required by the COs [conservation officer] to meet the PRT [protection and response team] mandate. Training began in December of 2017 and it does currently continue. There are six training needs that were identified, so domestic violence, mental health, perimeter containment, building clearing, rapid deployment, alcohol screening device training for impaired driving, as well as diversity training. And I also do want to note that . . . Sorry, I just want to confer with the deputies.

I will say that in order to accommodate the additional training and duties that these officers are now taking on, our budget does provide for an increase in the compensation for those individuals that are now a part of the PRT. So that's funded in this budget from the Ministry of Environment.

And I'll just give some quick updates in terms of . . . So we've had a total of 71 PRT calls since April 1st, 74 dispatched requests for available support, and our officers that were available responded to 14 calls. Other responses included several instances where local RCMP [Royal Canadian Mounted Police] called officers directly for assistance.

And I would also note for the record that six of our conservation officers responded to the bus accident involving the Humboldt Broncos. But I will note this, that my understanding is that only two of the six officers are members of the PRT. The other four heard about the call and responded anyways. And so I just wanted to put on the record the dedication of our conservation officers in responding to a tragic situation in our province recently.

**Mr. Forbes:** — Okay. Well thank you, and appreciate that. And that is well worth noting. A tragic circumstance like that in rural Saskatchewan is really all hands on deck. And so when you said 71 since April 1st, are you talking about April 1st of 2018? And how many would you project over the course of a year?

**Hon. Mr. Duncan:** — Sorry, Mr. Forbes. Could you repeat the question?

**Mr. Forbes:** — So when you said 71 since April 1st, are you talking April 1st, 2018? And therefore you're talking about several hundred over the course of the year. Is that right?

**Hon. Mr. Duncan:** — So that is April of 2018. You're correct. And you know, we'll see what that results in. Obviously we haven't had a full year yet of the PRT and the COs being a part of the PRT. But we'll, you know, that certainly is what the numbers have been early on.

**Mr. Forbes:** — And I appreciate and I think it's very important that one of the areas you talked about was domestic violence. I think throughout the province we have an unfortunate record of that taking place. And all that we can do is a good thing, and so . . . But has there been any feeling that this may be lessening their attention to their original duties?

**Hon. Mr. Duncan:** — I'll have Kevin Murphy respond to this.

**Mr. Murphy:** — Kevin Murphy, assistant deputy minister for resource management and compliance division. With regards to

any observations that the officers have about their primary mandate, compliance and field services conservation officers have been given direction that they're only to respond to PRT calls if they're trained, if they're available for dispatch, and if it's an immediate or emergent threat. If they're in the process of an enforcement action related to their duties and they feel that the call doesn't meet those parameters, they will continue doing their work. They will dispatch if there is an emergent problem, particularly a threat to human life.

And many of our officers are indicating that given their current involvement, which admittedly is short span, but their feeling is that it's very validating for them in terms of being police officers, which they are, and that the experience is that this is something that they feel is worthwhile and worth their efforts.

**Mr. Forbes:** — Okay, good. Thank you for that. I want to turn to the prairie resilience climate change. Obviously a major priority and so we'll take some time in going through that. I have to watch my time very carefully here. But we'll talk about this and we will continue to talk about this, I'm sure.

But where are you at in terms of the prairie resilience? I can see that there is a seven-step process at the back of the book. You're gone through some consultations. When do we see more complete work?

**Hon. Mr. Duncan:** — Thank you, Mr. Forbes, for the question. So I think I'll . . . So there's a lot in just, you know, one question. So there's a number of steps that we're following. As you've identified, there is a seven-step process that was identified in the *Prairie Resilience* document. So I'll speak to where we're at, maybe not on each individual step, but I'll maybe talk more broadly in terms of the process that is under way.

So the engagement sessions that have taken place earlier this year, we've had over 100 individuals representing 78 organizations take part in a number of stakeholder engagement sessions, plenary sessions. So that part of the engagement has taken place. In terms of some of the work that we've already done, we did a partial proclamation of the Act late last year and brought forward, and cabinet approved, regulations with respect to the coal-fired electrical generation regulations. And so the intent of that is to achieve equivalency with the federal government. And so our regulations will come into effect January 1st of 2019.

Now I'll try not to get too far into the weeds on that one but certainly we do need the federal government to move as well. In terms of the equivalency agreement itself as well as the agreements, they need to be gazetted, both draft as well as then a final version. And so those two-step processes need to take place over the next number of months so that we can formally have an agreement by the end of this year, which then would allow us to stand up those regulations January 1st, 2019 and have the federal government stand down the federal regulations with respect to that particular industry.

We're also developing performance standards for a sector-by-sector approach on performance standards. So the ministry is currently in collaboration with not only industries but also the federal government because I would say for the

most part those industries are already reporting their performance in terms of emissions to the federal government. So I think there's some knowledge that we can gain from the federal government. So that work is ongoing and, you know, my intent is to bring a series of decisions before the cabinet in terms of performance standards, in terms of the ability for companies to be in compliance, whether that be through offsets or technology fund or some combination of other types of mechanisms.

As well as I think you've identified, and rightly so, the fact that our document speaks to resilience measurements but right now they're to be determined, and certainly that is the case. So what we'll need to do over the coming months is identify and decide on what the measurements are that we will be tracking over the next number of years, and then later this year actually setting the target, where we're at and what the target is going forward.

So that work will also happen later this year, and as I said before, the intent is to bring a series of decision points to the cabinet. And ultimately the federal government has indicated that, I think by September, they want to judge every provincial plan against the federal backstop. And so, you know, that doesn't stop our work. We still need to develop the prairie resilience plan here in the province. So that's I think an overview of where we're at.

I certainly hope you have other questions because I would say that there has been a significant amount of work by the ministry and by stakeholders from around the province. I would say, you know, there's still a lot of work to be done but I think overall we're pleased with where we're at just in terms of the development of I think what is being seen more and more by others as the makings of a very robust plan going forward.

**Mr. Forbes:** — Okay, so a couple of questions out of that. One you alluded to, of course, the federal government stepping up what they want to do with the backstop in September. I'll tell you the two questions I have. One is, what will the public see next and when will that be? But also what is the federal government seeing? Are they seeing your work as you're going along? Are you working with the federal government within the channels that you have? And if so, how are they feeling about the progress that's being made?

[20:15]

**Hon. Mr. Duncan:** — Thank you, Mr. Forbes, for the question. Just a clarification on my part. So the provincial regulations on coal-fired electrical generation took effect January 1st, 2018. So the intent is to get the agreement with the federal government in 2018, by the end of 2018 and January 1st, 2019, that their regulations would stand up. Okay, I got that right now.

So with respect to what the public will see next, I think what the public will see is . . . So the performance standards that are adopted for all of the heavy emitting industries of the sector-by-sector approach that we're going to take, obviously those will have to go to cabinet for approval. But that will be something that will be, I think, certainly of interest to the public and obviously to our industrial stakeholders in the province, of what those standards will be, as well as the approach that we're going to take on methane regulations with respect to the oil and

gas industry.

So that's, you know, we're working closely with Energy and Resources, but obviously they have a big part in that and so I think the public will see the approach that we're taking on that as well shortly.

As well as the measurements that we are going to decide on when it comes to actually how are we measuring resiliency, so we put . . . I think a number of potential measurements are in the document. And of course we didn't yet assign kind of the . . . where we're at now and what our target is for each of those measurements, but certainly the public will see this year, the actual measurements that we decide to use going forward.

The public will also see, I think, direction from the government in terms of how often we're going to report on those, the frequency that we're going to report on those, as well as what are the actual, so what's the baseline after we determine what the measurements will be, and so what the baseline is and then what the out-year targets are going to be on each of those targets.

In terms of the federal government's . . . I can say that notwithstanding some of the differences that we have with the federal government, we're certainly very engaged with the federal government on this process. I can say that later this week federal officials will be in Saskatchewan to work with our ministry on doing some modelling together.

And we are very engaged at the CCME [Canadian Council of Ministers of the Environment] table as well, at the climate change table as well. So we are engaged with the federal government as well as the other PTs [provincial-territorial] around that table and expect that relationship will continue going forward.

**Mr. Forbes:** — I expect probably in the latter part of August and early September there will be a lot of public attention on this. I don't know if you're anticipating that, and so this is probably going to be a prime time when people are going to be saying, you know, what's happening with TBDs [to be determined]. And I guess the . . . So if that's your goal, I would hope that would be, or even ahead of that, so that people have a pretty clear understanding where the province is going.

Now, so under the Paris — I'm just looking here — under the Paris Agreement, Canada is committed to reducing their greenhouse gases by 30 per cent below the 2005 levels by the year 2030. Now we've had several attempts, and even our side, setting goals, targets. Is there an overarching target that you're anticipating to set when this is done?

**Hon. Mr. Duncan:** — Thank you again, Mr. Forbes, for the question. So certainly we've said the plan in place from now till 2030 from SaskPower will see a 40 per cent reduction in terms of our electrical generation in the emission reduction profile. We've committed to 40 to 45 per cent reduction in methane emissions through regulations that will come forward later this year on the oil and gas industry. That certainly is in line with the federal government and the agreement that was signed between the United States, Canada, and Mexico.

Our approach certainly would be that we would much rather regulate at a provincial level. Just to not go off on too much of a tangent, but just to say that what certainly industry and the province has heard and other provinces have heard from the federal government when it comes to the methane regulations that the federal government is proposing, they're much more prescriptive. We think that we can achieve the targets without being as prescriptive and looking more at the outcomes. And so we certainly believe that a 40 to 45 per cent reduction is feasible, being done at a provincial level.

The next step though will be for us ... is each of the performance standards for the heavy-emitting regulated industries in the province, it'll really depend on the stringency ... I've had to say that word in meetings earlier today; I've probably said that word a dozen times and my brain can't process it anymore. But certainly it'll depend on the different standards that we use for each of those industries. So I can't give you a number at this point, but I think once those performance standards are decided on or established by the province, then we would be able to go back out to industry, knowing what we do know about the emissions profile of each of the heavy-emitting industries and facilities for the province, to be able to put a number in terms of what that reduction is going to look like.

