



# **STANDING COMMITTEE ON INTERGOVERNMENTAL AFFAIRS AND JUSTICE**

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**STANDING COMMITTEE ON INTERGOVERNMENTAL  
AFFAIRS AND JUSTICE**

Mr. Warren Michelson, Chair  
Moose Jaw North

Mr. Doyle Vermette, Deputy Chair  
Cumberland

Mr. D.F. (Yogi) Huyghebaert  
Wood River

Mr. Rob Norris  
Saskatoon Greystone

Mr. Kevin Phillips  
Melfort

Mr. Warren Steinley  
Regina Walsh Acres

Mr. Corey Tochor  
Saskatoon Eastview

[The committee met at 15:00.]

**The Chair:** — Well good afternoon, ladies and gentlemen. This is the Standing Committee on Intergovernmental Affairs and Justice. Welcome to this afternoon's agenda. My name is Warren Michelson. I am the Chair of this committee. Also on this committee is Deputy Chair Doyle Vermette, Yogi Huyghebaert, Rob Norris, Kevin Phillips, Warren Steinley, and Corey Tochor.

**Bill No. 65 — *The Securities Amendment Act, 2012 (No. 2)***

**Clause 1**

**The Chair:** — This afternoon we will start in consideration of Bill No. 65, *The Securities Amendment Act, 2012 (No. 2)*. We will now consider Bill No. 65, *The Securities Act, 2012 (No. 2)*. We will start with clause 1, short title.

I'd like to welcome Minister Wyant and his officials. Minister Wyant, if you have any opening remarks, you may proceed at this time.

**Hon. Mr. Wyant:** — Thank you very much, Mr. Chair. First I'll just introduce the officials . . .

**The Chair:** — Your mike isn't on.

**Hon. Mr. Wyant:** — Okay. Thanks very much, Mr. Chair. I'll first introduce the officials who are here with me today: Chris Hambleton, Crown counsel from legislative services; Dean Murrison, director, securities division, Saskatchewan Financial and Consumer Affairs Authority. We also have Dave Wild who's the Chair of the Saskatchewan Financial and Consumer Affairs Authority, and Darcy McGovern, director of legislative services.

I'm pleased to be able to offer some opening remarks concerning Bill 65, the securities amendment Act, 2012. The primary purpose of this bill is to introduce a regulatory framework of financial products known as over-the-counter derivatives. Simply put, an over-the-counter or OTC derivative is an agreement where the price, value, delivery, or payment obligation is derived from an underlying interest. OTC derivatives are used to transfer the financial risk that an underlying interest poses to a company, an institution, or an individual, or to another entity that is willing to accept that risk.

OTC derivatives are not to be confused with derivatives that are traded on an exchange. When traded on an exchange such as the Montreal Exchange or the ICE Futures Canada, derivative contracts are standardized and traded anonymously through secure electronic means. Such products are well regulated and an essential element of a strong global economy. Over-the-counter derivatives trades, however, are not standardized or cleared in this manner and are executed only through bilateral negotiation.

Although not considered the primary cause of the financial crisis of 2008, OTC derivatives did play a role in both its exacerbation and in the difficulty that regulators faced in understanding the scope of the crisis as well as the interactions

between market participants. Jurisdictions where many of our Canadian firm counterparties are based, such as the European Union and the United States, are poised to impose new regulations on OTC derivative markets. For this reason, regulatory inaction is not an option given the commitments Canada has made as part of the G20 [Group of 20].

This bill will also amend provisions that restrict access to confidential records or personal information about individuals that is filed with the Financial and Consumer Affairs Authority. Specifically this amendment introduces a new test that will govern when the FCAA [Financial and Consumer Affairs Authority of Saskatchewan] may keep such information confidential. This is a clear public interest test that is currently contained in the Act in that the disclosure must unduly prejudice the individual or the company and outweigh the presumed public interest in disclosure.

British Columbia and Nova Scotia also utilize similar language in their respective securities Acts to determine when regulators may retain filed information in confidence. Securities regulation in Alberta, Manitoba, and Ontario also contain provisions permitting regulators to hold certain classes of information in confidence.

While this new test makes reference to the privacy of both individuals and corporations, it does not create a new privacy right. *The Freedom of Information and Protection of Privacy Act* is clear in limiting the protection of privacy in part IV to personal information about an individual, not a corporate entity. This reference in the bill in no way changes or expands that individual right under FOIP [freedom of information and protection of privacy]. The FCAA will be required to carefully measure this test, and we anticipate it will be used sparingly. Protecting the confidentiality of these records is critical to the effective enforcement of our securities legislation and ensuring investor protection.

Finally these amendments will provide a fine collection branch of the Ministry of Justice with the authority to enforce and collect financial compensation orders. These orders are made by the FCAA against individuals or companies that may have contravened securities legislation through activities such as fraud. Orders are made following a formal proceeding that hears and reviews evidence and quantifies the amount of the financial loss. The amendment will provide a further enforcement tool to officials involved in protecting Saskatchewan investors.

Mr. Chair, those are my opening remarks, and I welcome any questions respecting Bill 65, *The Securities Amendment Act, 2012 (No. 2)*.

**The Chair:** — Thank you, Mr. Minister, and welcome to your officials. I would just remind the officials if they are speaking and answering the questions, would you identify yourself for the purpose of Hansard. Are there any comments or questions on the bill? The Chair recognizes Mr. Nilson.

**Mr. Nilson:** — Thank you, Mr. Chair, and good afternoon. It's a good opportunity for me to ask some questions about this bill. You've indicated that the purpose of the bill is to deal with some of the issues that arose during 2008 and the financial

crisis that hit North America. Can you spell out for me which particular incidents that arose in that situation that you are trying to deal with and then show me how you're dealing with it in the legislation?

**Mr. Murrison:** — Well basically, one of the . . . [inaudible interjection] . . . Oh, Dean Murrison. I'm the director of the FCAA.

Basically during the 2008 crisis, there were credit default swaps basically, where people were transferring risk on loans on property. Often that didn't have the value behind it and they were . . . The risk was transferred and transferred and transferred and to a point where it was hard for people to understand what they in fact held an interest in.

The bill goes, first of all it deals with trade reporting. So it creates a transparency element so that people will be able to see in the market what's out there. Secondly, it promotes and will work towards clearing of these OTC derivatives through clearing houses or clearing agencies. And of course their role is to sort of step into the spot of the two counterparties and make sure that the transaction happens. And they'll have collateral requirements and so on.

OTC derivatives don't lend themselves easily to clearing because usually you have to have a standardized contract in order to do that. So the bill promotes standardization of contracts, and regulators will promote that. And so we'll move more and more of those things into a clearing situation.

And then the other thing the bill does set up is electronic trading so that people will be able to, you know, see the market quicker and faster and so on. And that is mandatory. There's a lot of work that needs to be done on this, as you probably saw from reading the bill. This is platform legislation, right? So much of the details around how that will all happen will be in regulations. But basically those are sort of the three areas where we've moved to try to address the situation that happened in 2008.

**Mr. Nilson:** — Okay. Perhaps I can rephrase that in a way that somebody who's just watching us this afternoon might understand. But OTC is over-the-counter, right?

**Mr. Murrison:** — Yes.

**Mr. Nilson:** — Okay. So over-the-counter means sort of an informal trade in one sense, although it's not . . . Obviously you're trying to formalize it and make it more transparent in what this bill does, but is that a requirement in the legislation or does it just promote it? I think that's the word you used. So people can still trade instruments that aren't very clear at their own risk, I suppose. But if they're going to be anything in this world, they have to be much, much clearer and follow some very, very definite rules. Would that be another way of putting it?

**Mr. Murrison:** — Yes, it would. It would be the . . . Well the reporting provisions of the rule will be mandatory. So trade reporting will happen. The clearing rules, basically how it's operationally going to happen or envisioned is that there'll be provisions for setting up clearing agencies. They'll be

recognized. And then the counterparties or the dealers involved will bring their contracts to the regulators, and the regulators will look at these contracts and make a decision whether they're standardized enough to go through a clearing agency. And then that would be mandated. There will be some OTC derivative contracts that just aren't standardized enough, at least at this point. Because of course this is a bit of an evolutionary regulation. I mean it's new in most parts of the world.

The electronic trading is a bit further on. The bill sets up an ability to put rules in place to mandate that. We're not in a position where we're able to mandate that for OTC derivatives at this time. It's a kind of a wish, and it's something we're working on but it will be a bit longer term.

**Mr. Nilson:** — Okay. Then if right now there are these over-the-counter trades, how many of them would there be in Saskatchewan that we're attempting to regulate here?

**Mr. Murrison:** — Well I tried today to get statistics and I've been trying to get statistics, and there's not a lot of good statistics on that. We do know that Canada is a small player in the derivatives world market. We know that there's about . . . The vast majority of these trades happen in Ontario and Quebec through the banks. It's financial institutions. And I think it's like \$60 trillion or something that goes there. We also know that Saskatchewan is a small player in Canada. So I don't have exact numbers for you, but I know it's small compared to the derivatives market worldwide and Canadian.

**Mr. Nilson:** — Okay. So that we don't . . . I mean basically then we're trying to create the rules so that Saskatchewan isn't left out of a national system. And does that mean then that the wording and basically the structure comes from outside the province and we don't do very much rewriting of it, if I can put it that way?

**Mr. Murrison:** — Yes, yes, that's somewhat true. This draft is based on a draft that we've been working on with BC [British Columbia] and Alberta and New Brunswick and now Nova Scotia. So our provisions are based on that. But yes that's based on a, you know, based on a Canadian-wide consensus and a world consensus like G20. So the instructions came down from the G20 sort of countries saying, you need to do this regulation and these are the kind of the areas you're going to work in. Canada has set about doing that. But we're also trying to make sure it's pretty much harmonized and compatible with US [United States] and European rules as well. So you're right really.

**Mr. Nilson:** — What would be a specific Saskatchewan clause in this legislation that wouldn't show up in another province's legislation?

**Mr. Murrison:** — The hope is that there won't be any. So right now there isn't. I mean we need . . . This area of the market especially needs uniformity, right? It's very, very sensitive to non-unified provisions. I mean it costs our people money. If we had different provisions in Saskatchewan and they went to deal with counterparties outside of Saskatchewan and we didn't have similar rules, it would cost our counterparties here probably money. And in the extreme case, they might not want to deal with you because it's not a big enough transaction for them to

figure out different rules.

**Mr. Nilson:** — Now does this legislation affect the whole world of covered bonds?

**Mr. Murrison:** — Covered bonds are a derivative of type, right? So it would be caught by the definition. They're generally financial institutions' bonds. So generally financial institutions will be exempt from some parts of the regulation, but they would be caught initially. I mean, I'm hedging a bit because the regulations and so on that will come after this to impose the operational parts of this aren't yet drafted. So I can't really say exactly how they're going to be addressed. But covered bonds are a derivative product, I think.

**Mr. Nilson:** — The reason I asked that question is that Canada is one of the largest suppliers in the world of these covered bonds through our financial institutions — I think, you know, TD [Toronto Dominion], Royal Bank, others. And one of the reasons that they're so popular is that we have very well-regulated banks and financial institutions.

And my sense of it is that they do take, you know, regular residential home mortgages in a way, or other business mortgages, and lump them all together into 25 million. You know, but I think the amount sold last year was about 100 billion out of Canada, somewhere in that neighbourhood. Do you have any idea what share of that product is based on loans that are made in Saskatchewan that you might have some ability to regulate?

[15:15]

**Mr. Murrison:** — Yes. I don't know the answer to the amount, sort of thing. Most of that regulation, even though they may be Saskatchewan-based loans they're on, most of that regulation will happen in, for instance, Ontario where the banks are head officed. So you know, because they'll be seen as the ones trading out of there and most of that regulation will happen through them., we'll work on a principal regulator sort of idea like we do under other parts of *The Securities Act*. And Ontario will have most of the regulation on that.

So I'm not sure how much Saskatchewan uniqueness we could put into that kind of registration, but I think they'll be covered. The intention of the project is not to disrupt, you know, that market. You know, it's to make it clearer for the public basically.

**Mr. Nilson:** — Okay. Thank you for that. But I guess it's very clear that we as legislators have very little influence on the wording of this bill or of the whole structure of this regulation. And if we do start making changes, we'll actually create more risk for Saskatchewan people than there might be right now. Would that be an accurate statement?

**Mr. Murrison:** — Yes, I think that's an accurate statement. In fact Canada itself has as a general, has very little input on a lot of this because, you know, it's certainly . . . We're a small player in a big market that's setting the rules.

**Mr. Nilson:** — Okay, thank you. Now I think you know that the Minister of Justice received a letter from the Saskatchewan

Information and Privacy Commissioner, dated March 22nd, 2013. And he raised quite a few pages of questions — I guess probably 12 pages of questions — in this letter. And I'm curious whether there have been any amendments that are going to be coming out of the letter because I know he suggests some things that maybe could be tightened up to deal with some of the issues that he's raised?

**Hon. Mr. Wyant:** — We did receive the letter from the commissioner and we took some . . . We've reviewed that correspondence in conjunction with the officials at the Ministry of Justice, and nothing in the letter would warrant any amendments to the legislation that's before the House. But we did take, we did give some consideration to the correspondence that he did provide.

**Mr. Nilson:** — So a specific question or a specific point, I think, raised is that we have given in Saskatchewan a bit more protection to corporate records than anywhere else in Canada. Is that accurate?

**Mr. Hambleton:** — Chris Hambleton, legislative services. We have changed the . . . Section 152(3) I think is what you're making reference to. And so that section permits the FCAA to hold in confidence records that are filed with the FCAA. And so what's happened there is that we've included a new, narrower test that will be utilized to determine under what circumstances the FCAA holds a record filed in confidence.

And so addressing the corporate question, I think what you're getting at there is there is a mention of looking at, or balancing rather, the interests of a person or a company with the broader public interest in releasing the document. And so that's a new element of that test and so we've looked at BC, and Nova Scotia in particular, for some of that wording. And that's where that came from.