But I would say this, that as you've indicated — and it's not just Saskatchewan and it's not this government, the previous government, but it's across the country — targets have been set and have failed in terms of reaching those targets. And so that's why we're focusing more on resiliency. Certainly this is about reducing emissions, but we think that that's ... We need to have a much broader conversation across the country of, how do we ensure that we're resilient to the effects of climate change going forward into the future?

But certainly we're putting numbers to the measures that we are going to be adopting, but at this point I can't give you an overall number of what that's going to look like. We'll have a better idea later this year of what that number may look like. But again, I would say that we're trying to steer the conversation not just in Saskatchewan, but across the country. How do we ensure that we're resilient to the changes? Because as you've said, governments set targets and governments have missed targets in the past, and we need to be less focused on that one specific issue and look at it more of a broader picture of how do we ensure that our people are resilient to the changes of climate change?

**Mr. Forbes:** — I think this will be the challenge. It will be, you know, where in order to get that credibility and to meet the long-term goals that you're having people buy in, that they will want to know where they're going. So while I appreciate that there's some refinement, this sort of reminds me of the discussion of the code versus command and control. And we're flipping back into that command and control model and not into the code, where we have an outcome-based solution; this is where we want to go. Are we looking for an outcome, or are we looking for command and control as we go along?

I look at page 14 and I see that ... of the white paper, and we have where we can identify several reductions. And of course reductions come up to 25.8 megatonnes, I believe it is. And so

... But it's short, still about ... I think that it's about 15 megatonnes short of getting to where it says, the potential Saskatchewan contribution to meet Canadian target.

So can you give us a commitment that there will be a target at some point, whether it's the end of this year, the end of next year, that this is actually one of the goals of the climate change branch to essentially get to a target, that we can see where we're heading into the future?

**Hon. Mr. Duncan:** — Thank you for the question, Mr. Forbes. So I think what the public will see from all of this is certainly along the lines of what we've already announced with respect to the electrical generation of our electricity system in the province. So we know what we'll be able to achieve by 2030.

The same is true with methane regulation, so what that reduction will look like, and what each of the regulated industries or sectors that will now fall under this new ... the new plan going forward in terms of performance standards for each of those industries.

It is results-based though. We're going to set a performance standard. We're going to provide flexibility for how those industries reach that performance standard, but at the end of the day I think we'll be able to tell the public what that's going to mean in terms of companies being in compliance, what that's going to mean for their emissions profile and what those reductions are actually going to look like.

But we're going to measure more than just, you know, what's the overall number? What's the overall decrease in emissions that we're going to hit? We're going to look at those resilience measurements that we're going to include. And again I think what we're trying to do is, yes, be successful in reducing emissions, doing so in a way that doesn't, you know, put at jeopardy the competitive position of our province, of industries in our province, but as well trying to broaden the conversation so that it's not just a conversation about a tax. It's not just a conversation about what's the overall target that you're going to achieve in terms of emissions.

But also, again, what are the targets that we're going to set and achieve and how are we going to achieve those targets so that the population of Saskatchewan can have some confidence that the government's looking at this in a much broader way? So how are we resilient to the changes of climate change?

Because I will say this, that you know, we're 75, 76 million tonnes a year in terms of emissions. Even if we reduce that to zero, which I'm not proposing that we're going to be able to do, but even if we reduce that to zero, we know that what's going on around the world is going to take up those 75, 76 million tonnes in a short amount of time.

[20:30]

And so we're going to do our part in Saskatchewan. We're going to do it in a way that doesn't put at risk the economy or how people earn a living in this province and the potential for Saskatchewan to continue to grow.

But we're also going to be mindful of the fact that climate

change is going to continue. And we want to be able to provide assurances to the people of Saskatchewan that we're mindful of that and here's how we're helping to protect communities, here's how we're helping to ensure that we're resilient as much as we can be as a province and as a people to the changes that are going to occur because of climate change in the future.

**Mr. Forbes:** — So on page 8 when you talk about the large industrial emitters, one of the points is that you'll set up a system that where, through business models, they can purchase offsets representing a reduction in greenhouse gas emissions made by a non-regulated entity. So how will you establish that ability to purchase an offset? What's the methodology there?

**Mr. Brock:** — Thanks for the question. David Brock, assistant deputy minister for climate change and adaptation. Perhaps if I can just speak to three things in relation to offsets. One is the relationship to the rest of the plan as a whole and the other compliance mechanisms. The other is about offsets more generally, whether that's in Saskatchewan, another part of Canada, or generally; and then finally, looking to other parts of Canada.

On the first point, going back to the previous discussion about performance standards, one of the reasons why we've sequenced the policy decisions in the prairie resilience strategy is a recognition that, particularly in this area, any decisions that are made by cabinet around the compliance mechanisms, in terms of how those are structured and administered, very much hinge upon what is the structure of those performance standards and what's the stringency of those performance standards. So that decision first needs to be taken by cabinet before we can bring forward recommendations and options around what the system might look like and might work best for, say, a technology fund or the offsets or a best performance credit. So there's a strong relationship between the two.

With respect to offsets particularly, as you would expect, there's a lot of interest in the non-regulated community in Saskatchewan. That's been voiced very clearly through the two months of a public engagement that we've done because a number of non-regulated entities see the actions that they're taking and would love to capture the unaccounted-for value, and indeed the economic value of doing so, and be able to derive some economic benefit from those that are being regulated under that performance standard.

Some of the key factors to consider is the accountability of the system, to make sure that we actually have a stand-up regulatory system where verified individuals are counting the emissions that are taking place through that offset system. That's important for both suppliers, as well as on the demand side because, you know, we want to make sure as a government that those people that are putting forward the offsets are doing so in a way that has a high level of validity and credibility.

But in addition to that, those firms that might be purchasing the offsets also want to make sure that that action is also happening. So there may need to be a system of verification as well, and that's one of the things that I know has been considered in other jurisdictions, is do you have, for example, third-party verification to make sure that is the case, and someone who is licensed or meets an accredited standard before they're

regulated to perform such an action. There has to be the concept of additionality, so it has to be more than business as usual. It's not just a reduction that's taking place through a current practice, but something added on to what is currently happening.

And then finally, we want to make sure that the action that's taking place is either non-reversible or is not being reversed because we don't want a situation in future years where that reduction that was gained at one point is lost, you know, say, three, five, ten years later. So again there needs to be some sort of ongoing check in the system. So that's the second point. Just some broad points about . . .

**Mr. Forbes:** — My clock is ticking here, so . . .

**Mr. Brock:** — If I may finally then. If I may finally, we are looking at working with our partners in other parts of Canada. As the minister indicated, we work very closely with our colleagues under the pan-Canadian framework to help design a national policy framework as it relates to offsets, and there may be particular opportunities in the offset market related to Manitoba and Alberta.

**Mr. Forbes:** — Thank you. And I go further to the . . . And this is probably what you're talking about too, when you talking about working with the business community and Canadian Securities Administrators to talk about draft guidance. But at the end of the day I think the language will be in dollars, will it? Or tonnes? Will there be any dollar signs involved in the kind of work you do? Yes or no.

**Mr. Brock:** — Yes.

**Mr. Forbes:** — So there has to be some sort of assignment of value to the pollution. Is that right?

**Mr. Brock:** — Yes.

**Mr. Forbes:** — And so how will that look? What will that look like? Is there going to be a value per tonne of . . . How are you going to do this, especially if you're working with other parts of Canada that are speaking in, you know, tonnes?

**Mr. Brock:** — I guess briefly the short answer is, yes there has to be some sort of quantification of value, either for payment into a technology fund. That payment has to be set at some particular level, or if it's for purchase of an offset, there has to be a structured offset market where the thing has a value.

**Mr. Forbes:** — And so I guess that's just really good to clear up because what I'm hearing about, getting caught up in the carbon tax debate, is that we can't set a value on carbon per tonne. Can we set a value of carbon per tonne, you know, whether it's 10 or 20 or whatever?

**Hon. Mr. Duncan:** — Yes. Thank you, Mr. Forbes. So I think that's a really good point. You know, I think two of the misconceptions that perhaps exist — and I would say more so outside of Saskatchewan about our plan than within Saskatchewan — but I think one is that a jurisdiction like Saskatchewan, because we are rejecting the carbon tax, that we're one, not doing anything about climate change, which I

think, you know, more and more acknowledgment is taking place that in fact prairie resilience is a very good plan.

And so I think that's, you know, that's certainly our message to the federal government and other provinces, that we certainly have a difference of opinion when it comes to the carbon tax but it doesn't mean we're not doing anything. And if this is about emissions reductions, well then let us show you what our plan looks like and what we can achieve without putting a broad-based tax on the economy of Saskatchewan.

And two, that within our plan, whether it's the compliance mechanisms that will be available to heavy-emitting industries in the province, if it's a technology fund or if it's the offset market, then certainly there will be a value that will be assigned to reaching compliance. So if an industry is not in compliance, they will have the option of paying into a technology fund. And certainly we'll have to set what that level will be at in terms of if it's a per-tonnage payment or however that is developed. But that will be a part of the plan as well.

And I think that has been maybe lost in this as well, is that, yes, we have a plan. It's going to result in emissions reductions. If that's what this whole thing is about, the whole debate is about emissions reductions, then that's what our plan is about. And depending on the compliance mechanisms that an industry needs to pursue because they're not in compliance with their performance standard, then there will be mechanisms and there will be a value assigned to what that compliance mechanism looks like.

**Mr. Forbes:** — Thank you. I want to move quickly to a couple of other questions in this area. One is around tillage and agricultural lands. And we very much support the idea that that should be covered and, you know, recognized. But the other flip side has been the issue around drainage and lands that have been lost, particularly wetlands, that are also carbon sinks and because of the nature of what's happening to that.