Certainly when we look at the corporate side of it and the interests of the corporation in terms of holding those records in confidence, we're not creating a new right, per se. I think the minister off the top had mentioned *The Freedom of Information and Protection of Privacy Act* or FOIP under part 4 is very clear in Saskatchewan, in terms of privacy protection and personal information is very much an individual right. So this doesn't expand upon that or build something new into that. It simply refers to one element of that test that will govern whether or not the FCAA releases the document.

**Mr. Nilson:** — Now you just indicated that you'd made some changes. Would that be in the regulations as opposed to the Act, or where would these changes be made that would respond to this particular issue?

**Mr. Hambleton:** — No, I'm referring to the bill itself. So section 153(3), there's a proposed amendment there that makes these records that are filed with the FCAA, we've excluded the FOIP Act, firstly. And then second, we've introduced that new, narrower test in terms of where the FCAA can hold the records in confidence. So to answer that further, there's nothing in the regulations; it's all in the bill itself.

**Mr. Nilson:** — So can you point out to me on the Bill No. 65 where that is?

**Mr. Hambleton:** — So we're referring to section 43 of the bill.

**Mr. Nilson:** — On page, which page? Okay. So it's 152 not 153 as you were referencing before.

**Mr. Hambleton:** — Oh, I beg your pardon. It's 152.

**Mr. Nilson:** — Okay, so it's actually section 152 being amended, as opposed to 153 as you said before, and that it's actually subsection 152(3) is repealed and then a new clause put in there. So perhaps you can go through this and explain what the change does.

**Mr. Murrison:** — Basically section 152(3) wasn't there before — oh, Dean Murrison; I guess I should tell you that. And 152(3), there currently is a provision 152(3) in the Act and it basically says that . . . I mean, section 152 talks about public filings. And then this 152(3) says that the authority can hold the document in confidence if it's in the public interest.

And basically what we always did when we look at those things, and they happen very rarely, is you are balancing the interests of somebody's information going public versus the need for it to go public. So when we looked at excluding . . . making an exclusion from the FOIP Act, we thought well maybe we should be more clear and consistent on how the discretion would be exercised and what would be weighed. So we changed the sort of test that it be in the public interest to the test that you're talking about in (a) and (b).

So this isn't really a new concept. This is sort of there now and it's how it's been operating. We've clarified a bit. But these are discretionary tests so they don't give a corporation or a company or a non-individual — maybe is who we're concerned about — the right to come in and say, do you have to hold my stuff in confidence? I have a right to privacy. We have to exercise our discretion in order to make that decision. And like I said, we do it, you know, fairly often at a current provision. I shouldn't say fairly often, but it's done in general situations under the current provision. And I don't think that it will change under this provision. But it was an attempt to give clarity to the provision is really what we were trying to do here.

**Mr. Nilson:** — Well I think that's the problem because whenever you try to change something that relates to that particular office and *The Freedom of Information and Protection of Privacy Act*, I know I as a legislature, and I think most of my colleagues, expect that there would have been discussion around how to word it so that the Privacy Commissioner doesn't have to write a long letter in response. And so I guess I kind of agree with him that this actually doesn't help to clear it up and that it just creates a few more questions. And I know it's really the discretion, as you say, I assume of the commission. So is that which person . . . or which is it? Any person working in the commission or who is it that actually has the discretion?

**Mr. Murrison:** — The person that has the discretion would be the commission itself, or the authority which is the appointed commission. They would make the decision. Generally these decisions are made by the Chair of the commission, is where we've been going in practice sort of thing.

**Mr. Nilson:** — Perhaps you could explain why it showed up here without having been fully vetted with the Privacy Commissioner before this was presented.

**Hon. Mr. Wyant:** — Well as I mentioned last week in estimates, the Ministry of Justice does consider these privacy and access issues internally as the bill is proceeding. That's not a new approach. So while we certainly appreciate the comments that the commissioner had, it's typically something that we look at internally. And if there's an issue that we think we need to consult the commissioner on, that's when that consultation takes place. But in this particular bill, given that this is the same test that's utilized in securities legislation in both British Columbia and Nova Scotia and similar tests in other jurisdictions, that some consideration given that that didn't need to happen.

**Mr. Nilson:** — Okay, well I appreciate getting that on the record. But I would suggest that in the future, why have these questions here in the legislature? Just, you know, deal with it and make sure that the appropriate people in our provincial structure are consulted. That would be my suggestion.

**Hon. Mr. Wyant:** — I'll just respond to that by saying that, you know, within the ministry we'll continue to do this. We'll assess this privacy and access issues internally. And if there is some need, some compelling reason why the commissioner needs to be consulted on that, he will be consulted. We take his opinion . . . We have great respect for the office of the commission. And so we will continue to do that when we think it's necessary and important.

**Mr. Nilson:** — Thank you. I appreciate that. And I guess I'll put my opinion on the record too is that as we go forward with the review of this legislation and this area — I know it won't happen overnight, but it'll happen over the next while — it may be that points like this should be clarified as to the actual role of the protection of Information and Privacy Commissioner because that's . . . I mean I think the public sort of sees their role as being one that has more say in what happens in some of this legislation.

Now for an ordinary person in Saskatchewan, what difference is this Act going to make, or these amendments to *The Securities Act*? What difference is it going to make to them?

**Mr. Murrison:** — Dean Murrison. Basically for the ordinary person, the derivatives part of this bill is not going to make a lot of difference in their day-to-day lives because they generally don't work in the, you know, they're not generally retail derivatives as a general rule. Although there are entities that they'll have an interest in that may be using them, but generally not. The provision that probably is of most interest to ordinary people is the provision that allows the financial compensation orders that the commission may issue to be . . . They have another avenue of enforcement. I mean currently you file them with the court and you go to the sheriff and so on.

Now they'll have an avenue to take them to the director under the maintenance enforcement Act and he'll try to collect it for them. I mean it's difficult to collect from these unscrupulous people because of course they send the money offshore where nobody can get their hands on it or they spend it, you know, and

so it's difficult to collect. But that particular office does have some expertise and does have some success. And so we're hoping that that will provide people with an opportunity, you know, to maybe get some money back. And so that's probably the piece of this bill that is of most interest to the fellow on the street, you know, the investor on the street sort of thing.

**Mr. Nilson:** — Okay. So in the same way that we'll get money from a delinquent spouse or parent for a child, we're going to help you get your money from the fraudster in the same way. Would some slogan like that work for this bill then?

**Mr. Murrison:** — We hope that that's the effect. It'll be a difficult job. A big job.

[15:30]

**Mr. Nilson:** — Okay. Well I appreciate that. Now is there anything else in this bill that might affect the ordinary person or is that the main one only?

**Mr. Murrison:** — That would be the main one, I think. The only other one that might have, you know, might fall into the category you're talking about would be, there is a provision in this Act that would allow . . . Basically, the last set of amendments to this Act allowed for the incorporation of sales representatives, dealers, and so mutual fund dealers and advisers. And there was a restriction in those amendments that said that if you do have a personal corporation, the only business it can do is securities business. And we did that because we were trying to harmonize this with the rest of Canada and there was resistance to allowing these professional corporations to do anything other than securities business.

We've had a fair amount of input and consultation from that group, especially mutual fund dealers, in saying that it's not a very practical, workable solution because we currently have corporations that we run our insurance business through, and we'd like to be able to do securities and insurance together.

The authority hasn't come to a landing on a policy idea. I mean, it'll all be based on whether we can, you know, build equivalent public protection in that scenario. But there is an amendment here that will allow us to make regulations to allow other businesses to be included with securities businesses in a personal corporation. So it's just an enabling piece that will allow it to expand. You know, the sales people and guy on the street would probably see that as a benefit. But other than that, I don't think there's anything that I would put into the guy on the street sort of category.

**Mr. Nilson:** — Thank you for that explanation. And that is one that I think is helpful to have on the record, because obviously there'll be some discussion, maybe a little broader discussion about how many different kinds of businesses you can run as it relates to something that you really want to have the full clarity, full disclosure. And so I appreciate that.

Is there anything in this legislation that will affect credit unions and some of the products that they sell that are . . . That's a provincially regulated credit union, not one of the national ones.

**Mr. Murrison:** — There's nothing that will pertain to them

directly. But the credit union system does in fact use derivatives, you know, and they're not going to be treated any differently than any other financial institution when it comes to the point of view of their use of derivatives.

So I mean I don't think there's anything that affects credit unions directly. But they are in the derivatives market. They do use derivatives. And I don't know of particular credit unions here, but certainly the system does.

**Mr. Nilson:** — And are there any areas of this legislation that need to be coordinated with federal banking legislation? Because a big bulk of the similar areas are already covered in federal banking legislation.

**Mr. Murrison:** — Yes there is. And of course and this whole . . . I mean the whole derivatives regulation regime is being developed with the securities regulators — the OSFI [Office of the Superintendent of Financial Institutions], the Bank of Canada, federal Finance. They meet at a high level to make sure that this will work for all those players. So there is certainly a co-operative approach among the various levels of government and government institutions at the provincial-federal level in developing this. And especially when we get into sections on . . . You know, when they start to make the rules around clearing agencies and so on, the Bank of Canada will be, you know, quite interested in that because they do some of that process.

**Mr. Nilson:** — So would there be an assumption that if there is something that seems to be out of line or askew with these federal rules that practically the intent is to have the federal rules override?

**Mr. Murrison:** — I don't know that I could say override but work co-operatively or work together would be our hope and so on. We're certainly consulting. Like there's been several, you know, two sets of consultations on this — one on the Act, and one on the model rules we have out — and there'll be others. And we're certainly inviting our credit union people to that consultation so they'll have knowledge of those things. But yes, hope is that these rules will work together.

**Mr. Nilson:** — Okay. Well thank you, Mr. Chair. I appreciate the answers to those questions and I'm sure there might be a few more other points. But hopefully we've been able to get enough clarity that if there's a court trying to figure out what's going on, you've given lots of good ideas about how to interpret the legislation. So thank you very much.

**The Chair:** — Thank you, Mr. Nilson. Is there any other comments or questions regarding this bill? Seeing none, we will proceed with the voting of the bill. Now there are 49 clauses in this bill and we'll vote them off clause by clause.

Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 49 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: Bill No. 65, *The Securities Amendment Act, 2012* (No. 2) without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 65, *The Securities Amendment Act, 2012* (No. 2) without amendment. Mr. Norris moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

**Bill No. 51 — *The Public Inquiries Act, 2012/Loi de 2012 sur les enquêtes publiques***

**Clause 1**

**The Chair:** — Thank you, committee. We will now continue with the considerations of bills. We will now consider Bill No. 51, *The Public Inquiries Act, 2012*. This is a bilingual Act. We will start with clause no. 1, the short title. Mr. Minister, if you have any opening remarks, you may proceed.

**Hon. Mr. Wyant:** — Thank you, Mr. Chair. I'll just make a few brief opening statements. First of all I'd just introduce Darcy McGovern, director from legislative services branch who's joined me at the table.

Well again thank you, Mr. Chairman. I'm pleased to offer an opening remark with respect to Bill 51, *The Public Inquires Act, 2012*. This is a new bilingual Act that will repeal and replace the current public inquiries Act to govern the appointment and conduct of public inquiries in Saskatchewan.

Inquiry commissions are temporary bodies that are created by order in council to review and investigate a specific incident or matter. Commissions of inquiry have statutory powers to conduct their proceedings and are limited by any terms and conditions placed on them by the Lieutenant Governor in Council. The creation and use of public inquiries was recently reviewed by the Uniform Law Conference of Canada and new public inquiries legislation was recommended for implementation across Canada.

This bill, like legislation already enacted in British Columbia and Newfoundland and Labrador, is based largely on the uniform Act. The current public inquiries Act is comprised of five sections that have been in force for nearly a century. The current Act provides only a bare framework powers for the implementation of a public inquiry. A detailed order in council is required to set out the terms and conditions and operational mandate for any public inquiry struck under provincial powers.

The new Act contains specific provisions that outline a commission's authority in a number of areas including standing and participation, procedure, evidence, compellability of witnesses, investigations, search and seizure, and reporting. This bill will provide for the creation of two types of inquiry

commissions: study commissions to research, examine, and provide advice on public policy; and hearing commissions to investigate and make findings of fact in matters where there's a possibility of finding of misconduct.

Under existing legislation, the term public inquiry invokes a full judicial inquiry. While large-scale inquiries may be warranted in certain circumstances, there are also situations in which a study inquiry conducted on a smaller scale and with different terms of reference would be more appropriate, would be a more appropriate way to look into certain matters. Bill 51 will give express recognition to the two different types of public inquiries and provide a process for how they may operate and report.

Instead of leaving it to the order in council to create all the terms and conditions that govern a particular inquiry, the new Act will provide a basic framework for the establishment, proceedings, and reporting of all inquiries. The authority to enter in agreements with other jurisdictions to establish joint commissions is also contained in the new legislation.

The new Act also established reporting requirements and provides that reports generated by inquiries shall be public after ensuring the privacy and confidentiality concerns are addressed. Bill 51 also requires that a report of a commission must be released to the public by the minister within two weeks of its receipt. The new Act maintains certain features of inquiries established pursuant to the existing legislation. They continue to be appropriate and in the public interest. For example, the Lieutenant Governor in Council will continue to maintain the flexibility to appoint commissioners who are qualified and impartial and also to set any terms and conditions specific to the inquiry. Commissioners will continue to be able to determine their own procedure, subject to the terms set out by the Lieutenant Governor in Council. This includes determining who is entitled to participate in an inquiry and what, if any, funding will be provided to participants.

The bill prohibits the commission from making findings alleging misconduct against a person before the person has been given reasonable notice of the allegations and an opportunity to respond to the allegations.

If the commission decides to hold a hearing, the Act requires that the hearing be public except where considerations of privacy, the consequence of disclosure of personal information, public interest, or the right to a fair trial weigh in favour of a closed hearing.

The new Act also provides authority for publishing, broadcast, or electronic transmission of any proceedings before the commission. The commissions will continue to retain the ability to compel the attendance of witnesses and require the production of evidence. The commissions will also have search and seizure powers and the ability to apply to the court for contempt orders. Also under the new Act, decisions, acts, or omissions of commissions will be conclusive and will not be subject to judicial review by the courts.

In summary, this Act will clarify the powers and functions of an inquiry. It will also ensure that inquiry commissions are based on modern standards of the administrative law and that they are adequately empowered to govern their own processes



effectively. However, flexibility is maintained to allow for certain or different types of inquiries and to set out terms and conditions that are appropriate to the matters being reviewed.

[15:45]

Mr. Chair, those are my opening remarks, and I welcome any questions that you have with respect to Bill 51.

**The Chair:** — Thank you, Minister Wyant, and welcome to Darcy McGovern, your official. We will now proceed with any comments or questions. The Chair recognizes Mr. Nilson.

**Mr. Nilson:** — Thank you, Mr. Chair, and welcome to the official. And this legislation obviously is a result of quite a few years of work. And so it's good to see it here. I just have a few questions maybe to set a context for me but I think also for the public in, you know, what this legislation or legislation like this has been used for and what it's going to be used for in the future.

So the first question I have is that the legislation is dated, I think, 1978. Have there been any amendments to the legislation? And the reason I say that is that in section 32 of the bill, it says that *The Public Inquiries Act*, revised statutes of Saskatchewan, 1978, chapter P-38 is repealed. So my question is whether there's been any amendments since that legislation was enacted?

**Mr. McGovern:** — The member's making reference to the consequential amendments in the repeal of the previous Act. And I take his question to be, has there been any amendments to the previous public inquiries Act prior to this new bill. And the answer to that is in 2004 there was a change made to subsection 42 of the existing Act to pick up that commissioners and any counsel engaged pursuant to section 5 — this is counsel to an inquiry — shall have the same privileges and immunities as a judge of the Court of Queen's Bench.

And my recollection of that is that, in the context of the inquiries that had gone on in that era that the member will certainly recall, that the issue had come up that should the counsel and the commissioners have the same type of protections, privileges, and immunities as a court, and primarily that being they're not going to get sued for coming down with a . . . for a commissioner making a report or a counsel asking difficult questions in the context of the process. And so that was viewed as a relatively specific amendment at that time to say yes, those immunities would apply.

Other than that, this statute has stayed very much the same, not just since 1978, my understanding is for some period prior to that as well. So from our perspective, it's due for a bit of a look.

**Mr. Nilson:** — Thank you very much for that answer. Then the next question in this context part is, can you tell me the last three inquiries that have been held under the old Act? Because usually they're quite public and that way we can understand what it is that we're dealing with and what types of issues have come before a public inquiry previously.

**Mr. McGovern:** — I'm just checking for specific dates, but my understanding would be that it would be the Milgaard Inquiry

which was reported in '08, the Stonechild Inquiry in '04, and in '01-02 the North Battleford Water Inquiry. And so that's an example of different types of inquiries that the member . . . Now, and I think that's the order in which they came.

**Mr. Nilson:** — Thank you for that answer because what you've explained is that these are very important issues that are being looked at in the community or right across the province, that everybody is interested in. And for that reason, this legislation is very important to update and get all of the rules in place.

Now I know that in some of the remarks that the minister's made about this bill, and in some of the information, that we're attempting to use the best minds in the country and the best knowledge across the country as we develop this new legislation, and that in actual fact I think quite a bit of it comes from the Uniform Law Conference of Canada, civil law section, and their *Public Inquiries Act* proposal written by Professor Lucas, one of my old UBC [University of British Columbia] professors way, way back.

And so I think that it would be helpful if you could just put a little bit of the context about how that national discussion around public inquiries law has informed what we're seeing here today in Bill 51.

**Mr. McGovern:** — Thank you, Mr. Chair, to the member. The member's very accurate in saying that this is the product of a national process rather than being a unique to Saskatchewan bill.

The Uniform Law Conference of Canada had taken on the issue of public inquiries on the basis that as a law reform entity that has the ability to look at things in a context where it won't be linked to a specific item. The reality was for each of the jurisdictions to make progress with respect to amendments to this type of legislation. It was often linked to the issue of the day in those individual provinces.

And by allowing the Uniform Law Conference taking it on as an issue, that disconnected it to a large degree to a specific issue in a given province on a given day, and instead allowed it to focus on some of the administrative law, some of the powers and privileges, some of the different process in the Act more specifically so that it could modernize what had previously been a four-section, five-section Act, and set out a more modern administrative law structure for commissions, and as well to address the issue of the idea of a study inquiry in addition to a commission of inquiry, that being somewhat of a less formalized process for an inquiry that would still have the ability to compel attendance for example and to make presentations.

So that was definitely the impetus for the Uniform Law Conference to look at it, as is the case in their process. They then compile background information from various provinces and various academics in terms of the report, and they go through a process of developing legislation that they then recommend to each of the attorney generals in Canada. And so this legislation is largely based on that process.

**Mr. Nilson:** — Thank you for that explanation. Is it possible to go through the legislation and explain which parts we've chosen

here in Saskatchewan and why? And I guess it also relates to the question of where we may be the same as or different than Alberta, British Columbia, and Manitoba who are our neighbours.

**Mr. McGovern:** — It might be a little easier to address the points where we are at variance with the Uniform Law Conference in a significant way because we have adopted that approach, largely. But there were some areas where Saskatchewan did have some precedential process in terms of how to address these issues that continued to be respected in this new bill. For example, in the uniform Act the decision-making powers regarding questions of funding for counsel and witnesses are ascribed to the government. The proposed bill leaves this decision-making authority with the commission, which in Saskatchewan has historically had decision-making authority with respect to those issues.

The uniform Act allows for application for search warrants to the court of criminal jurisdiction which would include the Provincial Court. Our process proposes that the Saskatchewan bill require that all applications be made to the Court of Queen's Bench, the superior court of records, which would be more consistent with the experience on the commission level. The uniform Act requires the Lieutenant Governor in Council to fix a date for the termination of the inquiry and the delivery of the report. The proposed provisions indicate that the Saskatchewan Act provide that the Lieutenant Governor in Council may fix a date in this regard, but isn't required to do so. So that was . . . Again in the practice in Saskatchewan hasn't been to be that hard and firm with respect to a date.

And then probably the last one I'd mention is that the proposed bill expressly provides the report of a commissioner must be released to the public within two weeks of the minister having received it. So that's a provision in Saskatchewan that wasn't in the uniform bill. But in our review of the process, if the minister's had the bill for two weeks, for example, and that would be rare in our experience, but in any event, we saw no reason for it be in the minister's hands only — when it's a public inquiry — for any great length of time. So two weeks we put in as a limit in that regard. I think there's probably four main policy variations.

**Mr. Nilson:** — Thank you for that explanation. And just to be clear, the issue around payment of counsel for the commission is one where we're slightly different than other parts of the country. And is the difference that that financial decision is retained by Lieutenant Governor in Council or the cabinet? Is that what you've indicated?

**Mr. McGovern:** — Actually it's the opposite, that there is a rule-making power in the Act to set general framework, but the individual decisions under this bill are with the commissioner, which has been the experience in the modern commission. And that wasn't something we wanted to vary from, that the commission would continue. That would be an important aspect of the commission controlling the process.

**Mr. Nilson:** — Thank you for that answer because I understood that that was a power that commissioners in Saskatchewan had had for a long time — I think over many decades — and I think it's the right balance. Obviously, there's budgets that are set up

for some of these things that provide some guidance. But I think, when you choose people that do this type of work, you need to make sure they have proper assistance to do it. So I appreciate that decision.

Is there anything else that might be different, say than Alberta or Manitoba, such that it would cause some consternation if there were some issues that were under an inquiry that were, I guess, comparable to those jurisdictions?

**Mr. McGovern:** — To the member, I think, I'm not aware of any particular issues that Alberta or Manitoba would have in terms of their process. They don't have the new legislation.

As someone who's involved in the Uniform Law Conference of Canada, of course one of the things that that commission does is to encourage provinces, you know, to catch up or to pick up specific pieces of legislation.

In terms of co-operation, I think the one thing that this bill does that would be a step forward in terms of how we relate to other provinces or even the federal government is the provision in section 28 regarding joint inquiries. And that is novel to Saskatchewan and to the uniform Act in the sense that it's . . . Whether or not we have the power right now to have a concomitant inquiry, we'd have to think through it a little bit and we'd have to be very careful in terms of our terms of reference, where this contemplates specifically if there's a joint issue that makes sense between a province, a number of provinces, or the province and the federal government, or any mix of those jurisdictions, that it could be contemplated in this regard. And that was one thing the Uniform Law Conference did identify, is to say given the constitutional realities on some of these issues, it may make sense in certain circumstances to consider a joint inquiry.

**Mr. Nilson:** — Yes. Thank you for that explanation. And I had noticed that and I think it is good to have that ability to deal with issues that may cross jurisdictions. And so oftentimes it's a federal-provincial issue that takes place in Saskatchewan, so this would be helpful.

[16:00]

One question that comes to mind around this reporting and requirement to release the report within two weeks, I think it's clear that there's just one report. There wouldn't be a confidential report and then a public report or anything like that. But is there any provision here that might allow for something like that?

**Mr. McGovern:** — No there's nothing that talks about a separate or a confidential report. The only thing I would note, and the member will have noticed in 4(2) that there's a requirement upon a commission to make sure that the report's in a form that can be released to the public and it complies with FOI [freedom of information] or HIPA [*The Health Information Protection Act*] legislation. And that's the only thing, off the top of my head, I could think of that if they fail to do so . . . Of course as soon as we had that personal information, we would be compelled to comply with the Act. But that's not at all the scenario that you were discussing where there would be a separate report, no.

**Mr. Nilson:** — Well I think that's good because it's very clear in the title that this is a public inquiry, and there are other methods to do inquiries that are less than public. Now has any other jurisdiction passed the new legislation yet?

**Hon. Mr. Wyant:** — Yes. British Columbia, Newfoundland and Labrador have legislation that's based substantially on the work that was done by the Uniform Law Conference.

**Mr. Nilson:** — Well thank you very much. And I know that often these rules that are created are especially tempered, I guess, by the situations that arise and the issues that arise. But I appreciate the fact that this particular legislation's been brought forward after, well I guess this would be 11 years of work, and that there's still other jurisdictions that are working on it as it proceeds. And obviously, if somebody comes up with another solution on some of these issues that we see as good, well we'll figure out how to include it in our legislation here.

But I don't think I have any more questions about the legislation, and appreciate the work that has been done by the officials and by the various ministers that have been involved. So thank you.

**The Chair:** — Thank you, Mr. Nilson. Is there any other comments or questions regarding Bill No. 51? Seeing none, we will proceed with the voting of Bill No. 51, *The Public Inquiries Act, 2012*. This is a bilingual bill. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 36 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 51, *The Public Inquiries Act, 2012*, a bilingual bill, without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 51, *The Public Inquiries Amendment Act*, a bilingual bill, without amendment.

**Mr. Steinley:** — I so move.

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

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you.

**Bill No. 52 — *The Public Inquiries Consequential Amendments Act, 2012***

**Clause 1**

**The Chair:** — We will now continue on with consideration of

Bill No. 52, *The Public Inquiries Consequential Amendments Act, 2012*. We will start with clause 1, short title. Mr. Minister, if you have any opening remarks, you may make them now.

**Hon. Mr. Wyant:** — Mr. Chair, just briefly. And again I welcome Darcy McGovern, director of legislative services who's joined me.

I'm pleased to offer opening remarks concerning Bill 52, *The Public Inquiries Consequential Amendments Act, 2012*. This Act consequentially amends 45 English Acts and one English regulation that adopts the powers conferred on a commissioner pursuant to *The Public Inquiries Act*. In each case the amendment makes a change to refer to the provision of the new Act that correspond with the powers under the current Act. These changes are made to ensure consistency with *The Public Inquiries Act, 2012*.

In each case the amendments will refer to specific provisions in the new Act in order to maintain the status quo. For example, the majority of Acts will be amended to provide the powers conferred on a commission by section 11; the power to compel evidence, section 15; the contempt of the commission; and section 25, the ability to hire staff. Presently *The Automobile Accident Insurance Act* and *The Labour Standards Act* provide for the powers of a commission pursuant to sections 3 and 4 only. As such, amendments to those Acts will only extend to the powers conferred on the commission in sections 11 and 15.

Similarly each of *The Cities Act*, *The Municipalities Act*, *The Northern Municipalities Act* currently grant inspectors all the rights, powers, privileges, and immunities of commissioners. Accordingly in addition to referencing sections 11, 15, and 26, inspectors under those three Acts will also be extended the immunities conferred on a commission pursuant to section 26.

Mr. Chair, those are my opening comments. We are certainly prepared to answer any questions, and we welcome those.

**The Chair:** — Thank you, Mr. Minister. We will now open the floor for questions. The Chair recognizes Mr. Nilson.

**Mr. Nilson:** — Thank you, Mr. Chair. I don't think I'll have a lot of questions on this particular bill in that it's basically consequential amendments from the Bill 51, *The Public Inquiries Act* that we've just been talking about.

But one of my questions relates to all of the pieces of legislation that are amended and there's quite a substantial number of them as you indicated — 42. Are there any powers given in this new Act that are greater than what they would have now such that if somebody's subject to a hearing under the hearing aid Act or you look at some of the other ones that are here — *The Boiler and Pressure Vessel Act* or *The Mental Health Services Act* or *The Municipal Board Act*— any of those pieces of legislation, will they all of a sudden be surprised by the power that a commissioner has?