And some people say, well you can only count one side of the ledger and that's the tilled land, the existing land — which is fair enough, count that — but you also have to count the negative behaviours too because the whole point is to stop the negative behaviours. We understand our role in the world though. We are a food-producing province and exports are huge. But that doesn't mean that all the land is suitable for agriculture. So your thoughts on that? Will you be counting wetlands or drainage of wetlands as a penalty in this prairie resilience?

**Mr. Brock:** — Thanks for the question on carbon sequestration. I think it is important to acknowledge that it is most certainly a complex science, both on the agricultural side as well as on the wetland side, and forestry as well. We do have, as I'm sure you know, leading experts in Saskatchewan, particularly at the University of Regina and the University of Saskatchewan, who are working in these areas, as well as some government scientists who work in this area.

But more broadly, this is an area that one, is not set up for accounting right now under the provincial plan, nor is it something that's currently fundamentally recognized through the *National Inventory Report* of the federal government, which

is what is kind of the annual accounting for emissions by province and for the country as a whole when they make a submission to the United Nations Framework Convention on Climate Change.

So I know Minister Duncan and our Premier has strongly encouraged the federal government to look at this area and to count the emissions reductions in the same way in which they look at total emissions for the province and for other provinces. But that's not to take away from the complexity of the science and the accounting that would need to stand behind that.

**Mr. Forbes:** — So just to be clear — and if I'm hearing this correctly, that's encouraging — but the paper talks about forestry, talks about agriculture, but doesn't really talk about wetlands. So that you are saying that wetlands should be counted? And if so, have you done as much work on the wetlands area to quantify what the contribution of the wetlands are? I mean Saskatchewan's the . . . We have 100,000 lakes. We've got a lot of water in this province, particularly in the North. It should be worth something.

**Hon. Mr. Duncan:** — Absolutely. And in fact the document, on page 5, does speak to the importance of wetland habitat conservation as a part of our agricultural water management framework. So we have an advisory committee to the minister with respect to the ag water management strategy. It does include Ducks Unlimited on that committee.

And we certainly take your point, Mr. Forbes. It's a very good point and that's part of our argument as well, is that for all of the benefits for, not only for Saskatchewan, but the benefits that Saskatchewan provides in the emissions picture, you know, that's in part one of the reasons why we are opposed to the federal government's carbon tax, is because it doesn't take into account any of that. So it doesn't take into account the fact that zero-till agriculture does sequester millions of tonnes of carbon. It doesn't take into account the forestry of the province. It doesn't take into account habitat, including wetlands. When you look at it just through, you know, just the single focus of a carbon tax, there's no accounting for any of that, for any of that benefit that Saskatchewan holds.

[20:45]

The other thing too is that it doesn't account for the fact that in many ways the agricultural practices of Saskatchewan started a number of years ago. So by the advancement of zero till, we've actually gone from . . . And I know there's still some science has to be firmed up, but just some rough numbers that we've used in the past.

I believe in 1991 the number was about 600 000 tonnes of carbon dioxide was emitted by agriculture just through the tilling practices at the time. Because of zero till innovations since that time, we've now gone from a net emitter to now a net sequesterer when it comes to agricultural practices. So again, a policy position like a carbon tax really doesn't factor in or take into account any of that work. So that's why it is a part of our plan going forward.

**Mr. Forbes:** — Thank you for that, and I should have caught that. But further down that same column, which I did catch or

caught my eye, was Canada's target 1. And this is a coordinated network of parts and . . . [inaudible] . . . What is Canada's target 1? If you could speak a little bit about that and what Saskatchewan's been doing in terms of contributing to that.

**Mr. Murphy:** — Kevin Murphy, ADM. Target 1 is a part of the suite of biological diversity conservation targets initially from the Rio convention but updated through the Aichi targets from the Aichi conference in Japan.

Those targets are a whole series around conservation of biological diversity. Target 1 specifically speaks to protected areas and the provision of protected areas. Canada has committed to developing a suite of protected areas that reaches 17 per cent for the nation. That's a national target.

Saskatchewan remains committed to a 12 per cent target for our protected areas. The protected areas program in Saskatchewan includes the variety of ecosystems throughout the province, looking at both a quantitative and qualitative representation of all of our ecosystems, which includes land and water. So that would include some of the wetlands. It would include a variety of forest types and grassland types in that mix.

**Mr. Forbes:** — So that doesn't . . . It's the lands that we're talking about, what we used to call RAN, a representative area network. Is there any areas of water bodies that are being considered in Saskatchewan or are we all talking basically land?

**Mr. Murphy:** — The intent of the program is to capture as many water bodies inside of those protected areas in a fully representative fashion. So it's difficult to represent large systems like the Saskatchewan River Basin, as an example, when the entirety of that system goes beyond the boundaries of the province. But where we can contain headwater systems, wetlands, areas like the Cumberland delta are under discussion. We've got a number of peat bogs that have been represented, wetland types, so any of those that are contained within the boundaries of our representative areas are counted as water bodies that fit to that.

**Mr. Forbes:** — Are you thinking . . . Is there any thoughts of increasing or bringing new pieces of land in?

**Hon. Mr. Duncan:** — Mr. Forbes, we're always looking for areas that we can provide a level of protection to. We are currently looking at three different areas that we would add to the RAN, the representative area network, and that would go towards the target . . . the target 1.

**Mr. Forbes:** — And can you talk about them tonight or is this something that . . .

**Hon. Mr. Duncan:** — So two are in the Nisbet area and the third one is Foster area.

**Mr. Forbes:** — Thank you. The change . . . But still within this, the prairie resilience, and we've had a bit of a debate on this. I've asked questions in the House about this and the fiscal infrastructure. The government has eliminated the Energy Star tax incentive program. I think there would be some consideration then to move that kind of motivation over to some of the physical infrastructure that you talk about here, also on

page 5, the R2000 homes, that type of thing. Is there any incentives that you're thinking or considering in terms of making this something that would be more appealing to everyday families?

**Hon. Mr. Duncan:** — Thank you, Mr. Forbes, for the question. So I think certainly in the *Prairie Resilience* document there are a number of areas that we are pursuing when it comes to particularly encouraging industry to develop innovative solutions to meet energy performance requirements.

We are having conversations with the federal government about perhaps some energy efficiency programs in the home that we can bring to help support people to make their own homes more energy efficient. I would say that part of the resilience measurements really will provide for a bit of a feedback loop for people in terms of areas that maybe we need to look at in the future for programs, based on where we set some of our targets and what the outcomes are, going forward into the future. And I would say on particularly the program that you referenced — while perhaps the Finance minister might be the better person to answer that question — but I would say that I think the intent at the time was to help people make those decisions when it came to more energy-efficient appliances that had reached that designation.

And I think, you know, the facts are that now that more and more of those products, consumer products are energy efficient already and so it . . . I think the intent of the program by and large has been achieved because manufacturers are now just as . . . Their practice is now to make different products, more energy-efficient products versus when the program came in I think nearly 20 years ago.

**Mr. Forbes:** — Yes, and I think that's correct and it's also a way to create that demand. And so if people know, they're looking for it. And I would hope that would be the same I think when the construction people were here a couple of weeks ago and made that point, that we want to help create that demand so that people are talking about it, asking about it, and as well as the code. And I appreciate and I agree with the note that Saskatchewan has been a real leader. We have some very strong people in that.

I just have now before we move off climate change, one . . . When I asked some written questions, you mentioned the contractors that were involved with helping with prairie resilience and the external contracts and what the value was. And there were four. Can you talk a little bit about the contributions, what each of the four contracts were and what were they about?

**Hon. Mr. Duncan:** — Thank you, Mr. Forbes. So Demarco Allan LLP, this was to provide some policy advice to us, particularly after the Paris climate accord was signed. Mr. Hal Sanders was an employee that was seconded from Energy and Resources to the climate change branch. He retired. We did retain his services for a short amount of time prior to Mr. Brock being hired on as the ADM, just to provide some consistency. And certainly Hal Sanders had a wealth of knowledge as it related to the oil and gas industry, and we knew that the methane component of our plan was going to be pretty important. MNP provided support in the engagement during the

consultations, and the University of Regina did some modelling for the ministry.

**Mr. Forbes:** — And are there any further contracts taking place right now?

**Hon. Mr. Duncan:** — So MNP, they have completed all the contractual obligations, although the contract did go until May, but they've already completed all their work. And the University of Regina is going to continue to do some modelling work for the ministry going forward.

**Mr. Forbes:** — And what about Demarco? Is he . . .

**Hon. Mr. Duncan:** — No, that contract has come to an end as well.

**Mr. Forbes:** — All right. Thank you. I want to just flip back to biodiversity. As I was going through this . . . And some of this I'll make sure I don't repeat or I caught some that were answered under the previous estimates of Water Security. But besides Bill Boyd, how many other WHPA violations have been brought forward in the last year or five years?

[21:00]

**Ms. Gallagher:** — So just to clarify your question, it was in the past year?

**Mr. Forbes:** — In the past year and also the past five years.

**Ms. Gallagher:** — So in the past year, the only violation was the one that Mr. Boyd was charged on, and our records show that in 2012 — I wasn't in the ministry at the time — but there was one other wildlife habitat Act violation.

**Mr. Forbes:** — And what was the outcome of that? Do we know the . . .

**Ms. Gallagher:** — So we don't have that at this time here. We can bring that to you at a later date.

**Mr. Forbes:** — So . . .

**Ms. Gallagher:** — So I think the minister mentioned as well, so you talked about charges that have been laid, but there are other instances where we have actions in the province that are infractions against *The Wildlife Habitat Protection Act*. We would work with the proponent or the individual to remediate, and there are many occurrences that the Act has . . . where we may not lay charges because remediation occurs.

**Mr. Forbes:** — Okay. So what kind of number would that be?

**Ms. Gallagher:** — We don't have that here tonight.

**Mr. Forbes:** — But you have a record of that number that can be given? Like . . .

**Ms. Gallagher:** — I believe so. We would look to see what records we have, where we have different . . . either through our fish, wildlife, and lands branch or through the conservation officers, what work we've done. So we will look at our records.