**Mr. McGovern:** — Well, Mr. Chair, to the member, in fact this approach is intended to avoid just that result. And previously in some cases it refers to the powers of the commissioner under *The Public Inquiries Act* or to a section, and now that *The Public Inquiries Act* is a much more detailed document, the

approach that was taken was to instead say well we're going to specifically retain status quo. And so previously if it talked about compelling evidence, well that's section 11 of this new Act. So rather than saying the new Act, they have all the powers under the new Act which may lead to unintended results, we decided to be very specific in that regard and so we think we've avoided that problem.

As the member knows, and as members of the committee know, those individual Acts will speak to administrative procedure and what their appeals are and where they . . . how their process works within that Act. And largely what they're trying to pick up here is the compellability aspect with respect to evidence and able to enforce their own orders. So that's why it's been limited in this regard.

**Mr. Nilson:** — Okay. And then you've specifically identified two pieces of legislation where they don't get the powers under section 25. And I think that was *The Automobile Accident Insurance Act* and *The Labour Standards Act*. Can you explain why they would be different than all of the other pieces of legislation?

**Mr. McGovern:** — Under *The Automobile Accident Insurance Act* and *The Labour Standards Act*, the ability to hire staff with respect to those types of bodies would be addressed already in those Acts. As you know, the labour standards and AAIA [*The Automobile Accident Insurance Act*] of course have fairly elaborate procedures in terms of who's on their boards, how their boards operate, what they do. And so that pickup wasn't in the existing provisions and wasn't added in this provision as well.

**Mr. Nilson:** — I appreciate that answer, so thank you for that. Does it mean, the way the legislation is worded, that some of these other commissions that would be set up under one of the 42 pieces of legislation may actually incur some extra costs because they can add staff pursuant to section 25? Is that something that has been considered because it may not have been something that was contemplated, and so all of a sudden you have a much bigger process than anybody expected?

**Mr. McGovern:** — Well remember what we've done is to bring across the status quo. And so under the current legislation, the existing provision 5 talks about the ability to hire experts, the services of experts. And so in fact this is the corresponding provision there, 25. So to the extent that now we don't have that problem, I don't think this would create that problem.

**Mr. Nilson:** — Thank you for that explanation, but I think it's important to reference that here in an explanation because sometimes issues under some of these pieces of legislation can become quite grand and much bigger than is intended. And I agree with you. It doesn't look like there's any intention that that should happen. Is there anything in the list of legislation here where they will be surprised to be specifically referred to in this way, or is there any group or any piece of legislation that's been added that might not have been there before?

**Mr. McGovern:** — It's intended as a status quo across the board. So certainly not to our knowledge.

**Mr. Nilson:** — Well I have no further questions on that. So

thank you very much for these two pieces of legislation that I think will provide good inquiries in Saskatchewan on the big official public ones, but also in many of the other organizations that use that type of process to compel witnesses and make sure that they get the proper information to make appropriate decisions when there's a dispute. So thank you very much.

[16:15]

**The Chair:** — Thank you, Mr. Nilson. And thank you, Mr. Minister, and your official. Is there any other questions or comments for the minister under this bill? Seeing none, we will proceed with the voting of Bill No. 52, *The Public Inquiries Consequential Amendments Act, 2012*.

There are 48 clauses in this bill and we will vote them off clause by clause. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 48 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 52, *The Public Inquiries Consequential Amendments Act, 2012* without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 52, *The Public Inquiries Consequential Amendments Act, 2012* without amendment.

**Mr. Phillips:** — I so move.

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

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you, committee members. Mr. Minister, is there any closing remarks you would like to make at this time?

**Hon. Mr. Wyant:** — Thank you, Mr. Chair. I'd like to thank my officials for being here today. I'd like to thank the committee for the expeditious way that these matters have moved through. And thank you.

**The Chair:** — Thank you. Thank you, Mr. Minister, and thank you, committee members. This committee will now recess until 7 p.m.

[The committee recessed from 16:19 until 18:59.]

**The Chair:** — Well good evening and welcome to the Standing Committee on Intergovernmental Affairs and Justice. My name is Warren Michelson. I am the Chair. The other members of the committee are: Doyle Vermette is the Deputy Chair, Yogi Huyghebaert, Rob Norris, Kevin Phillips, Warren Steinley, and

Corey Tochor. Substituting in for Mr. Vermette is Mr. Wotherspoon, and substituting in for Mr. Norris is Ms. Jurgens.

**General Revenue Fund  
Government Relations  
Vote 30**

**Subvote (GR01)**

**The Chair:** — This evening the committee will be considering the estimates and supplementary estimates of the Ministry of Government Relations. I'd like to welcome Minister Reiter and his officials. Minister Reiter, if you have . . . We will now begin our consideration of vote 30, Government Relations, central management and services, subvote (GR01). Mr. Minister, do you have any opening comments? You can do them now.

**Hon. Mr. Reiter:** — Thank you, Mr. Chair. I'll just introduce the officials that are here. I have to my right, Al Hilton, deputy minister; to my left, Karen Lautsch, assistant deputy minister; Jeff Markewich, who is the director of financial planning; Margaret Anderson, who's the executive director of the provincial disaster assistance program; Tamie Folwark, who's the program manager for PDAP [provincial disaster assistance program]; Noel McAvena, who's the financial manager for PDAP; Duane McKay, who's the executive director and fire commissioner. And also at the back are Keith Comstock and Sheldon Green from the municipal affairs division.

And, Mr. Chair, since I made opening comments at the previous round of estimates, I'm certainly prepared to start entertaining questions. Any of the technical questions I can't answer, my officials will be pleased to.

**The Chair:** — Thank you, Mr. Minister, and welcome to you and your officials. I would just remind the officials, for the purpose of Hansard, when you're answering a question, please state your name. We will now commence with the questioning period. Mr. Wotherspoon, the Chair recognizes you.

**Mr. Wotherspoon:** — Thank you very much. Thank you to the minister for being here tonight. Thank you to the officials and our commissioner for being here tonight.

And I know this is a high-stress time for your ministry and for all of those workers in the various ministries that are there to step up to the plate for Saskatchewan communities when they're facing circumstances of crisis. And I thank all of those civil servants and in fact I thank all of those volunteer organizations as well across the province that come together when we need some support.

I'd be interested in focusing in on PDAP a little bit here tonight for probably a couple hours of questions. But I'd be interested just to start off with getting an understanding of some of the emergent pressures we're seeing over the course of the past few hours and the course of the past 24 hours from the minister.

**Hon. Mr. Reiter:** — Certainly. You know, I appreciate your comments. Our officials are doing a great deal of work over the past months preparing for what appeared to be inevitable flooding. As you mentioned, just over the last few hours, it's just sort of starting to hit in different areas.

We were watching Moose Jaw very closely on the weekend. There's been a number of areas that have been affected, a number of highways I've become aware of that water has breached. I don't believe any to the extent right now where they're actually washed out but where water is going over the roads and slowing traffic. Late this afternoon I became aware of some situations in the northwest part of the province in the heavy oil area where at least one rural municipality has declared a state of emergency, so we're starting to see it happening. And I would assume, depending on the weather over the next few days, you'll see more and more of this. If you like, I certainly could ask Duane McKay to give us a bit of an update. I have a few more comments, and I'll ask Duane to move up and switch some seats.

I would just add, some of the challenges that Duane and his crew have faced in recent days, over the weekend for instance, it's somewhat amazing, I guess for lack of a better word, that at the same time we're preparing and seeing the impact of floods, they were also involved in fighting a wildfire in the southwest part of the province near Grasslands Park. So certainly, fortunately that fire is out now. But again they're focusing on flooding. And I would just ask Duane to perhaps give us a little bit more detail on the areas of the province that are most impacted so far.

**Mr. McKay:** — Thank you, Minister. Duane McKay, commissioner of emergency management, fire safety. So just a quick overview, a little bit more detail to what the minister's already provided. Certainly we have seen over the last few days where we're seeing double-digit temperatures, a significant increase in terms of the impact of the snowmelt. Normally we've been focusing in the Southeast, along the Qu'Appelle and the Last Mountain Lake where, you know, the water and the floes . . . have been monitoring over the last couple of days.

We did see, as a result of the increased temperatures, a significant drying effect in the Southwest. And as the minister had indicated, not only the Grasslands National Park fire that we saw over the weekend, but there's been several other cases where sparks have ignited grass fires all across the Southwest. As a result of that monitoring and trying to stay ahead of those particular issues, we did set up a cache of equipment, firefighting equipment in Swift Current in anticipation. So our response there was actually quite rapid — tankers and wildland equipment and so on. So we have had a little bit of activity down in that area.

In the last . . . During that weekend period as well, we saw this melt begin in the Northwest. And I think to date — and we'll be announcing probably a little bit more in our media conference tomorrow when we get a little bit more detail — we have probably six or seven municipalities that either have declared emergencies or are preparing or talking to us about that. So we're seeing, you know, a significant increase in the melt in those areas. Most of the damage has really been focused around transportation — so grid roads that have been overtopped, some fear of them washing out where culverts, you know, can't handle the flow, and of course the traffic. And of course in the Northwest there's significant oil traffic in that area, so there's a concern about the impacts there as well.

In addition to that, a couple of communities have reported

issues around their lift stations, you know, just certainly the amount of water that they have to move. And that's a typical response for overland flooding in small communities just trying to keep up. We have a few First Nations communities who we're working with as well in that area and making sure that access, you know, for the residents is maintained, and if not, then some response.

We have a very collective way of operating in these circumstances. Certainly a lot of lessons learned from 2011, but in addition to that, specifically to the North, we do a lot of evacuations as a result of forest fires. And as a result of that, we have a fairly significant co-operative effort within government to make sure that Social Services, Health, Highways are all coordinating. And so that part of the response is going very well.

**Mr. Wotherspoon:** — Just as it relates to some of the communities that have stated a state of emergency or declared a state of emergency . . . I'm thinking of Radisson and Maidstone and RM [rural municipality] of Borden. You've suggested there's some others as well up in that northwest, possibly some First Nations. Now what specific impacts are those communities feeling right now or what's occurring there?

**Mr. McKay:** — In a couple of communities it is related to their sewer systems, so typically they'll have lift stations. And when you get a lot of water going into those areas where those stations have to pump continually, it overstresses the machinery there and often fails when it just keeps going for a long time.

A lot of the systems also have their weeping tile connected into their sewer system, so it just adds a significant amount of pressure into those. And as soon as that creates a problem, then of course it's a significant issue if you can't dispose of waste water. And as a result of that, then they'll work closely with Ministry of Environment and Water Security Agency to ensure that they can take appropriate action to relieve that stress, whether pumping, using vacuum trucks, or dealing with their lagoons and so on. So in the urban environments that's what we're seeing.

Certainly if there is stress around their wells or water supplies, then obviously then we would be concerned about potable water. And it wouldn't be unusual to see water advisories or boil-water alerts or orders go into place over the next few weeks in some of the areas. It's not specific to any community right now, but that would not be unusual.

In the rural areas we're seeing mostly transportation, so access issues, and two things that can occur there. If we have water building up around the base of the road, obviously with the frost coming out, you would see significant frost heaves or perhaps the bed might become saturated, which would then cause any heavy traffic to cause some significant damage. Or if culverts are unable to handle the water, you'll see an evacuation of the material around that. And in some cases it'll tear the culvert out, and then of course the road will be impassable.

So we expect to see some of that, just based on the volumes and how rapid the melt's taking place. So that's sort of an overview of what we're seeing and what we expect to see over the next couple of days and weeks.

**Mr. Wotherspoon:** — Are there drinking water advisories in place right now for some of these communities?

**Mr. McKay:** — There is no drinking advisory in place at any municipalities. I believe there is one First Nations community that has a boil-water order in place. And those will be in place until the water is tested to make sure that it is suitable for drinking.

**Mr. Wotherspoon:** — Which First Nation is that?

**Mr. McKay:** — I believe it's Poundmaker.

**Mr. Wotherspoon:** — As far as the pressure and strain on the grid roads and our transportation network, is there particular resources that are extended to RMs at that time where their infrastructure is quite vulnerable, by way of enforcement or support to mark their arteries, at their choosing, as shut down to traffic or heavy-haul traffic?

**Hon. Mr. Reiter:** — Generally speaking there's not a lot of resources that are needed. It's more sort of a difficult time for rural municipalities to get through. Most RMs are well equipped as far as heavy equipment that are needed, you know, for maintaining roads that maybe can be kept passable. In some instances what they'll do is they'll lower their weight limits to keep the heavier traffic off.

But in instances where you have actual damages — Duane was mentioning where culverts may be washed out, that sort of thing — they end up just closing the road until such time that they can actually get the work done, which is also very difficult because if you're dealing with mud, it's hard to construct. So that can cause some issues for local landowners, for residents, and also for industry. Some of the areas we're talking about that are most affected right now are in the oil area. So we're concerned it's going to affect, like I said, not just residents and landowners but the oil industry as well.

**Mr. Wotherspoon:** — Sometimes I hear from rural municipalities that struggle with ensuring compliance of some of the heavy-haul traffic. I'm just wondering at this time, when that infrastructure is so vulnerable and of course that infrastructure being so important to those RMs, are you hearing of any specific concerns right now with breaches of orders that are in place or weight limits that are being placed on roads?

**Hon. Mr. Reiter:** — I haven't since, you know, in the last few days, since impacts of flooding are starting to be felt. It would be my experience that typically, you know, those issues with overweight loads being hauled, I think that's not generally sort of during a disaster time. I think typically right now, you know, roads get posted and in some cases cordoned right off. And while that's certainly a concern that you mentioned, I don't think that's the primary concern right now.

**Mr. Wotherspoon:** — By way of the role of the province in the advisories, when to issue an advisory on drinking water and then any role around . . . Maybe I'll just start off with that piece first of all. As a community's going through determination as to whether they're going to be putting forward an advisory, what role is there of the ministry, and what analysis is provided?