**Mr. Forbes:** — So what was the difference with Mr. Boyd though? What escalated it to a charge as opposed to just leaving it to him remediating the land?

**Ms. Gallagher:** — So I would indicate in this case we were informed of the infraction and we provided Mr. Boyd with the information that he requires to know what would be required to do the remediation. And it did not occur. And so our role is not to determine the charges as a ministry. That work goes to the Ministry of Justice and the prosecution. We have a dedicated environmental prosecutor who makes that decision. So we would provide them with the information on what had occurred, and it was the environmental prosecutor who determined to go forward with charges. And as you're aware, that concluded in a penalty to Mr. Boyd.

**Mr. Forbes:** — So what's the time frame for you giving . . . And do you give the notice by a visit or is it registered letter, a letter in the mail? What's the process to give the offender, and how much time do they have to remediate?

**Ms. Gallagher:** — I think it's fair to say that would vary from case to case depending what the infraction was and what would be best suited to the environment to correct the situation. And the individual . . . Generally our process would be to have an officer speak with the individual or somebody from our lands area in the ministry would speak to the individual. And then we do also follow up with a registered letter so the individual has in writing, where it's hand delivered in writing, what would be required to remediate the situation.

**Mr. Forbes:** — Thank you. So this is again somewhat related to water security but it's from the environment's point of view because you're responsible for *The Wildlife Habitat Protection Act* as the Minister of Environment. How much land has been drained or WHPA land been drained or adversely affected, i.e. flooded, because of the drainage networks or illegal drainage? Or will it . . . Let's first talk about the drainage networks that have been approved in the new process. Are you aware of any WHPA lands that have been adversely affected either by being drained or wetlands that are being drained or lands that are being flooded?

**Hon. Mr. Duncan:** — So in terms of . . . Thank you, Mr. Forbes, for your question. In terms of draining projects, so the projects that would have been approved by the Water Security Agency — and we'll certainly go back and confirm with them for sure — but I would say that WHPA-designated land would not have been a part of an approved drainage under this new process over the last number of years. We'll confirm that for sure, but certainly that type of designation likely would have kept a project out from being approved.

In terms of flooding, we don't have statistics on that. Drainage impacting WHPA land, it could affect WHPA land but just the same as beaver dams could as well. So we don't, you know, we don't have a list that we could provide. I mean certainly we'll go back and see if we could provide something for you along those lines, but in terms of WHPA land that has been flooded out, for whatever reason it's been flooded out, we'd have to take some time to look at that.

**Mr. Forbes:** — I appreciate that. Thank you. And that'd be

great to share with the committee. And the same would go for the illegal drainage, so I assume the same answer.

But I'm wondering what your position is or what the province is doing . . . Of course there's been a lot of conversation around the federal community pastures. And apparently the Government of Canada is trying to create, or working to create protected areas for grazing and nature conservation in southwest Saskatchewan. The three that are particularly of interest are Battle Creek, Nashlyn, and Govenlock. Are you familiar with this and what's happening with those three?

**Hon. Mr. Duncan:** — Yes. So we're not engaged in that process. I believe that's Ministry of Agriculture that's working directly with the federal government on that issue.

**Mr. Forbes:** — So you're not at all interested? They're not connecting with you about whether this is potential WHPA lands or . . .

**Mr. Murphy:** — Kevin Murphy, ADM. So we have been engaged with the Ministry of Agriculture through that process. But until they've actually finalized negotiations with the federal government and we have an understanding about what the overall administration of those pastures would be, we haven't had any firm commitments about inclusion in any sort of conservation programming at this stage.

**Mr. Forbes:** — Do you know if the First Nations are involved in that process at all?

**Mr. Murphy:** — I would not know from a provincial perspective, sorry.

**Mr. Forbes:** — Now I understand the most recent RAN progress report was posted in 2005. Is that right? Or is there going to be a newer one posted?

**Mr. Murphy:** — In terms of reporting for representative areas, the province, after that progress report, had determined that we would include it in the state of the environment reporting now. So it is a part of the overall state of environment reporting, and we include it in that. There will be reporting out with the federal government on the pathway to target 1, specific to protected areas as well. But that will be a national-level report.

**Mr. Forbes:** — Thank you. I would like to touch base on species at risk, always an important one in environment. And so what has been the current approach to species at risk for the ministry?

**Mr. Murphy:** — Kevin Murphy, ADM. Thank you for the question, sir. The approach of the province, as you can appreciate because of the *Species at Risk Act*, is something that needs to be done in partnership with the federal government in order to understand the full implications of the *Species at Risk Act* and its bearing on the way that we conduct species-at-risk work under the regulations under *The Wildlife Act*. In general, Saskatchewan's approach has been one of a landscape or multi-species approach. It is our belief that the integrity of the supporting landscape, the ecosystem, is an important factor in maintaining species at risk and maintaining the health of the species that have been listed under various Acts.

The federal approach on species-specific planning can be problematic, in that they can have conflicting requirements. So our approach is to try and, wherever possible, bring as many of those requirements together. As an example, we can look at the South of the Divide action plan, which is focused on the Milk River drainage area in Saskatchewan, and the number of grassland species that are a part of that, working with stakeholders, particularly the grazing ranching community, to assist in the maintenance of those species.

And the woodland caribou range planning process that we're currently working on is really a forest-based, a boreal-based process, where we look at the entirety of the forest ecosystem and the maintenance of that system with the intent of maintaining caribou as a valued component, but with the expectation that a number of the listed bird species and other mammal species in the boreal will be maintained through those processes.

**Mr. Forbes:** — Okay, and I appreciate you touching on the woodland and the barren land caribou. And I know we had a big discussion about that. I wasn't part of it last year, but the minister at the time had raised that issue. Are there other species that you're looking at specifically?

**Mr. Murphy:** — So the basic approach of the provincial government is to look at the landscapes, and a risk-based approach to the species that are contained there. Obviously, we have to consider species that are federally listed, whether that be burrowing owls, swift fox, piping plover, the nightjar species, some of the warblers that are being proposed in the boreal forest. But our approach is to actually look at the ecosystems and the risks that are occurring there.

**Mr. Forbes:** — So have you then, especially around the PFRA [Prairie Farm Rehabilitation Administration] pastures and especially those three that I just mentioned, have you been able to get out on those pastures and talk about whether there are species that are at risk . . . Because if we were to lose that much while they're under the WHPA lands, that they're at risk, those three particularly? Or any of the PFRA pastures that are still remaining in the public landscape or domain?

[21:15]

**Mr. Murphy:** — Kevin Murphy, again. Thank you for the question, sir. With regards to PFRA pastures, as they are a federal responsibility we have not undertaken a survey of the assemblages on those pastures. The federal government has agreed to work with us on sharing their data, as they're responsible, when those pastures are assumed under provincial control. We do undertake surveys of endangered species in general, biological diversity on provincial pastures, and it would be my expectation that we would undertake that on any pastures that are assumed under provincial control in the future.

**Mr. Forbes:** — So you're working closely with the federal government on this area. So are they giving you any flags out there, things to be watching for?

**Mr. Murphy:** — Kevin Murphy, again. We're aware for instance of critical habitat that's listed for sage grouse, as an example. Grasslands are critical habitat for a number of

endangered species and we know that those pastures would contain some of those animals, particularly sage grouse as an example.

**Mr. Forbes:** — So would that . . . And I didn't see it in your operational plans. You know, I see this bouncing back and forth between the two, between the feds and provincial. Is it part of your operational goals to, as part of your plans, to really be stepping up and watching for this? I don't think there's been anything added as species at risk since 1999. Now maybe it's all good, and as you said, it's land based so it's protecting lands. But you know, it's been 19 years since a species has been added.

**Mr. Murphy:** — Thank you for the question. Sorry, Kevin Murphy again. With regards to the endangered species program, you're correct in terms of regulatory listing by the province. We have actually been relying on the federal regulatory process and not duplicating that in terms of listing of species because they've got an ongoing listing program. We contribute to that through our ongoing monitoring program and continue to develop tools, both for ourselves and in concert with our stakeholders such as the HABISask [hunting, angling and biodiversity information of Saskatchewan] program. That is allowing us to do increased engagement and monitoring to look for the status of various species and contribute that to the COSEWIC [committee on the state of endangered wildlife in Canada] listing process that the federal government has.

As an example, just this spring we conducted one of the largest surveys that's ever been done in the province for ferruginous hawk using that online tool system as a template and with a number of volunteers contributing to that.

**Mr. Forbes:** — Okay, great. Thank you. I wanted to switch gears here a bit, talk about wildfires, if we could talk a bit about that. Now I don't have many questions. I know this question came up in question period last Thursday and so I reviewed *Hansard* and it was a pretty straightforward answer. So something we don't often get in question period, but that one was straightforward and that was good. And I know the minister went through an awful lot last year.

But I do want to ask . . . I've got a couple of questions, and one is the number of fires that are happening this year and what is the projection. We have people down, and if I could hear some thoughts on what this year looks like.

**Mr. Roberts:** — Steve Roberts, executive director of wildfire management. So we've had, as of this year, 147 fires year to date. Five-year average is 81, so we're well above average for our spring. We started late but we've caught up quick, so our crews are actively engaged on those right now.

**Mr. Forbes:** — Now the fires that are happening around Prince Albert, are they part of Environment or are they part of . . . I don't know the communities that are involved. Is Environment fighting those fires?

**Mr. Roberts:** — Correct. The fire right by Prince Albert, the largest one, is the Rally fire. That's in the RM of Shellbrook. And so we are engaged on that fire itself. It is in a provincial forest, in the Nisbet Forest. There is also another large fire by

Waterhen in Meadow Lake Provincial Park. And we are assisting or are preparing to assist Parks Canada. They have a prescribed fire that is on the southern edge of the park that may come out into the forest land.