**Hon. Mr. Reiter:** — I'll just ask Duane to walk through the process with you.

**Mr. McKay:** — So typically when there's a concern, regardless of what it would be, Government Relations field staff will make contact with the local administration there or elected officials. And typically if they have an issue around their potable water or sewer water, we will put them in contact with the Water Security Agency and the Ministry of Health and really work out the details in terms of the testing that needs to happen at that particular point, whether it's regulations or assistance in providing that testing. I know that the province has implemented a system where that testing can happen very rapidly. So we're not waiting for business hours to make sure the communities can identify the problem and get the help that they need and certainly have the water tested and either restored or take appropriate action to make sure that they can restore it to pre-disaster conditions. Drinking water, potable water is always an issue in terms of small communities.

**Mr. Wotherspoon:** — Thank you very much for that answer. Can you tell me a little bit about the concerns as it relates to wells and, you know, it's outside I guess of that of municipal relations potentially, but I'm thinking of individual farms, acreages, resort villages. What sort of precautions or communications occur from the provincial government back to individuals and properties that may be at risk of water contamination?

[19:15]

**Hon. Mr. Reiter:** — I apologize for the lengthy delay. Our officials are just looking for the information, and we can come back to it if you like rather than hold up the proceedings. But our understanding is there is testing. We'll get the details on it in a minute. It's actually under the Water Security Agency. It's not PDAP. But we'll still do our best to get the answer . . . [inaudible] . . . It turns out we have it right now. This is from the Water Security Agency's website, and it says:

Saskatchewan is offering free testing of private drinking water sources this spring, in light of the potential for flooding. The Saskatchewan Disease Control Laboratory will provide free bacteriological testing to residents to help determine whether well or cistern water affected by flooding is safe to drink. The Saskatchewan Water Security Agency (WSA) will offer site assessments of flooded wells and cisterns, including testing of water that is used as a primary source of drinking water. Land owners will be required to shock chlorinate prior to sampling and assessment.

And it goes on with more information. I think that's what you're asking though.

**Mr. Wotherspoon:** — So that's an important service that you're providing. I guess my question would be that a lot of communities certainly still are going through the melt and have a lot of snowpack, and some of these might be resort villages or smaller municipalities or acreages. Is there an importance . . . Is there a risk that is significant enough that there should be communication to people in more of a broad-based way to make sure that everyone's aware of the risks that exist as a melt

occurs particular to this year where we have such dense snowpack in certain parts?

**Hon. Mr. Reiter:** — Besides the, you know, the publicity, the news releases, those sorts of things that the Water Security Agency did, our officials . . . There was a lot of community meetings that were held in I think what you could term the higher risk areas for flooding. And at those community meetings, that sort of information was passed along as a matter of course along with, you know, prevention and planning for the flooding. The information on water testing was as well.

**Mr. Wotherspoon:** — Thank you for that answer. The higher risk communities for flooding right now, I certainly have examined the map and the information on the website. Would the minister be able to elaborate just in sort of a prioritization which communities he's most concerned with right now based on all the analysis and evidence he has before him?

**Hon. Mr. Reiter:** — I'll give you sort of a broad view of the province, if I could, and then I'll get Duane to sort of I guess get more detailed in the specific areas.

As you mentioned, the map you're speaking of, some of the higher risk areas are the areas, sort of Moose Jaw, Regina, that are the heavy populated parts of it around this area of the province. And there's also an area in the North, sort of in the P.A. [Prince Albert] area, generally kind of west and south, you get into that Shellbrook area — those areas were and are at high risk of substantial runoff which of course could lead to flooding.

There's a number of other factors that are very difficult to predict though. If you think back to 2011, which was a terrible year for flooding in our province — you know, you can predict impact by runoff and by snowpack — but what really added greatly to the disaster in that case was massive spring rains. So there's always that risk as well, but I'll ask Duane just to be a little more specific than that in the areas, if you would.

**Mr. McKay:** — Okay. So obviously the Qu'Appelle chain is a significant area. Simply, they flooded in 2011. And we're going to see water levels in that area — at least we're forecasting — within approximately 20 inches of that level, some higher depending on the flow within that area. So that would be considered high risk.

We were quite concerned about the Moose Jaw city in terms of Thunder Creek and the Moose Jaw River. Very lucky in one sense that Thunder Creek, that flow came through at a different time than what we'll see the Moose Jaw River come through. And if they would have come together, that would have created a significant issue for us. A lot of preparation work was done in that city just in case. And of course the ice has moved off the river there as well, which was another threat. So we're watching all that southeast area right through to Manitoba.

The other areas that we're looking at is the Corman Park area where the aquifer is very close to the surface, and a lot of buildup in that area. And typically we see a lot of folks with water in their basements. So not hitting infrastructure per se, but certainly having an impact on individuals and locations.

Of course we have seen in the last little while the snow melt in the northwest region, which by the way is outside of the big red bubble in the North.

So to say that we're monitoring and sort of the flows as it goes through, I would say the entire southern half of the province is at risk, with of course the higher risk areas being identified in terms of snowpack.

But at the speed at which the snow will melt or has melted to date is really extending sort of that risk right across the province simply because the snow hadn't melted before and we're seeing some warmer temperatures. We're again getting a bit of a break. We're going to see low temperatures in the next couple of days which will go a long ways to allow water that has accumulated in certain areas to kind of dissipate and get into the system and move downriver. And that'll be quite helpful in terms of reducing the impact on individuals and communities. Again though on Friday we'll see the temperatures back into the 20-degree range, and of course then whatever never melted, we'll be working at that.

We have done a lot of work with municipalities in all those areas so that they have the equipment. They have their plans in place. That's a little different than what we saw in 2011 when that was the first major flood in several years, and so I think there was a little bit of disbelief that it would be as bad as it was. We're not seeing that same apathy in communities this year. And certainly we've done a lot more community meetings, working with municipalities to ensure . . . and public announcements talking about personal preparedness.

You know, the system is basically this: if every individual takes appropriate action to the best of their ability and capacity, and then the municipality assists them once they have done that, and then of course the province can assist the municipality, that really reduces the impact on the individual and certainly the impact on any one level of government or individual. It doesn't become onerous on the province or the municipality. So we're seeing a lot of that effort going into this season, and of course that's really reducing the risk. Even though it's high risk, it's being mitigated.

We're working very closely with First Nation communities as well, and many of those are in along the lakes or into low areas, and of course we're working closely with those. Some of the First Nations communities that have experienced flooding, you know, year over year, like Red Earth for instance has a very well-organized plan. And although they will likely see some flooding, their organization and structure . . . And of course they're part of the Prince Albert tribal council as well. So there's a lot of organization around there. Even though they'll experience some of that flooding, the province's involvement is minimized simply because of their preparedness.

And that would be about the same as we're seeing in a lot of First Nations communities as well, a lot more sensitivity to the issues. And of course those in the South have got some experience, and so that's again helping out significantly.

**Mr. Wotherspoon:** — We're hearing about a lot of highways that are seeing flooding right now. It was referenced in the minister's comments — Highway 1 I believe near Indian Head;

6 near Weyburn; 16 up in the northwest side of the province; 2 by Wakaw. Are there any . . . I guess, what's the status of those highways? Are there other highways we should be aware of? And is there some of that infrastructure that's under greater strain here right now and at risk of failure? If you can just provide us an update.

**Hon. Mr. Reiter:** — The question you raise I think speaks to sort of the entire impact of flooding. It's cross-ministry. The comments I read earlier when you asked about the water testing, we're just double-checking right now. I'm not clear if that testing is actually . . . It's certainly provided. But whether it's under Health or the Water Security Agency, and I hope to clarify that in a few minutes. But you know, now your question about highways, there are . . . First just a broad answer to that.

The ones that we're aware of so far as of right now, there's water going across the highways as you said. We don't believe at this point yet that any of the infrastructure is under any sort of imminent danger of washing away. The Highways crews do a very good job of watching that, maintaining that. I think this does though, as I said, it speaks to just exactly how many ministries and agencies are involved in this entire thing. And there's a huge amount of coordination that happens, has been happening for weeks right now, and now you see it kicked into high gear.

And I'm just going to ask Duane to give you an overview of what is happening in that regard, sort of the coordination, daily coordination between all the ministries and agencies that are involved in the flood issue. Duane.

**Mr. McKay:** — Okay. Thank you. So as the minister has indicated, the preparation work for this particular flood season has been going on for several months, and what we have done in order to respond as a single entity. So the Government of Saskatchewan, responding to incidents, is to establish emergency planning officers in each Crown agency and ministry and organize them and meet with them often to ensure that we are all coordinated, we know each other, we know what responsibilities that each of those Crowns, ministries, and agencies are to look after.

When we have an incident, regardless of what it would be — flooding, train derailment, plow wind, tornado — once we become aware of that, we issue out a situation alert which invites these Crowns, ministries, and agencies to come into a meeting, a teleconference, in which we will take that particular incident and discuss it on an intimate basis to see what the impacts might be and then which ministries, Crowns, and agencies need to respond.

Obviously there are those that are involved on a regular basis. Ministry of Environment, Water Security if it's a flood, Ministry of Environment if it's a forest fire or a hazardous materials incident and so on, and Social Services if there's an impact on individuals. So that's been going on for several years to make sure that we can act and coordinate for the people of Saskatchewan in a way that is meaningful and helpful.

[19:30]

So with respect to that in this particular season, we are now



organized and running our operations centre, have been for several weeks, but now bringing everybody together. So our typical day would start off with an operational coordination meeting in which these individuals that I've spoken of would be invited to come into an operations meeting. We would go through in detail whatever the major threat is. The Water Security Agency, in this particular case, would give an update on what is occurring, all the work that they're doing in terms of stream flows, where the threats and risks might be. Then they're allowed to, anybody to ask questions about that for clarification.

Then typically we'll go through the core services, the ones that are sort of involved in all of those types of calls. And then of course any other agency, Crown, or ministry that would be impacted in any way would be fully aware of the entire operation. And once we have completed that, we would assemble an incident action plan for the day which would basically identify what we are going to do in terms of the response to those particular problems.

A situation report is built, which basically covers off whatever the threat or the risk might be, what each Crown, agency, ministry would be doing to mitigate that. And then we fire that out to everybody that might need that information to carry out their operations. So there's a single response, coordinated response, and a coordinated documentation in terms of what the province of Saskatchewan is doing.

Now there'd be more detail work in each of the agencies in terms of, you know, the things that they're doing, for instance, general topic of what, you know, one of the Crown utilities might be doing. And of course then internally they would have a very similar process to make sure that they can sustain the work that they're doing. They coordinate their resources and so on. So and then we repeat that the next day. And we keep repeating that until such time as there is no more . . . [inaudible] . . . which says risk to the people. And then we'll start to ramp down.

So that's for a response, and then recovery would just continue to go on where we would continue to work with ministries or with the municipalities, communities, and so on to ensure that they can actually recover from the disaster whatever that might be.

Lessons learned from 2011 is to make sure that we stay on station long enough to make sure that the communities and individuals can get back up on their feet and go back to as normal life as possible.

**Mr. Wotherspoon:** — Thank you for that answer. And as it relates to the specific highways right now that are under strain or that water is breaching the highway, what highways? I went through a list myself of some that I'm aware of. What other highways are we monitoring right now? And then maybe, what does that monitoring process look like just to ensure the integrity of those highways as people are being transported across?

**Hon. Mr. Reiter:** — On the highway issue, of course that's the Ministry of Highways, and they get their information from a number of sources. Probably the most key one, of course, is they have highways crews across the province. You know, they

also get input from the public, they . . . and check out potential hot spots. And our highways crews out there are pretty well versed with the areas of their responsibility, so they tend to know where the, again, the areas of high risk are and they'll keep a close eye on them. That information generally is disclosed to the public. The highways hotline stays open during flood season and I'm just looking at it right now. There's a number of areas, you know, where it's talked about, where some highways are closed because of flooding. Some are restricted for weight. Some are cautions that, you know, there's rutting or soft spots. That kind of information is relayed to the public that way. As far as sort of a more immediate information flow as part of the overall command system that Duane was talking about, I'll get him to elaborate on how that information flows.

**Mr. McKay:** — Thank you. So just to provide a little bit of clarification around the way that we kind of review all of our work, as I'd mentioned before, all of the Crowns, ministries, and agencies would come together in the morning to have a look at the threats for the day, but they also provide updates in terms of what's going on. So whether it's the, in this case, the Ministry of Highways would provide a report on all of the threats to the highways, whether there's overtopping or, as the minister has mentioned, soft spots or cautions or road closures. That information is shared right across the piece as well.

That's the type of information that would be recorded in our situation report and our incident action plan if we needed to do something about that: sand-bagging, berming, pumping, whatever might take place. Most of that information is updated on a regular basis — like daily — simply because it is very dynamic. So a road that might be closed today, which might restrict traffic, heavy traffic on that particular road, also might restrict an ambulance or a fire truck as well. So it is updated on the highway hotline, but it's also updated to everybody else within the organization to ensure that we can move that around, that information around to ensure that everybody knows and can address that operationally or whatever they require.

As I mentioned before, all of that is rolled up in their meetings to make sure everybody's aware, then recorded in our situation reports so that everybody else is aware of what it is that we're doing. It is a central command structure, central information gathering, central information disbursement that happens every day and again continues on until it's over.

**Mr. Wotherspoon:** — And as far as the — of course we saw the derailment yesterday — as far as our railroads and those beds and the integrity of those systems and concern of those washing out, what monitoring is done and what role is there of the provincial government?

**Hon. Mr. Reiter:** — In those instances that's strictly up to the railways. You know, CNCP [Canadian National and Canadian Pacific] does their own monitoring, their own safety responsibility.

**Mr. Wotherspoon:** — And as far as natural gas threats? When you're dealing with that, that's coming through that same process that you've spoke of so if there's . . . If SaskEnergy then is monitoring their systems and identifying an issue, they're feeding that into that process. Are there any areas of

significant risk right now as it relates to natural gas?