**Mr. Forbes:** — In terms of forecasting, what do you anticipate for the next few months as you head into summer? Do you anticipate that we'll see a very active fire season?

**Mr. Roberts:** — So our numbers are indicating that we're more active. The long-term modelling said we would have an average summer, weather-wise. But again, once we get into the peak summer season and the snow leaves, it's predicated on rainfall. And in this case, once the snow left in the third week of April, we have not had any rain in the southern part of the forest. So that's what's leading to the conditions we see today.

**Mr. Forbes:** — And how does Cypress Hills and Moose Mountain . . . That would be Environment as well, I understand, right?

**Mr. Roberts:** — That's correct. So we have high hazards across the province. We implemented a fire ban yesterday right from the Churchill River all the way to the southern border with the US [United States]. The only area that is exempt . . . the only park that is exempt is Cypress Hills. They had some precipitation from some storms that had come up from Montana, but the rest of the province has not. And then north of the Churchill, we even had snow last week in some of those areas, so they're not looking at high hazards at the moment.

**Mr. Forbes:** — Thank you. Now you had talked about there is a large decrease in the budget, but a big part of that is capital, dealing with the planes. Do you anticipate any more requests in terms of the assets or requests that are coming up in the near future or out in the 5- to 10-year planning?

**Hon. Mr. Duncan:** — Thank you for the question, Mr. Forbes. So I think as you've indicated, what I've answered in question period is the reduction in the capital is because of the delivery of the CL-215T this past year. We've also in this budget provided dollars, I think it was 6 million. Sorry, I might have my number wrong. But just in terms of the La Ronge hangar and apron upgrade, that was . . . Sorry, I think that was two point . . . I'll make sure. I'll just get my numbers here. \$2.42 million for the La Ronge hangar and apron upgrade.

Once that is complete then, I think, as a ministry we'll have to look at some additional airplane upgrades, particularly the Bird Dog aircraft as a part of the fleet and replacing those in the future. But I think our priority this year is to have the dollars on La Ronge, the hangar and the apron, and then in out years we'd look at the next stage of the aircraft itself.

**Mr. Forbes:** — So what do we have in terms of a fleet now? I mean what makes up . . .

**Mr. Roberts:** — So at this stage, through the conversion process, we now have four CV-580 retardant air tankers. We also have four CL-215T modernized scooping aircraft. We retain one piston 215 that has not been converted. We have four Twin Commander turbine Bird Dogs, and we retain three of the older Baron 55 Bird Dogs.

**Mr. Forbes:** — Okay, thank you. Just as a bit of a history lesson, and I haven't been around for a few years, update me with the lookout towers. What's happening with the towers? There was some modernization of that and it was controversial for a while.

**Mr. Roberts:** — So for our tower program, it is our fourth year. Last year was our fourth year with the camera system. Forty-two towers were converted to basically cameras situated on the towers that are routed remotely to a central dispatch area in our provincial fire centre where technicians monitor all the camera feeds. For this year what we saw, as an example, is 27 per cent of all our fires were actually found and logged through the camera system. So you know, that is an increase. We used to say that our manned towers was about at 20 per cent, so we are seeing the similar values.

The nice part is that when they report, it's immediately integrated into our information system to the second floor including the images of the fire that could be sent right to the field locations so they can see what the tower, you know, cameras are seeing at the exact same time. Because they are in control of any camera, they can also monitor fires' behaviour. So for instance, say we're monitoring from two cameras that are monitoring fire behaviour on the Rally fire to look for flare-ups and look for building activity.

**Mr. Forbes:** — And do you see an expansion of the tower program?

**Mr. Roberts:** — There is an opportunity to expand the program. Our preference would be to look for partners. We have used the program and find partners — be that national parks as an example — industry partners or community partners who may wish to augment our camera network as it exists today by securing on either a communication tower. We probably would not build new towers for this purpose, but we'd locate cameras on existing communication towers to start filling in voids or directly in a community for instance.

We had some discussions with Parks Canada for Prince Albert National Park. They have a communication tower and would be interested in putting a camera there. And then they would manage the camera and we would monitor the feeds for them and it becomes part of our network.

**Mr. Forbes:** — What about cell towers? Would that ever work?

**Mr. Roberts:** — Yes, any tower will work. Any communication tower will work. We just need permission from the authorities and providing there's space on the tower for our set-ups.

**Mr. Forbes:** — And what kind of quality of pictures are you getting? I mean there must be . . . The technology must be improving all the time and . . .

**Mr. Roberts:** — We're getting good, high-resolution pictures. We do have near-light capacity as well. So in smoky conditions like we saw in 2015, we could still get images through using near light. So they're not infrared for night, but we can also monitor, for instance, burns that happen and look at burn-permit operations that . . . For instance someone starts their agriculture

land at night and burns so we can see those and check to make sure for the next morning that the crews are out there checking to make sure they're contained and haven't egressed from those areas.

**Mr. Forbes:** — Thank you. And I have to ask about the single-engine planes. I know this probably doesn't fall under your domain. Is it at all? Do you do any training with them or anything?

**Hon. Mr. Duncan:** — No, that's the Government Relations is . . . Yes.

**Mr. Forbes:** — And so when there is a fire and I don't know what the boundary is or if there is a boundary, but south of a certain line if I remember correctly. If it's in the RMs, the RM does get billed for the services to put out the fire? Is that correct?

**Hon. Mr. Duncan:** — That's correct, yes.

**Mr. Forbes:** — Okay. And are there any outstanding bills or some of the RMs that are close? Or what's happening with that in terms of . . .

**Hon. Mr. Duncan:** — So there are some outstanding invoices. There have been several requests as well from communities for us to take another look at the bill and maybe adjust it, based on their ability to pay what that bill is. And so that process is ongoing as well, yes.

[21:30]

**Mr. Forbes:** — For sure. I appreciate that and I'm just wondering if there's, if you have found any confusion between the Government Relations program and whether people are thinking this is Environment or that now these single-engine planes are . . .

**Ms. Gallagher:** — Thank you for the question. I would offer that there may be sometimes confusion by the public but we try our best as officials to, when we're doing communications — both communications from the Ministry of Environment and the Ministry of Government Relations — work together. Many announcements are put together with both the ministries working collaboratively. I know you will often see when we're talking about wildfire management that Steve and Duane McKay, who leads the emergency response work for the Ministry of Government Relations, working together. So we collaborate together to try to ensure that the messaging goes out and allows the public to understand. There is sometimes the difference because there is a lot of different language used around wildfire, whether it's in the forest or on the grassland. But our comms work is always looking at ways to improve people's understanding of the roles of the different agencies.

**Mr. Forbes:** — Thank you. And you had a wildfires task force, I understand. And can you update us with what's happening with it?

**Mr. Roberts:** — So after the fires in 2017 Pelican Narrows, Prince Albert Grand Council put together a task force that included both elders and youth, to look at wildfires in their

traditional areas. They worked over the winter and then when they were completed that, they met with myself and the director of operations to share, you know, what they had learned and then hear from us on how we do our business and answer some of their questions. So we have done that.

They're finalizing the report and just this morning before I came here, I just met with Prince Albert Grand Council grand chief and his chief committee to discuss the same issues with them, and what recommendations that we can take forward and make changes for this season.

**Mr. Forbes:** — Now are you at liberty to talk about that at all tonight?

**Mr. Roberts:** — Yes, we've made a couple changes already. There were some concerns about our fire policy and we just confirmed that that policy was changed in 2015 after the La Ronge fires. At that time we also added eight more crews for those First Nation crews to address a capacity issue that was brought up during those discussions.

And then for this year, based on what we heard from the committee, there was a concern about getting type 3, which are volunteer firefighters, out to the fire line, and some of the limitations were training for their crew leaders. So what we did is we've changed that from a five-person to an eight-person crew, which means a crew leader can take seven firefighters with him now, which will mean that they can ramp up and make bigger crews that can be deployed on the fires. And to augment that we're going to target some more crew leader training in those northern communities so that they can build their crew leader capacity as well.

**Mr. Forbes:** — I appreciate that and appreciate that it seems to move along at a good pace, and people are appreciating it. So thank you for that.

I would want to change right now to the Environmental Code. We have a few questions about that. The operational plan talked about that you're going to be working with the code advisory committee to develop and implement new code chapters. And so what chapters are coming up and what's the long-term plan there?

**Mr. Kotyk:** — All right. Wes Kotyk, ADM. So the new chapters that we're currently working on with the code advisory committee include the hydrostatic testing chapter, wildland-urban interface, and forest inventory chapters.

**Mr. Forbes:** — So and how do you . . . I appreciate that you've probably been involved with this obviously for many years; I haven't been. So you'll have to refresh me and tell me a little bit about . . . First of all you were talking about the hydrostatic . . .

**Mr. Kotyk:** — Hydrostatic testing.

**Mr. Forbes:** — Okay, and that's work in or near water. So what are we talking about with that?

**Mr. Kotyk:** — So the hydrostatic testing chapter, typically what that entails is if there are some new infrastructure, new

tanks, or new lines, flowlines, being introduced into a system, that quite often they will do the leak testing, take water from a certain source and then discharge it to another location. So that's what the hydrostatic testing chapter would entail: what are those provisions for utilizing that source water and what conditions can it be discharged to a location?

**Mr. Forbes:** — Okay. So would that be pipelines?

**Mr. Kotyk:** — Some pipelines, yes.

**Mr. Forbes:** — Would that be oil pipelines?

**Mr. Kotyk:** — Yes. Usually primarily new construction or replacement.

**Mr. Forbes:** — But not old?

**Mr. Kotyk:** — It can be old but there would be conditions around how they would have to be cleaned prior to testing, and the water has to meet a certain quality before it's discharged. So those are all of the types of criteria that would be included in the chapter.

**Mr. Forbes:** — So okay. I'm not sure if I'm getting this right. So it's not if an oil pipeline has been constructed to go under a riverbed? That wouldn't be part of this?