**Mr. McKay:** — I can't speak to any specific issues. We haven't identified any by SaskEnergy at this particular point but early on, our conversations with them, they did identify that it was a risk whether there is . . . Whenever you get the ground saturated with water, you can have sloughing or movement and certainly buildings will shift and so on. So they are monitoring that and certainly they'll report any particular issues that might show up during the flood season. And it's likely to occur, and once we have that confirmed, then obviously then SaskEnergy would report that and we would include it in our situation reports where everybody's aware and then we would respond, to assist whatever is required from the rest of the Crowns, agencies, and ministries.

**Mr. Wotherspoon:** — Thank you. And I suspect it would be the same sort of process for power, power generation, and then also distribution. So I guess my question would be, are there any particular concerns as it relates to some of those generation projects or sites right now? And then also are there any particular concerns by way of distribution? And I know there was some blackouts up through the northwest of the province — Ile-a-la-Crosse comes to mind. Wondering if that was a result of flooding or some of the conditions occurring with the melt.

**Mr. McKay:** — I can't speak to the actual cause of the blackout in the particular area. I know that there were storms in the area and that did cause some outages as well. But certainly all of the information around power is certainly communicated at those same incidents.

Last year we saw a significant storm go through the Prince Albert-Melfort area and the operations centre was activated for that and certainly coordinated much the same way. As Water Security is the lead in terms of flooding, it would be SaskPower would have been the lead in those particular cases, and the information flows quite freely. And again in dynamic situations, they would update us in the morning as we bring everybody together or if there . . . In those cases where it could go on a period of time, if there is critical information, it's sent back out so that we can update our operation plans sometimes on an hourly basis.

**Mr. Wotherspoon:** — Thank you for that answer. As it relates to the Qu'Appelle system, there was a comment that it's certainly a very high-risk area, particularly Last Mountain Lake and then the Qu'Appelle chain. The two have I guess different . . . There are different factors that contribute to both of their flows.

I guess just looking for some clarity on those systems, Last Mountain and then also the Qu'Appelle chain, in through the Qu'Appelle lakes. And specific . . . just to get some clarity on the comment . . . There was a comment around that it would come potentially within 20 inches. I think it was the 20 inches of the levels of 2011 as the high-water mark. And is that sort of what's being projected as a peak water level, and is that the same for Last Mountain as it is for Echo and Katepwa and Mission and Pasqua? Or are they all a little different?

[19:45]

**Hon. Mr. Reiter:** — The projections you're referring to of course at that time were based specifically on the potential for snowmelt. Any precipitation that happens — you know, we had some today in different areas; there's projections for overnight — it's dynamic, so it changes all the time. That's why the frequent meetings and updates. I'm just going to get Duane to give you some more specifics though on your specific question about, you know, the 20-inch level and how that is constantly changing.

**Mr. McKay:** — So the information that we act on is the information, the latest data that we have. And of course that is based on, as we've seen over the last several weeks, nature, and sometimes it's not as consistent as a planner would like.

Certainly if all of the snow would have melted when we would have considered it to be a normal spring season, we would have seen a certain scenario played out. We've had about three weeks of rather cool weather, which in some cases has helped us out significantly. And of course now we have a big melt in, oh, the last few days, and then we'll see some cold temperatures and then warm up again. So just to kind of drag home the point that it is more of an art than a science in terms of trying to figure out how to project them.

But our scenario is simply this: we plan for the worst based on the best data that we have. And we expect that the Water Security Agency will issue a new forecast based on the latest data in the next couple of weeks or so, in which case then we will have better tools to kind of measure sort of what our response might be. So the numbers that we are currently using are probably the best data that we've got right now, but may not be what we will see.

Certainly the precipitation, as the minister had mentioned, may play an impact. We're hearing some numbers — you know, a few inches here and a few millimetres there — but we don't know what. We won't know that till it's over. So all of that will be rolled up, and we'll continue to work with the Water Security Agency as they roll out that new data.

That's one of the reasons that we meet every day to have a discussion over what's actually occurring. They have set up water stations and flowmeters in critical areas, which gives us sort of real-time data or at least 24-hour-old data which they share with us in our morning briefings. And that will give us an idea as to where we can expect to see something in that 24- or 48-hour period, based on sort of where the snowmelts are and how full the streams are. They also monitor the channels, so how much water can flow down a particular stream before it goes over the banks and so on. So that data is shared with us on a day-to-day basis. It helps us kind of predict sort of what we need to do. Also it gives us a chance to talk to the communities that might be downriver of that, to let them know that, you know, there may be a slight change in what they're doing. So the information on the website is sort of our general picture, and then our day-to-day briefings will give us as good of data as we possibly can.

As the minister mentioned before, the 2011 floods that we saw in the Souris River Valley area and in the southeast part of the province was not really due to snowmelt. That was due to rains, and of course we can't really predict that, so we are somewhat

reactive. But the science that we do have allows us to measure that as quickly as possible and then to take appropriate action.

**Mr. Wotherspoon:** — As far as the . . . Thank you for those answers. Is water flowing into Last Mountain right now or is it flowing out with that control gate?

**Mr. McKay:** — I'm not a flow person; I'm a reactionary person in terms of the causes or the results of those things. But the way that that — because we had that question this afternoon — the way that that river system flows is about . . . 30 per cent of the water that flows into that particular area goes down the Qu'Appelle, and two-thirds of it goes up into Last Mountain Lake simply because of the flows and the levels that we see there.

So there is water flowing into Last Mountain Lake from the bottom side. And some would say that's going sort of upstream, or not normal, but it is . . . it acts as a bit of a buffer or sponge to absorb a lot of the water that cannot go down the Qu'Appelle chain. There is no water flowing in at the top from Diefenbaker Lake, so they're monitoring that situation, ensuring that the lake can absorb the amount of water that it's designed to do.

**Mr. Wotherspoon:** — Right, because it receives water that way as well, plus a lot of runoff all through the northern end of the lake. No, there's a control structure at the south end of that lake that . . . obviously the decision is to keep that open right now to allow that water to enter in. And as you say, use, I guess, fill . . . use Last Mountain as a bit of a reservoir right now to relieve the rest of the Qu'Appelle chain. Am I correct in making that assumption? That's the decision, to leave that control gate open?

**Mr. McKay:** — That's the way it's working today. WSA [Water Security Agency] sort of monitors all of that. But in 2011 we worked the same way in terms of trying to mitigate some of the damage downstream on the Qu'Appelle chain by using Last Mountain Lake to absorb some of the overflow. I can't really speak to how they design that control structure and sort of the size behind, you know, how they flow the water there. But certainly that's the way that it works today.

**Mr. Wotherspoon:** — Now one of the real concerns is the, of course, the ice still being on the lake so late with quite a significant density, I believe, to it still at this point in time. Now as those lakes rise, I suspect that — and as that ice continues to sort of melt away from the shores — there must be a significant concern around what that plate of ice or those plates of ice could do in the event of wind or circumstances that are coming up onto the shore. I know they've observed it before as it comes off, and it comes off with such tremendous force, and how luckily in the past when I've observed it's down at normal lake levels. I can only imagine the concern for people with their properties with a high water table and ice still out on the lake.

**Mr. McKay:** — Certainly ice floes are . . . and what that does is a concern. If you get a heavy wind that could shift the ice around and certainly anything that it hits, it's going to move providing there's still some density to it as you've mentioned.

The Last Mountain Lake, we still have a significant way to rise before it gets to the 2011 levels that we saw. And hopefully

we'll see, with the warm temperatures, that ice start to rot and sink before it gets to the levels that it'll cause a significant amount of damage. Regardless, there's very little you can do about the water . . . or the ice when it starts to move. We had the same concern in 2011, and luckily we didn't see any heavy winds and movement. So the ice kind of dropped off before it started to move.

**Mr. Wotherspoon:** — Thank you. In as far as it being different, you're right. The 2011 was a result of these consistent rains that had caused the high water table. This year it's the melt. Is there any difference as far as the period of time for which you're going to have peak water tables or is that just really too difficult to predict? I guess my question would be if it's rising, and once it reaches a peak, will it take the same period of time to flow that water out of the system, that excess water? Of course there's all the questions that we can't answer around moisture that may occur over the course of the next few weeks. Any answers on that front?

**Mr. McKay:** — I can provide you my best guess. With the snowmelt we expect to see the waters rise, in some cases, rather rapidly as we did see in some of the lakes already, but certainly without the consistent rains that we saw in 2011, when we saw peaks, three or four peaks during that particular time which lasted a significant amount of time.

You know, if things go the way that we see them, you'll see the rise and then the movement of that water downstream over sort of a normal course of time. The only thing that would complicate that again would be summer rains or spring rains that will, you know, in the area of, you know, three to four inches where you might get to multiple peaks that we saw in 2011.

**Mr. Wotherspoon:** — Thank you for that. I'll just shift my focus a little bit to some of the activities of PDAP over the past few years. And I appreciate . . . Thanks to the minister for providing back answers to written questions that we've submitted on this front and some of those will be the basis for some of the questions.

I guess, you know, we're looking at a year again where we may be facing some communities and families that are requiring, businesses that are requiring some disaster assistance. When I look at these numbers certainly I, you know . . . To give credit to the civil service and where it's due, there's certainly been many claims that have been processed. That being said, there's a large number of outstanding claims and dollar value as well. When I'm looking at the dollar value that was estimated not long ago for 2011 of close to \$60 million in outstanding claims, I guess I'm just looking to the minister to see if there's been any significant reduction in that from the time that this number was received from your ministry.

**Hon. Mr. Reiter:** — First of all, I'm going to get Karen to give you the detailed breakdown on how many of which type of claim have been closed since . . . Your written questions I believe were March 31st and a number of claims have been closed in what's almost a month since then. Before I get her to do that though, I'd just like to elaborate a little bit.

Very broadly speaking, in PDAP there are sort of two types of

ways to settle a claim. When a person has a claim and an adjustment's made, there's either an opportunity for them to accept that, be paid out, and those claims tend to be closed very quickly.

The other option of course is the adjustment is made, then estimates are received from two or three contractors, for example, and while there is provision for advance payments, the claim isn't completely closed until the work's completed, invoices are submitted, and everything is done. So those are the claims that you see hanging on longer. In some cases there could be issues. There could be structural issues, whatever the case may be, and they'll take a longer period of time to close.

I'm going to get Karen just to run down now though your question pertaining to, you know, since the written questions, what's been done in the past month. And I'll just get her to give you the details on that.

**Ms. Lautsch:** — Karen Lautsch, Ministry of Government Relations, assistant deputy minister. So as of March 31st, 2012, for 2007 claims we had six open. There were none open from 2008, none open from 2009. In 2010 we had 153 open. As of today we have 140 open, so that's a reduction of seven. In 2011 we had 1,422 claims open. We now have 1,188 claims open. That's a reduction of 234 claims. In 2012, we had 516 claims open, and we now have 442 claims open for a difference of 74.

[20:00]

**Mr. Wotherspoon:** — Thank you very much for those answers. I'd be interested in just hearing as to the type of claim those are. How many? What percentage or what's the breakdown for personal residence, for businesses, for communities, and if it's communities, designating whether it's a city or an RM or if that's possible with the information you have before you, First Nations.

**Hon. Mr. Reiter:** — I think your primary interest in them would be the 2010-11 claims. I'm just going to get Karen to walk through those year by year, if I could, and the type of claims. Karen.

**Ms. Lautsch:** — Thanks. Okay so there's numerous claim types here, and so in 2010, principal residence, that would be a homeowner. In 2010, there were 44 open claims. Small business which is something is defined as a business that makes a gross income of less than 2 million but more than \$4,000 in a given year, and there were eight open in 2010. Primary agriculture operation, which is an ag operation, had 18 claims open in 2010. And what we call local authorities which are municipalities — that's not broken out by size; it doesn't matter whether it's a city, town, village, RM, okay — there were 58 open claims; First Nations communities, eight; charitable organizations, one; boards and co-operatives, zero; a regional park authority, one. We have a claim called a relocation for temporary displacement. There were none open in 2010 And a renter who would be eligible for contents and clean-up only, there were three open in 2010.

In 2011 we would have a category called other which are miscellaneous. There's three of those. Principal residence claims, which are our standard claim, it would be 553 claims.

Small business would be 48 claims for 2011; primary ag enterprises, 184. In terms of our local governments and communities, municipalities, 318 claims; First Nations, 34 claims; charitable organizations, there were 14 of those. Boards and co-operatives would be two. Regional park authority, there were two; and for our relocation or displacement, there were nine claims open; and for our renters, there were 21 claims open.

**Mr. Wotherspoon:** — Do you have the data for 2012 by chance?

**Ms. Lautsch:** — We don't have it with us today, and we can't get on to our system, unfortunately, but we can certainly provide it for you.

**Mr. Wotherspoon:** — Thank you very much for sending that back to us as committee members. There's a small number of CBOs [community-based organization] out of the 2010 and 2011. Are you able to share who those CBOs are?

**Ms. Lautsch:** — So I think what we could do is, if you're amenable, we could certainly get that back to you with a bit more detail on the charitable organizations.

**Mr. Wotherspoon:** — Sure.

**Ms. Lautsch:** — Okay.

**Mr. Wotherspoon:** — And then thank you for that answer. I suspect that would be the same then as well for the co-ops and boards that were mentioned. Then there was a couple regional parks, I believe, unless that information is available right now.

**Ms. Lautsch:** — I don't have it with me right now but we can certainly . . .

**Mr. Wotherspoon:** — Fair enough. Thank you very much. So then if we can just . . . Thank you for talking about the reduction in the outstanding claims, the total volume; that's appreciated. Could we look at what the estimates were by way of outstanding payments? So total amount outstanding for claims for each of those years for, I guess, 2010, '11 and '12. They were roughly 10 million, 9.3 million, 59 million, and 8.9 as of a month ago.