**Mr. Kotyk:** — No. The routing of the line, this chapter doesn't cover the routing and how it's installed. It is primarily on doing the pressure or leak testing to ensure the integrity of that, either pipeline or tank or other vessel.

**Mr. Forbes:** — So where would the routing of oil pipelines or natural gas lines or . . . Where would that fall under?

**Mr. Kotyk:** — Initially the routing of a pipeline would be submitted as part of a project proposal and it would be screened through the environmental assessment process. And at that point a determination would be made as to whether or not that activity would be a development. If it's a development, then an EIA [environmental impact assessment] would be undertaken and eventually permitting of the pipeline would be handled by the Ministry of Energy and Resources.

**Mr. Forbes:** — Okay. So it wouldn't fall under this, then?

**Mr. Kotyk:** — This chapter wouldn't cover that.

**Mr. Forbes:** — Or the code?

**Mr. Kotyk:** — Not currently.

**Mr. Forbes:** — Do you anticipate it will?

**Mr. Kotyk:** — So one point to clarify. The minister has identified that the pipeline, prior to coming into operation, it would require a hydrostatic test. So the code would apply to that activity prior to bringing a pipeline into operation.

**Mr. Forbes:** — Okay. So all right. Fair enough. That's good. Good to have a former minister of the Economy here. That's good, helpful. And then you were talking about another chapter

that you were going to be working on.

**Mr. Kotyk:** — There are two other chapters that are currently being worked on. One is the wildland-urban interface chapter and one is on forest inventory.

**Mr. Forbes:** — Talk a little bit about the wildland-urban interface chapter. What's that about?

**Mr. Roberts:** — So the wildland-urban interface chapter is conditions around communities or subdivisions, for instance, that would occur within the forested land base. So very often you'd hear terms like FireSmart, making sure communities are resilient, that they're building in a manner that will reduce their risk from wildfire because they're in a fire-prone environment. So we're designing a code chapter to guide either individuals or communities when they're doing that type of planning.

**Mr. Forbes:** — So who would be affected with that would be northern communities or . . . Who are you targeting with this?

**Mr. Roberts:** — Primarily northern communities. Anyone in the wildland-urban interface would be anywhere where you're near, adjacent to, or within the forest. So it wouldn't primarily affect grassland communities in southern ag lands.

**Mr. Forbes:** — Do you think this is something that, especially in the South where we do have that challenge, even . . . I mean I think of the fires that happened out at Lumsden fairly close to a community, and often in Corman Park in Saskatoon, even this spring. Is this something . . . I'm just wondering about whether this falls more in the provincial interests, government planning, or are you working with Government Relations around what the provincial interest is in this, in terms of how they expand into certain areas?

**Mr. Roberts:** — Well I think that they're . . . Once the chapter is built, it will have application across the province, certain components, regardless of where you're building or where you're doing your development. So if we build it for the most extreme cases, which are the forested communities, I think that there will be some components that northern municipalities can use, but also southern RMs could use as well when they're doing planning activities or preparedness activities.

**Mr. Forbes:** — Can you give us a little bit more in terms of, when you are making these kind of parameters, is it about just making sure you're clearing a good space in between the houses and the forests, or is there some actual evaluation of what's happening in that wildland so that it's just not taken for granted, push it back and be done with it?

**Mr. Roberts:** — Yes, it's a combination to look at things like where they allocate their green space which could also act as a fire buffer. So instead of having your green space inside your subdivision, if you have it along the outside as a walking trail, it acts as a fire buffer. It can talk about building standards, what you build your homes out of, what you shingle the roofs with. It'll also talk about things like two points of access if you have an emergency, not just one. So we often see fires where access is the concern for a wildfire because there is no secondary access for the community if there is a fire breach.

Some of them are basic, like do you have a volunteer fire department; are they trained in wildland fire behaviour or just structural fire behaviour?

**Mr. Forbes:** — Yes. I'm always sort of struck, and I'm going to overgeneralize here, but living a bit up by Meadow Lake in a small village, how all the greenery was pushed out to the edges. And I oversimplify to say there was not a live tree within the village. But coming from the South where we have . . . You know, that's what we value, trees within a community because they're just not part of the natural landscape. And it just seemed to be odd that it was, you know, so many yards away from the town.

So that's an interesting thing. What caused this to come forward? Was this because of the La Ronge fires?

**Mr. Roberts:** — This has been on the docket for a number of years, based on the new wildfire Act that came forward. This will be the first jurisdiction that has legislation specifically related to FireSmart and mitigation activities in their Act. We will be the first province in Canada that does that. So across Canada, everyone agrees that those are sound measures that should be, and we're now going to codify that so that any new development takes those into account. And as soon as we do that, if we can increase our prevention and our mitigation, then our likelihood of, you know, a disaster or a serious impact from a wildfire will be reduced.

**Mr. Forbes:** — Thank you. I'll just go back to the code discussion if we could. So there was another chapter that you were talking about, a third chapter?

**Mr. Kotyk:** — The third chapter is on forest inventory. And I'll turn it over to our forest expert.

[21:45]

**Hon. Mr. Duncan:** — Madam Chair, just before Kevin speaks to that third one, I just will note the budget does provide for an increase in our wildfire prevention and mitigation program. So last year was \$85,000. This year we're increasing it to \$300,000. As well we are increasing our advertising with respect to wildfire prevention and mitigation from 100,000 to \$150,000. So we are going to be providing for not only additional advertising but also for some of the programs that . . . so sprinklers, that people can access the sprinkler systems, reducing fuel load around properties, etc. So we are advancing or increasing that in this budget as well. I just wanted to put that on the record.

**Mr. Forbes:** — So the question is, in terms of the forest code, can you tell us a little bit about that?

**Mr. Murphy:** — Kevin Murphy, ADM. Forest inventory is the tool whereby industry determines what kind of trees are in a stand, the volume of them, and what types, what species they are, so that they can plan their cutting operations for a year. It's also the tool whereby government understands what kind of reforestation needs to take place post-harvest so that we can rebuild the forest. So it's used by both government as a regulator and by industry.

Right now it's a fairly expensive and onerous process often done with ground truthing, sending teams of individuals right out. There are prescriptions in regulation that specify how that's to be done. Industry, almost globally in the forest industry, is looking at a variety of tools that make that faster and cheaper, looking at drones, aircraft, satellite imagery, use of things like lidar and tools where ground truthing is still needed but not nearly as exhaustive and extensive, and in fact we get a better product.

We want to write a code chapter that allows for that kind of innovation in a more timely fashion, allows both government and industry access to that better information and to be able to do it according to the alternative solutions as they're brought forward. The technology is far outpacing our ability to keep up with it in regulation. We want to write a code that allows us to be able to morph that while still achieving the outcome of understanding what the forest needs to be rebuilt to, what the reforestation is.

**Mr. Forbes:** — And so I understand from the budget that there's no more tree planting from the ministry's point of view. Is there any tree planting going on in the province this year at all?

**Hon. Mr. Duncan:** — So there is. Absolutely there is tree planting that's going to take place. We expect that industry will plant approximately 1 million trees this year.

**Mr. Forbes:** — And how much area would that be for 1 million trees?

**Mr. Murphy:** — I'm sorry, I had to find those numbers. That would be about 1000 hectares replanted. Overall the obligation for the forest industry right now is about 1500 hectares per year, but about 500 of that is natural regeneration that they simply observe. The rest of the 1000 they have to replant.

**Mr. Forbes:** — I'm curious if you . . . you know, this is sort of like the population of the province. And you have the cut that happens, and I don't know how much is being cut, and so much of it will be burned and so much will be replanted, and then so much will be naturally growing back. Is the provincial forest growing or is it shrinking?

**Mr. Murphy:** — Kevin Murphy, ADM. The Crown provincial forest remains effectively stable through regeneration naturally and through the replanting for the cut plan. So it's a constant rotation. There is some forest land that's given over to development on the fringe, you know, around cities, towns, locations like that. But in general, the Crown provincial forest remains stable.

**Mr. Forbes:** — Thank you. A couple of quick questions more about the code. So as I understand the model that's been developed around the Environmental Code, inspections and audits are an important part. Is that right, that's the whole idea is inspections and then audits?

**Mr. Kotyk:** — Yes. A big part of our results-based regulatory initiative is to enhance compliance, and we do have a compliance audit program that has been added in with the onset of the Saskatchewan Environmental Code.

**Mr. Forbes:** — Do you have a target? Do you have a target of what percentage of the permits will get a follow-up inspection or audit?

**Mr. Kotyk:** — Our compliance initiative is based on . . . It's risk-based. So typically with our compliance audit program, we have roughly 20 to 25 audits that are carried out each year. And that's based on a broad range of our activities and where the priorities are. Inspections, depending on the program and the resources that we have, we do build that in as well. Where the priority areas are inspected, sites are inspected based on the need and the resources that we have. So that can vary from year to year.

**Mr. Forbes:** — So when you say risk-based, does that mean a certain type of project has a certain level of risk and therefore the odds are that you will . . . one that's more risk, has a higher level of risk, you will probably go inspect or . . . [inaudible] . . . do an audit than the one that has a low risk?

**Mr. Kotyk:** — Correct. There are some facilities that may get inspected annually or more frequently, and then there are others that may be less frequent.

**Mr. Forbes:** — Okay. Interesting. And how's it been going? Have they been . . . In terms of the audits and inspections, what kind of results are you seeing? Are you . . .

**Mr. Kotyk:** — The results have been quite good. I mean, they have been effective. The audits have been effective in supplementing our inspection processes. So when we carry out inspections, you may not get into as much detail as you would do in an audit. And the audits have supplemented the inspection processes and have identified areas where improvements are required.

But we've been very successful in working with our clients and the stakeholders, and they've been addressing any findings. And that's something that we're tracking, is how effective are they in following up and addressing any of the findings that we do during these audits and inspections.

**Mr. Forbes:** — So these would be major projects. This would be industry? Or who would be covered by this?

**Mr. Kotyk:** — So primarily a lot of the mining and industrial operations will get audited at some point, but we are also expanding it to other program areas. Almost every area of the ministry, there has been an audit of some component of that. So we're even looking at audits of cleanups for contaminated sites or for, you know, landfills. Most of our programs in the ministry have had some audit component.