**Hon. Mr. Reiter:** — For clarification then you're looking for, you're referring to the written questions?

**Mr. Wotherspoon:** — Correct and just looking for the most recent information as to the current outstanding claim values for those given years.

**Hon. Mr. Reiter:** — Okay, we'll just discuss. The written questions as you know were dated March 31st and were year-end, so the estimates were calculated as of then. I'm just going to get our deputy AI to speak to where we're at right now.

**Mr. Hilton:** — Al Hilton. So the total amount of money that would've been expensed in '12-13 for all outstanding claims including 2012-13 hasn't changed. With year-end being what it is and everything that's going on, in terms of the actual amount of money that we've paid out to date relative to March 31st, we

haven't made that calculation yet. But we will as part of our year-end exercise.

**Mr. Wotherspoon:** — Sure. Thank you. Now there's disputes at times between what a value of a claim would be between potentially the program and the claimant. These estimates that are put together for outstanding claims are based on . . . I guess, how have you arrived at putting together and accumulating a number of 59 million, for example, in 2011?

**Hon. Mr. Reiter:** — Those numbers that were provided in the written questions for you were based on the best available information at the time. Typically that'll be an adjuster's report, in some cases an engineer's report. But you know, they're just that; they're an estimate. When the actual work gets done, some cases might be higher. Some might be lower, but it's the best information that's available at the time.

**Mr. Wotherspoon:** — And some of those claims that may not have been finalized yet or hadn't been at the later stages of their process, are those included in this 59 million? What other outstanding liabilities or claims may not be captured in that number?

**Hon. Mr. Reiter:** — I'm going to get Al to address that question.

**Mr. Hilton:** — Al Hilton, and if I need help from my accountant, I can draw on him as required.

Essentially what we do at year-end is we expense all of the liabilities under the PDAP program just like any other program going back to all of our outstanding obligations from previous fiscal years. And the way we do that is that — for money that we haven't spent but we have an estimate of what the liabilities are — we set up an accrual. So going from memory, the total amount that we've expensed for PDAP at the end of this fiscal year would be about 112 million and a few hundred thousand. I don't remember the exact number. But that expense is set up to meet the requirements under *The Financial Administration Act*, and it is our best estimate of what all of our established liabilities are under the program for all previous years.

**Mr. Wotherspoon:** — Thank you for that. And so there's the potential then that some of those claims may go through adjudication process or through a process for which some of those claims may end up being a higher payment. So they're based on simply the data and information you have available at a given point in time?

**Mr. Hilton:** — That's correct.

**Mr. Wotherspoon:** — Looking at the communities, how many of our cities are left with or have outstanding claims right now, and what values are those? And then I'm thinking a bit of our . . . Maybe we'll focus in on some of the rural municipalities, but first of all just focusing on the cities if possible.

[20:15]

**Hon. Mr. Reiter:** — To the cities . . . Sorry for the length of time. Our officials had to dig out the breakdowns. There's three cities with outstanding claims, all from 2011. It's Estevan,

Moose Jaw, and Weyburn.

In Estevan the total claim's estimated to be 6.4 million, of which 5.4 million is still outstanding. There's some extenuating circumstances in that case. Our officials tell me that it's primarily for the airport, for the runway, and for the apron. And as you can imagine, it's a bit of a specialized field. They had to have a special engineering report. That's been done now, and our officials have been working very closely with city officials on that.

Moose Jaw, there's a claim for \$373,000, a claim of \$373,000 outstanding. And in Weyburn, the total claim is estimated at \$2.4 million, and there's \$180,000 that's outstanding.

**Mr. Wotherspoon:** — Thank you. What about some of those communities like Roche Percee that were hit so hard at that point?

**Hon. Mr. Reiter:** — As you know, Roche Percee was very much a special case, just the level of devastation and the extenuating circumstances there.

Our officials have put in a huge effort working with the community. I'm going to ask Al to give you a breakdown not just on dollar amounts paid out to the Roche Percee residents and community by PDAP but just to speak to the overall work that our officials have done there.

**Mr. Hilton:** — So given the unique and significant challenges that the community of Roche Percee is experiencing because they were so devastated by the 2011 flood, just by way of background, we have provided to individual claimants payments in excess of about \$7 million. And all the private claimants' claims have been closed I think, with the exception of three or four, and I'm going from memory here. We've also provided the community of Roche Percee, the municipality itself, with about \$1.2 million.

Having said that, it's not as straightforward as in other situations where the community's claim has been submitted and finalized and a final decision's been made because we've been working with the community to try to help them finalize the PDAP claim and then calculate on the basis of PDAP what would be eligible.

But the challenges in Roche Percee go well beyond PDAP challenges. So we've established what I would call a kind of a special team to work with the community of Roche Percee, where we've put together people from our ministry that are experts at community planning, that are experts at PDAP, and that are also experts at emergency response because of course we're concerned about 2013 as well.

So this team of people has been working with the community of Roche Percee and the mayor of Roche Percee to address sort of three challenges: (1) the recovery challenge from 2011, which is PDAP related; helping them think through and make some decisions around creating a new subdivision and the kind of planning and bylaws that would be required in order for them to effectively do that; and as part of that team, we've also been meeting with them to have a conversation about what they should be doing to prepare for 2013.

So a good question. The answer isn't straightforward. But it's been a challenge for the community, and we've taken special sort of measures as a ministry in putting together a team of officials to work with the community through those three sets of issues.

**Mr. Wotherspoon:** — What about RMs? I believe a lot of that outstanding claim — correct me if I'm wrong, Minister — is to compensate for a replacement of culverts, a lot of that work. Is that correct?

[20:30]

**Hon. Mr. Reiter:** — Yes, speaking specifically out of rural municipalities, you mentioned culverts. I would just expand that a little bit. I would say culverts, in some instances bridges — which tend to be very expensive as well — and roads in general would be the primary part of the claims for rural municipalities. You know, also potentially there would be some response costs, and also potentially there could be a lagoon or something of that nature, but typically that's more in your urbans, in your towns or villages. So broadly speaking, I would just add to your comment about culverts, bridges, and roads in general.

**Mr. Wotherspoon:** — Thank you. Now is there any change in the application of that program, or what had once been committed to the rural municipalities, of late or in the past few months? Sort of an understanding that was in place with rural municipalities but the changed position of your government . . .

**Hon. Mr. Reiter:** — Sorry. Can you just clarify? So you're asking if the criteria to qualify for payment has changed?

**Mr. Wotherspoon:** — I understand that some rural municipalities are waiting on significant dollar amounts and that there's significant dispute as to what that compensation should be and I think a belief that there was an understanding about cost coverage, particularly as it relates to culverts, that may now be leaving some RMs with some questions as to whether that's going to be fully covered by your government.

**Hon. Mr. Reiter:** — Now to speak specifically, directly to your question, our officials tell me there's been no changes to the guidelines for the program. But what we're wondering about, what you might be referring to is under the PDAP program. PDAP will pay for, in this case, municipalities to rebuild or put a culvert in to pre-flood conditions. So for instance in the case of a culvert, if the culvert wasn't able to handle say the 2011 flood situation, and if the municipality feels it's necessary to expand to a larger culvert, PDAP will only pay, again, back to the pre-flood conditions. So that may be what you're referring to.

You know, there may be a possibility . . . The municipality is certainly entitled to put in a larger one if they feel it's necessary. PDAP will only assist to the point of the pre-flood. There may be other programs, you know, potentially under the Water Security Agency. The mitigation program might assist the municipality on the difference. You know, it would depend on the situation I would think. But the short answer to your question on the changes to guidelines is, our officials tell me, there was none.

**Mr. Wotherspoon:** — And is there a significant difference of opinion or is there a difference of opinion with many claimants, as it relates to RMs and the position of government, to the extent that there's significant dollars in the view of certain RMs that are feeling that they're owed and not receiving a commitment through the program right now?

**Hon. Mr. Reiter:** — You're asking, then, if there's quite a few RMs that are concerned about the level of support? Is that . . .

**Mr. Wotherspoon:** — Well, not just the . . . Sure, the level of support and maybe the adequacy I guess of . . . Yes, sure, the adequacy of those dollars as it relates to what they feel their costs or commitments were.

**Hon. Mr. Reiter:** — Our officials tell me that, you know, the type of situation you're asking about is very rare. There's only a few sort of around the province. And I'm going to get AI to describe what typically causes those concerns and how our folks try to address them when municipalities have those concerns.

**Mr. Wotherspoon:** — And if there's only a few, can you identify the RMs as well that are . . .

**Hon. Mr. Reiter:** — I'll get AI to speak to the issue while our officials see if they can get the municipalities.

**Mr. Wotherspoon:** — Sure, thank you.

**Mr. Hilton:** — Al Hilton. So typically in very few cases, situations that have been brought to my attention for example involved competing engineering reports. So PDAP will have an engineer that will do a report. The RM may hire an engineer that does a report. And unfortunately sometimes experts don't agree, which puts us in a kind of a difficult position. So we end up contracting with another engineer. We may contract with a geotechnical expert that will do another report. And then we typically will have a conversation with the RM about what that third report reveals, and try to bring closure on the basis of all of that.

I think, as the minister probably alluded to earlier, in some cases, you know, when RMs realize that PDAP will only cover to pre-disaster conditions, they're a little disappointed to hear that, and that will lead to a conversation. But when there's a difference in terms of what the total entitlement will be, it's generally a difference of opinion amongst experts.

**Hon. Mr. Reiter:** — And if I could, to your further question on that on which municipalities, our officials were checking and trying to remember any with this specific concern. And the three they came up with are the RM of Coalfields, the RM of Enniskillen, and the RM of Spy Hill.

**Mr. Wotherspoon:** — Thank you. Thank you very much. Now as it relates to the . . . I guess we had a case emerge last week. You and I discussed it in this Assembly. And I know there was follow-up meetings as well as it related to Sheila Acton, an individual who owns a business and also has a residence, that had that claim that was outstanding that certainly seemed to be very slow moving by way of actions of the ministry to support that claim to be resolved and all the important processes to it.

One of the things that troubled me out of that . . . And I know it's not resolved yet and there's meetings yet to be had, and I'll hopefully see actions of ministry to make sure that Ms. Acton's treated fairly. We'd expect nothing less. But as it relates to the allegations or the statements provided by the . . . I guess an engineer, I believe from Medicine Hat in this particular case, I'm interested from the minister as to what his take is on those comments, what he's done to follow up with that contractor, and what validity he places in any reports that may be put forward from a contractor that certainly, it's been suggested, has made some pretty unprofessional statements, if that's the case.

[20:45]

**Hon. Mr. Reiter:** — To your point with Ms. Acton's claim, if memory serves correct, I think you raised it in the legislature I think last Monday and I believe it was the following day. My days might be out a little bit, but the drift of what I'm saying is accurate. We had arranged for Ms. Acton to come. I met with her myself briefly. I expressed my concern. We had a number of our officials there who stayed and met with her, went through the claim with her. There's subsequent meetings will be held, and I'm going to get Karen in a minute, after I've addressed your other question, to elaborate on where that's at.

Now to your issue about the engineer and the comments. I asked our officials, as soon as you raised it with me I asked our officials to do an investigation. They have had contact with him. And it's my understanding that the discussion between him and Ms. Acton, I believe from what he had said, was that it was tape-recorded, so if that is the case, our officials have asked for a copy of the tape. They'll do an investigation. If those allegations are accurate, you know, I'm very concerned about that. So we'll look to our officials to do that investigation and report back to me. Now with the sort of . . .

**Mr. Wotherspoon:** — Could I just intervene just before you pass it along? So I guess my concern would be certainly the allegations of the statements that were made. If those statements were made this is, from my perspective, not somebody who should be conducting business on behalf of the province of Saskatchewan. It certainly doesn't reflect the kind of integrity that we would desire as a province. That being said, they are allegations, and there's processes to arrive at that. And I appreciate the desire to investigate.

What I don't get is that the report from this outfit would be used then in her claim and used as a pretty significant determining factor, in fact overriding some of the reports previous in the claim that she would have received then late day on Friday. It just doesn't seem to make sense that if there's an investigation, which there should be, and ensure the ministry understands all of those facts, that in the meantime the ministry would proceed with utilizing that out-of-province contractor's report as the basis for this claim.

**Hon. Mr. Reiter:** — To that point, you know, I certainly trust our officials to do an in-depth and thorough investigation into this. And before that claim is finalized, depending on what they find in the investigation, that'll certainly be considered before the claim is finalized.

**Mr. Wotherspoon:** — With all due respect, Ms. Acton's been provided an assessment. I don't know what the proper terminology is for what she's received, but she's received numbers as it relates to her claim that are directly based on that report and from that contractor.

As I look at the report, I mean, you know, the date of the filing of this is right near the actual finalization of the correspondence from your ministry at the end of last week. I just wonder, if the minister's taking the investigation seriously, why he would utilize or why you'd utilize that report at this point in time.

**Hon. Mr. Reiter:** — I just want to clarify a difference here. The dollar amounts you refer to are dealing with contents. The dispute, I guess if you will, is over a structural issue. And on the structural issue I'm just going to get Karen to clarify how that's being handled.

**Ms. Lautsch:** — So we had the opportunity to meet with Ms. Acton last week and we had the opportunity to sit with her and review her file and kind of go over her unique circumstances. The property that she has is quite unique. There's not too many like it out there and there is certainly some damage. So what we offered to provide her was a copy of the engineering report that was provided. That speaks to that particular engineer's recommendations for repair of the property to pre-disaster condition. It does not attach a dollar figure to the cost of the repairs. It just speaks to the repairs themselves.

We also provided her a copy of . . . We had an appraisal of her property done to see what the value of the property would be and we also provided that to her as well at her request. So there's a couple of differences there.