**Mr. Forbes:** — So this is a different approach, obviously. Is this a qualified person who does the audit? Or what kind of person or group does this? Is it in-house? Is it contracted out?

**Mr. Kotyk:** — Yes, so our audit program, it is an auditing that's internal to the ministry, but they are trained auditors so they maintain certain qualifications themselves. They also are assisted by a team of pool auditors throughout the ministry that are trained to support. And so the pool auditors will support the main team and do a number of audits and assist on those during

the year as well.

**Mr. Forbes:** — And are these audits, inspections, are they a matter of public record or are they a private document?

**Hon. Mr. Duncan:** — So, Mr. Forbes, we would certainly work with you to provide information on the audits. Obviously we'd have to look to see if there's proprietary information that the proponents or the organization would need to be protected. We don't post them as a regular course of business, but we would certainly want to work with you to provide you some insight into what an audit looks like and how organizations are doing on their audits.

**Mr. Forbes:** — Okay. Just one last question, and it's a favourite of mine: Great Sand Hills. How are the Great Sand Hills doing?

**Hon. Mr. Duncan:** — So the designation remains in place. All the WHPA land contained within the Great Sand Hills remains in place and doing fine.

**Mr. Forbes:** — Well I think what's interesting out there, and I haven't really kept up with some of the local folks clearly but . . . And I think the last time we talked about it was the effect of the price of natural gas and the interest in terms of . . . And so when things are, it's not quite as, you know, the interest isn't quite as much. I'm not sure. But there were lots of work done and recommendations.

So that would be something I may want to follow up with in terms of . . . because it's an ongoing, I think it's a real treasure in the province, but it's also an economic activity that's huge and needs to be done well. And I think there's been a lot of good work done by the local people there, and so something I may want to follow up with as well because I still try to get out there. And it's, as we've talked about, whether it's Redberry or the Cumberland, Cumberland delta's a huge one as well, very important, and many others as well.

So with that, Madam Chair, I'd like to thank the officials for their answers, the minister for their answers, and we'll continue on. And so that's all I have for this.

**The Chair:** — Thank you, Mr. Forbes. We'll now adjourn consideration of estimates for vote 26, Environment, central management and services, subvote (EN01). And we'll take just a brief recess to change officials, if need be, before we continue on with the next portion.

**Hon. Mr. Duncan:** — Thank you, Madam Chair. I think I caught most of what you just asked of me or said to me, but I do want . . . I know we're moving on to the consideration of the bill. We most likely will have several officials that will leave for the . . . unless they want to stay. They're welcome to stay. But in the event that officials are taking their leave from us and are not going to be here for the consideration of the bill, I just did want to put on the record my appreciation to all of the officials, the ones that are here this evening.

Obviously there's lots of people that they represent who aren't here but have helped to prepare us for this evening, but also put in place our budget. So I just really wanted to put my thanks on

the record to our deputy and her team that she's assembled. This is, as members will know, my second go-around in this portfolio, and it's an honour and a privilege to be in this role. And I really appreciate the team that the deputy minister has put together. So I want to thank them this evening.

**The Chair:** — Thank you. Just we'll take about a . . . Do you need to change officials so . . . [inaudible] . . . We'll take a little bit of a break.

[The committee recessed for a period of time.]

**Bill No. 124 — *The Environmental Management and Protection (Environmental Handling Charges) Amendment Act, 2018***

**Clause 1**

**The Chair:** — All right, we will now move on to consideration of Bill No. 124, *The Environmental Management and Protection (Environmental Handling Charges) Amendment Act, 2018*, clause 1, short title.

Minister, if you have any new officials that you would like to introduce . . . none? Make any opening comments you'd like.

**Hon. Mr. Duncan:** — Thank you, Madam Chair. Environmental handling fee changes were announced in the government's fee change news release on March 23rd. Amendments to EMPA [*The Environmental Management and Protection Act*] will enable an increase of 2 cents on the environmental handling charge for all recyclable beverage containers purchased in Saskatchewan. Environmental handling charges are an amount paid by the customer at the point of purchase. These charges are not returned when the deposit is refunded. Rather they are used to fund the contract that the government holds with Sarcen to deliver the beverage container collection and recycling program.

Specifically the new amounts proposed are 5 cents for polycoat cartons or gable-top or shelf-stable aseptic containers — the most common example of these is a milk container — which were added to the recycling program last year, 7 cents for aluminum cans, 8 cents for plastic bottles and jugs, and 9 cents for glass bottles.

The core reason for this amendment and the EHC [environmental handling charge] increase is program sustainability. Sarcen receives environmental handling charges based on container volume sales from two years prior. This is why we're increasing the fees now so that the funds are available when the Sarcen contract is renewed. At the time of contract renewal in 2020, Sarcen would receive 1 cent from the handling charge increase, which would sustain the program until 2030. The additional 1 cent will allow for flexibility in the event that the beverage container program's financial situation changes and offset the need for increased fees in the future.

It's important to note that the environmental handling charge in Saskatchewan has not changed since 1992. As mentioned, the proposed changes were announced on March 23rd in the government's fee change news release, effective April 1st. Stakeholders were notified in March and Sarcen indicated its

appreciation to government for the increase.

We're confident that this amendment will provide the funding needed to sustain the successful program operated by Sarcan, which operates one of the most successful recycling programs in Canada and is a very important partner for the government. We're . . . With that, we'd be pleased to take the committee's questions.

**The Chair:** — Thank you, Minister. Open the floor to questions from committee. Mr. Forbes.

**Mr. Forbes:** — Thank you very much, Madam Chair. Appreciate the opening remarks and appreciate the comments around Sarcan. They're a very strong group, company, non-governmental organization that really takes their mandate very seriously and has provided real leadership, I think, over the decades that they've been involved in recycling. And whether they're right involved or part of the advisory groups, I'm confident they're giving great advice.

So a couple of questions though, about this and that is . . . Of course I understand the sustainability thing and how it must cost Sarcan more so, if I understand this right, there's really two components to what happens in a Sarcan facility. There is the one, obviously people come in with their containers; they get their deposit back of which they had paid, and they're getting the full deposit. There's no commission. It's just a straight flow through. So that's one aspect of it. And then the other aspect of this is the EHC, or the environmental handling charge, where they're paid to provide this service by the Government of Saskatchewan and Environment is the agent for the Government of Saskatchewan. That's correct, I think, right?

**Hon. Mr. Duncan:** — Yes, that's correct.

**Mr. Forbes:** — And so now the reason that there hasn't been an increase since '92 . . . I mean, I imagine it's been skating pretty close to the edge, but generally the pool . . . Or consumers have bought more and more beverage containers, whatever. So there hasn't been that demand, but we're reaching a point where that's hitting the wall. And so now it's going up 2 cents creating, I think, is it 10 million or is it 20 million in revenues? It's 10 million, isn't it?

**A Member:** — Yes, 10 million.

**Mr. Forbes:** — Ten million. And so the new contract that's going to be negotiated will see Sarcan get 1 cent, so that's about 5 million. And then the GRF will be retaining the other 5 million. Is that correct?

**Hon. Mr. Duncan:** — That's correct. Yes.

**Mr. Forbes:** — So then has there been any . . . Obviously what's in the GRF, in the General Revenue Fund, there is no specific target for this money to go. Environment is not seeing this money in terms of targeting any specific initiative. Is that right?

**Hon. Mr. Duncan:** — So I would just say that the 2 cents . . . I mean the second cent will be available when the time comes if Sarcan does require that at some point in the future. The 1 cent

does provide for sustainability for the program, knowing that even in the last couple of years the number, in terms of the EHC that has gone to Sarcan based on the contract, has fluctuated up and down.

So you know, I think we've had, because of population growth, because of more beverages being purchased, containers holding beverages being purchased, since the last time that it was increased a number of years ago, that that has supported Sarcan in that growth. But now they've reached a point where it's not. And so that 1 cent is available. The second cent would be available when the time comes for, you know, a relook at sustainability of Sarcan in the future.

[22:15]

But in the interim I think it helps government in support of the work that we do, in terms of the solid waste management program, for example. Obviously there's costs associated with that. Other environmental or recycling programs that, as a ministry, we got to look at in the future. So that's really the intent of this, is to have the second cent available when Sarcan does need it, rather than having to go back again and raise it at that time. We certainly have, you know, ways that we need to support recycling policy, processes, committee work, that we're doing over the next number of years.

**Mr. Forbes:** — So has the EHC been in a deficit position for the past few years?

**Ms. Gallagher:** — So thank you for the question. So Sarcan is not in a deficit.

**Mr. Forbes:** — No, not Sarcan, but the EHC . . .

**Ms. Gallagher:** — No, they are not in a deficit. But what I would answer is that Sarcan had indicated to us that, for sustainability over time, that they would need an increase in the EHCs to support their programs. So the contractor fees for Sarcan were set in 1992 and they have remained the same. And so, you know, as the fees are used for the management of the beverage container system, Sarcan gave us variable factors to consider as part of the increase in complexity and the operations and how they've increased significantly over time.

I think people would be aware there's a number of more depots. And some of the information that Sarcan cited for the necessity for the increase of the costs, included that the number of employees system wide has increased. And currently there are over 600 people employed by Sarcan across the province and of those — as you are aware, it's a very socially responsible program — 65 per cent have a disability or have been on social assistance.

They also indicated that their infrastructure and operational costs, they continue to rise, including the building and transportation costs over time. The container returns have increased and that increases their cost to them. So they've had it go from 145 million to 400 million per year, and so that increase of over 178 per cent has added burden to them. And the deposit returns paid to the public have increased from 18.2 million to over 44.3 million which is an increase of 143 per cent. So you know, the amount of customer return visits have

also increased. They've increased from one million forty-two to over one million six hundred and seven, an increase of over 54 per cent.

So you know, what we've also been told by Sarcan, with the increase that they have also committed that they will increase the number of depots over the next 10 years, and they hope that the EHC increase will help them fund that. And so you know, as the minister mentioned, that additional cent that we've asked for will support them as they continue to move and grow into their future that they're anticipating.

**Mr. Forbes:** — A couple of things. Did you say the last budget or not budget, contract was set in '92?

**Ms. Gallagher:** — So this is what I was saying, that the contractor fees were set in 1992 and they've . . .

**Mr. Forbes:** — But it's a five-year contract, right?

**Ms. Gallagher:** — That's correct, but we haven't changed the EHCs since 1992 which are part of the contract.

**Mr. Forbes:** — But the contract, the value of the contract has gone up. Like they're getting more money than what they got in '92, right?

**Ms. Gallagher:** — That's correct. But that's based on the number of containers returned, not EHCs.

**Mr. Forbes:** — So when they say we've had X number of containers returned; this is your bill, is that not based on the environmental handling charge that they get?

**Mr. Kotyk:** — All right. So maybe I'll try to explain that the amount that is in the contract, it's a four-year contract that we've negotiated with Sarcan, so they would get . . . Each year the value they would get would be based on the total amount of collected EHCs [environmental handling charge] from two years prior. What Lin and the minister were talking about is that the number of containers that have been collected continually increase and so the number of visits and all of those kind of things compound to the actual costs for operating those collection facilities. So that's where, although they may get an increase based on the total number of containers from two years prior, that actual, the number of visits and things like that aren't keeping pace with the need that they have for addressing those costs.

**Mr. Forbes:** — And I think that's fair. But did you say . . . What was your annual budget? How much does Sarcan . . . Did you give that number? Because what I'm looking at is a written question I had that the funding that was provided in certain years . . . And it's about 25 million. So I would assume their budget's not much bigger than 25 million, but I could be wrong.

**Hon. Mr. Duncan:** — No, you're pretty close. So for the last four years, it's fluctuated from . . . So in '16-17, it was 24 million. Then in '17-18, it jumped to 26.5 million. But, sorry, I'll maybe start . . . '15-16 it was 25.3. Then it dropped to 24 million, then it went up to 26.5 million, and then our estimate is that it'll be 24.8 million.

And keep in mind, that's based on the EHCs that were collected two years prior to that year, so they may be dealing with a higher volume of beverage containers coming through, but they would be dealing, in terms of dollars, with two years previous. So if two years previous the sale of beverage containers was lower, they may be in a situation where they may be processing more containers based on the revenue from two years prior that actually might have resulted in a lower dollar amount.

**Mr. Forbes:** — Now do they get any support for collecting paint? I know like at the Sarcan that I use, they will take paint and they will take electronic materials — not used chairs. Do they get any financial support for that kind of activity, paints and . . .

**Mr. Kotyk:** — Yes. They contract with the extended producer responsibility agencies that are collecting the paint. So they would have a contract with Product Care — I think is the name of the company — that's similar also to the electronics that they collect. So they would get contracted, but that would be dedicated just for that activity. It wouldn't subsidize other activities.

**Mr. Forbes:** — Well fair enough, and that's straightforward. So within your ministry, how many people are working on this? Is there a unit that deals with . . . I mean it sounds like there's a waste management group because there's consultations going on, but how many are there dedicated to just managing the fees, the environmental handling charges?

**Ms. Gallagher:** — So you know, I don't know that we have an exact tally of what would be involved in that. So in the stewardship part of the ministry who oversees recycling and managing the Sarcan contract, we have, you know, the director, Brady Pollock, as well as he has three dedicated employees to that program. They do more than Sarcan. They look at the different and extended producer responsibility programs in the organization. But in addition we would have our corporate services who assist in some of the work around managing the contract and passing forward, and we also would work with Finance. So I think that we have, you know, a number of expenditures around our waste stewardship initiatives that we have throughout the organization. We don't focus that all in one pocket within the ministry.

**Mr. Forbes:** — Okay. So I want to just switch the perspective here, and I raise the question . . . I talked about, for example, how Retail Council of Canada had a posting on the Internet in regards to this, and they weren't happy about this and they were hoping to have a meeting with you. But from the consumer point of view . . . And because this gets pretty confusing, you really have to follow what's happening. And quite often when we go to a convenience store, I was just thinking even of buying a little thing of milk at the legislature cafeteria, how the charges have changed over the last 14 months. Because now with a milk container — and I'm glad to see that they're actually adding a charge to that — or a juice container, it's gone up in terms of the deposit last year. So there's that that went up. Last year the PST [provincial sales tax] went up on it, so an extra cent on that now if it's a large bottle of milk and there's no PST and you buy it in the grocery store. But if you buy it here in the cafeteria, and I was going to do this as a little test, there's a PST on that now.

And then now there's the third charge that's gone up and that's environmental handling charge. So for the consumer, they're looking, going, I've just been hit three times and I didn't really . . . And they're not following this, you know. They just go up and they just want a juice or they just want a milk or whatever and they're at a convenience store, but they've just been hit three times, four new charges.

Now you're not in charge of the PST. I get that. But the deposit going up, I guess the question mark, and that was last year's debate, so maybe we can't go back to that one, but . . . And I do support the environmental . . . I do support Sarcen. So I don't begrudge them the penny, but I'm just wondering about the second cent. And all of this is starting to add up that, you know, 12 months ago, something that cost a buck and now there is one extra PST cent on that, there could be 5 cents more on the deposit on that, and there's 2 more cents. It's 8 cents more. So that's 8 per cent increase on a dollar and I just think that's . . . I'm hoping that the government is thinking this through in terms of . . . And I know the argument, it was expand the tax base or expand different ways, but that's a lot of money.

And for example, so you're going to keep . . . The government's going to keep \$5 million. They're going to keep the PST which is rightfully theirs. But whether it should have been increased, should've been, it's a debatable point. But the other point, and it's a very good stat, that we have 86 per cent return, but also means we get 14 per cent non-return. So that's about \$7 million a year, if my math is correct. If about \$50 million are collected a year, that means \$7 million is not collected or returned to the consumer.

So I have to put on the record that I think this is unfortunate in terms of from the consumer point of view. Many points are very worthwhile. Sarcen definitely deserves the increase. I can see that. I'm not sure about the deposit going up. I think milk should've been put on that list, but I don't know if you have any comments back to that. But the three hits on a little thing of milk or a little thing of juice is significant.

[22:30]

**Hon. Mr. Duncan:** — Well I appreciate your comments, Mr. Forbes. I would just say that, you know, on the first point on the PST, you know, fair enough in terms of your comments. You know, I won't speak to that.

I would say on the deposit though, keep in mind that the consumer does have the ability to get the deposit back. If you're right, we're about 86 per cent return rate. And so that there is a percentage of the deposit that isn't returned. I would say frankly if there was 100 per cent return rate, I'd be the last person to complain about that because that would mean that we're diverting even more containers that should be recycled and diverting them out of the landfills, which I think is a win-win. So if it meant that government would be foregoing revenue because people are not going and getting their deposit back, then I, you know, I think that would actually be good news if we're at 100 per cent.

Although keep in mind that if we increase beyond the 86 per cent, if we ever did get to 100 per cent return rate, that puts additional stress on Sarcen because now they're administering

. . . You know, there's more containers that they're dealing with. They would maybe have to look at additional staff. They'd have to look at additional hours, maybe at additional facilities across the province, which would then . . . We'd come back to that same issue of sustainability. So we'd certainly love to see the return rate increase, but on the flip side there are also additional costs associated with that.

And with respect to the EHC, I think that again, you know, we're looking at ensuring the long-term sustainability of Sarcen. I think this is one of the most respected organizations that we have in this province. I think it's the best run recycling program in this country, certainly the model of programs as they should be in this country.

And so the 1 cent is providing for that. The 1 cent is also helping us to do the work that we need to do on solid-waste management strategy, on other programs that we're going to have to look at into the future. And when Sarcen does get to the point where they need that additional cent, it's already there. So fair points that you've made, but no, that would certainly be my response to them.

**Mr. Forbes:** — With that, Madam Chair, just a couple comments. I agree about the Sarcen comments. And fair enough.

**Hon. Mr. Duncan:** — And again, if I could really quickly, Madam Chair, I do want to put on the record the work that Sarcen has done to maximize their operations, be a more efficient operation, you know, as everybody's trying to do. They are trying to drive efficiencies into their operations while at the same time responding to the demand of the public for additional store locations, or return locations, for additional flexibility in terms of hours. I know Sarcen is, you know, they're doing some innovative things around dropping off your containers and coming at a different time.

So they are, I think, you know, certainly respectful and mindful of the EHCs, the dollars that they do work with. And like everybody, they're trying to be a more efficient organization, and this is going to help them not only continue with their mandate but also, I think, continue to be a very well-run organization for the province.

**Mr. Forbes:** — And thank the minister. I have no further questions. Thank the minister for his answers and the officials for their time tonight and their answers. And that's all I have. Thank you.

**The Chair:** — Thank you, Mr. Forbes. We will now begin to vote on Bill No. 124, *The Environmental Management and Protection (Environmental Handling Charges) Amendment Act, 2018*. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 5 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: *The Environmental Management and Protection (Environmental Handling Charges) Amendment Act, 2018*.

I would ask a member to move that we report Bill No. 124, *The Environmental Management and Protection (Environmental Handling Charges) Amendment Act, 2018* without amendment.

**Mr. Dennis:** — I so move.

**The Chair:** — Mr. Dennis so moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Mr. Minister, if you would have any closing comments you would like to make?

**Hon. Mr. Duncan:** — Knowing the hour of the evening, I'll just very quickly thank Mr. Forbes for his questions on all the topics that we've covered, and again thank the officials and the committee as well. Thank you.

**The Chair:** — Awesome. Thank you, Minister. This committee now stands adjourned till Wednesday, May 16th, 2018 at 3 o'clock p.m.

[The committee adjourned at 22:35.]