**Mr. Wotherspoon:** — Okay, well hopefully there's some moving parts to this because as I look through the documents just in a very quick way, it seems to be potentially that she's being treated quite unfairly through this process. I'm still not sure why we would utilize or have the report utilized that . . . while an individual or a contractor is being investigated. I'm also interested in whether that contractor's continuing to be utilized by this ministry. I think when claims are brought forward they need to be treated in a serious manner and I think that certainly the validity of reports . . . And I do, when I look to the letter that she received from the ministry it does reference, of course, his report and the work that he's suggesting would address this.

And I guess part of the problem with this is as well — and maybe this is the question — is there had already been a structural engineer and a report done some time ago. I don't have the exact timeline in front of me, but well over a year ago or over a year ago or around a year ago. Why was that report or that engineer's report now dismissed? As well, at one point Ms. Acton was put through a process of getting a contractor out there through what was being guided by PDAP and officials to say she needed to have that. And there was a contractor that was engaged and she was following that process. It seems that both the contractor's report that she worked awfully hard to, as I understand, to get somebody out to provide, both that report and the initial engineer's report seems to have been dismissed and sort of overrode by this new report from this out-of-province contractor.

So I have a couple more questions I wouldn't mind getting on the record here. Then I'll be done with that and we'll move on.

**Hon. Mr. Reiter:** — There's a bit of a lengthy process to this. I'm going to ask Karen to walk you through that.

**Mr. Wotherspoon:** — Okay.

**Ms. Lautsch:** — So one of the first things that we do on a property that has structural challenges is certainly we will have one of our engineers go and have a view of the property.

So with this particular one, we sent an engineer out to have a look at the property and received that report. That report is then the basis usually for getting work done. And as with most insurance claims or other kinds of things, when you're going to do, undertake some kind of work like that, we typically ask you to get a couple of quotes from a contractor to, you know, make sure that you've got an appropriate contractor and make sure that it's appropriately sized, make sure that you've got the right price, and to see what that is.

In this particular instance, with the demand in the economy, with the location of the property, it was challenging for the claimant to actually get contractors to come out and view the property. She was able to do that. I think . . . So the contractors were challenged with the original engineer's report in terms of the work that was to be completed and how to complete it. And so they, in fact, were not willing to take on the work.

As of a result of that, we decided that we should get a second opinion from an engineer, and that is the second engineering report that we provided to Ms. Acton last . . . the end of last week, and we're at the process now of discussing that report with her. We're meeting with her tomorrow and at that time we'll discuss, kind of, the options that are available to us for proceeding further on the file. Okay?

**Mr. Wotherspoon:** — Like I say again, I mean this process has really taken a long time to come together. And certainly in sitting down and hearing of the challenges Ms. Acton has had on this file, she's been what would appear to be very resourceful herself against many challenges. And it seems to have all of a sudden been rushed together at the end in a final number and a contractor that it's been alleged has been less than professional in their service, and now that report being the basis for the claim.

[21:00]

And I know, you know, the previous reports, as I understand, this one by Madison and then also the one that the contractor came out . . . And I have, you know, the report in front of me from the contractor stating pretty specifically why what's now being suggested to shore up the foundation isn't possible, which has a pretty significant impact on the total, on the claim as a whole and ensuring fairness for Ms. Acton, a homeowner and small-business operator in the province.

So I mean what I don't want to do is, you know, have government, you know, or the ministry dig their heels in in any sort of way here, so I appreciate that it's being suggested there's a meeting tomorrow. And certainly what I see, and even seeing

this report come to her on Friday, I just find it really unacceptable that that contractor's report would be utilized and that the other two processes for which this claimant was asked to go through, following the processes of the ministry for some period of time, seeking all of the support and resources that they could in doing so, now seems to be dismissed and really in a rushed way and, certainly from the claimant's perspective, a settlement that seems to be less than fair.

I do have another question just by way of how the valuation is done on the I guess the square foot value. And it's claimed here at \$150 a square foot in this claim. Is that a consistent dollar value that's applied to all properties right now?

**Hon. Mr. Reiter:** — Our officials tell me that that value was done by a separate company, an appraisal company. And they arrive at that dollar amount by looking at comparable properties and doing a comparison.

**Mr. Wotherspoon:** — Sorry. The question is on the \$150 a square foot. I'm just wondering if that, is that a standard number then? Is that the cost that they're . . . of rebuilding a structure. It seems like a low number. And I don't know the industry inside and out, but it seems to go out and find a contractor to build for \$150 would be awfully rare, \$150 a square foot.

**Hon. Mr. Reiter:** — I'm just going to get Karen to elaborate on that.

**Ms. Lautsch:** — So what you're looking at is at the appraisal report that was done by an independent appraisal company from Saskatchewan, and it's based on the valuation of the property as it is right now. It's not necessarily the cost to rebuild. It demonstrates the value of the property as it is today. They will use varying rates depending on where they are in the province, depending on what is going on in the province at that particular time.

**Mr. Wotherspoon:** — And then it's depreciated at 50 per cent. So is the \$150 a square foot that's utilized to establish the . . .

**Ms. Lautsch:** — The appraisal that you have in front you, that is an appraisal that we've had done by an appraisal company. We use their expertise. I can't speak to the specifics of how the science of appraising works at this point. What I can tell you is that it's a process they use. We use certified appraisers throughout the province from Saskatchewan. I do believe this company is from Tisdale. And we will be meeting with Ms. Acton tomorrow, and we'll be certainly talking about some options with her.

**Mr. Wotherspoon:** — Okay. I guess just to put on the record, some of those concerns certainly would be, you know, and some of the errors in the report as I understand . . . Now this doesn't relate directly to the claim but certainly may relate to the, you know, the validity of the report. But it says 104 feet of frontage. I understand it's 160 feet of frontage. But I'll leave that for discussion tomorrow. The \$150 a square foot valuation, I mean, I just don't know where that is, what that's based on. Certainly current market values of properties across Saskatchewan, certainly in through Katapwa don't reflect that, and it certainly doesn't reflect anything near current



replacement value. So it seems to be undercut on either of those measures.

And then the depreciation of the entire asset, the entire home, by 50 per cent, I just . . . leaving a very small valuation for a fairly significant property is interesting. And I know that, or I have the understanding, have an appraisal before me as well that Ms. Acton had engaged in for other purposes before the flood, and certainly I mean this is many hundreds of thousands less than that valuation that was built on some market principles as I understand, anyway. So those are direct concerns with that report.

What I'm hearing is that maybe there's some review that . . . I believe that based on these fronts, it certainly wouldn't be a fair claim process that's being provided Ms. Acton. But I'll leave that for tomorrow. We can follow up together and in due course here, maybe with the minister directly, or . . . but this is a concern.

One other piece that's a significant concern, and I mean, this is a document that is a legal document, an offer as I said. As I understand, it has an error in the footage on the front, but it also suggests that an inspection occurred on April 26th of 2011. It's stated in here that that was the date that the inspection was done by this appraiser. And it's signed by the appraiser that . . . just below that part. And I understand that the . . . Based from what Ms. Acton has told me, is that that appraisal never occurred until June the next year, June 14th, I think stands out in my mind as the date that she pulled out of her well-documented notes of when the first time that an appraiser . . . So there seems, anyways, based on the information that I received from the claimant, Ms. Acton, there seems to be some significant errors or inconsistencies in this report as well.

So I mean I just . . . This is somebody who's been through a tremendous strain, that's lost the asset that they've invested in, that's impacted their home, somebody who has been forced to rent for the past two years in a high market in Regina, someone who has seemed to have followed all of the processes that they were availed through the PDAP process, someone who continued to get assurances as to what they were going to receive, and someone now that certainly is in a position where it would appear that they've been treated less than fairly.

And basically a lot of the work that they had engaged in, the first engineer's report, the contractor's report, have now been dismissed. And it seems a lot has been based on the structural engineer's report from Medicine Hat, for which the minister suggested is currently under investigation by the ministry, and a report, an appraisal report with significant errors in it.

I just don't know how this is good process. And just looking I guess from the minister, a significant commitment to sort of back this back up a little bit and work in good faith — I appreciate the meeting last week very much. I know Ms. Acton appreciated that as well — but to work in good faith tomorrow. But as it stands, what was sent to Ms. Acton late Friday seems to not be acceptable to be sending to a claimant that's been under great strain.

**Hon. Mr. Reiter:** — I guess firstly to your last comment, I believe our officials have been working in good faith all along.

You raised a number of concerns and our officials have noted those. And if there are some errors, certainly I'll ask them to address those and discuss those with Ms. Acton at the meeting tomorrow.

**Mr. Wotherspoon:** — Thank you for that. And I appreciate the willingness of the ministry and officials to engage on the file. And hopefully we're able to see a resolution that's certainly fair and in compliance with PDAP and fair to the claimant. But what I see that was presented late Friday isn't satisfactory.

And I appreciate the discussion we've had here tonight. I know we've gone just past a bit of the time that we were going to have. I appreciate the minister for taking that extra time to answer these questions. We can follow up individually on this claim over the course of maybe the next day or so. But at that point in time, maybe I'll cease questioning on PDAP.

**The Chair:** — Thank you, Mr. Wotherspoon. This will conclude the estimates and supplementary estimates for the Ministry of Government Relations. Mr. Minister, do you have any comments that you'd like to close with?

**Hon. Mr. Reiter:** — First of all, I'd like to thank Mr. Wotherspoon for the questions, and the committee members and also our officials that have been here. A number of the officials will be staying as we go into a number of the bills before the legislature. But some of them will be leaving, and I'd certainly like to thank them for their attendance. Thank you, Mr. Chair.

[21:15]

**The Chair:** — Thank you, Mr. Minister. We will adjourn the considerations for the estimates and supplementary estimates for the Ministry of Government Relations. And we will take a five-minute recess.

[The committee recessed for a period of time.]

## **Bill No. 67 — *The Community Planning Profession Act, 2012***

### **Clause 1**

**The Chair:** — Well thank you and welcome back to the Standing Committee on Intergovernmental Affairs and Justice. We are now in consideration of Bill No. 67, *The Community Planning Profession Act, 2012*. We will start with clause 1, the short title. Mr. Minister, if you have any opening remarks, you may proceed at this time.

**Hon. Mr. Reiter:** — I do, Mr. Chair, thank you. First of all I'd like to introduce our officials who are present right now. I have our deputy minister, Al Hilton; Keith Comstock, who's our assistant deputy minister; John Edwards, who's the executive director of policy and program services; Rod Nasewich, who's director of policy and legislation; Alan Laird, who's the senior policy analyst; Dianne Ford, who's the Chair of the Saskatchewan Municipal Board; Sheldon Green, who's the executive director of advisory services and municipal relations; and Angela Currie, who's my chief of staff.

I have just some introductory remarks I'd like to read into the

record, just some brief remarks, Mr. Chair, and then we'll entertain to answer any questions that the member may have.

This bill repeals and replaces the existing community planning profession Act in order to update the Act to standards consistent with other self-regulated professions legislation in Saskatchewan and to ensure the Act fully complies with the province's labour and mobility obligations under the Agreement on Internal Trade and the New West Partnership.

The bill also addresses key changes requested by the Association of Professional Community Planners of Saskatchewan, including changing the name of the association to the Saskatchewan Professional Planners Institute; replacing the term professional community planner with registered professional planner, which is consistent with other professional planning associations across Canada; and clarifying the composition and role of the institute's professional conduct and discipline committees.

The proposed new Act continues government's practice to consult with regulator professions to refine and update legislation, ensuring it meets the needs of the profession, the association, and the public. The Ministry of Government Relations will work with the institute to ensure that clear and appropriate bylaws for the community planning profession are established.

Mr. Chair, as I mentioned, we have a number of officials here who are very well versed on the technical aspects of this bill, and we will endeavour to answer all questions.

**The Chair:** — Well welcome to your officials, and we will proceed with the questioning. Mr. Wotherspoon, you had some questions? You may proceed.

**Mr. Wotherspoon:** — Welcome to the officials that have joined us here tonight. Thank you very much for attending. Thank you for your work and service.

Just on Bill 67 here, the minister talked a little bit about consultation. Consultation certainly has included the Association of Professional Community Planners of Saskatchewan, it's noted. I would suspect as well with SUMA [Saskatchewan Urban Municipalities Association] and with SARM [Saskatchewan Association of Rural Municipalities], and as well as it looks like there's consultations occurred with the University of Saskatchewan, with the Canadian Institute of Planners.

My question to the minister is, has he received any concerns shared with him or any direct correspondence that have shared concerns with the changes that have been brought forward?

**Hon. Mr. Reiter:** — Our officials tell me none.

**Mr. Wotherspoon:** — And the association themselves were quite involved in understanding these legislative changes and are fully supportive of all aspects of the changes put forward?

**Hon. Mr. Reiter:** — Yes, that's the case. They were involved right from the beginning and are fully supportive.

**Mr. Wotherspoon:** — This legislation now is based upon the, I guess, the Canadian Institute of Planners, I understand. It used to be based on the University of Saskatchewan's criteria. But what the minister's reflected is that the University of Saskatchewan and faculty, or the program there, fully support the changes that have been made?

**Hon. Mr. Reiter:** — I'm sorry. Just to clarify, the question is, does the University of Saskatchewan fully support this bill?

**Mr. Wotherspoon:** — Correct.

**Hon. Mr. Reiter:** — Yes, they do.

**Mr. Wotherspoon:** — I think my questions are complete. I'd like to say thanks to all those community planners that do the good work across our province.

**The Chair:** — Thank you, Mr. Wotherspoon. Is there any other comments or questions regarding Bill No. 67? Seeing none, we will proceed with the voting. There are some 60 clauses in this bill. We will vote on the clauses clause by clause.

Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 60 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 67, *The Community Planning Profession Act, 2012* without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 67, *The Community Planning Profession Act, 2012* without amendment.

**Mr. Tochor:** — I so move.

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

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you.

### **Bill No. 73 — *The Municipalities Amendment Act, 2012***

#### **Clause 1**

**The Chair:** — We will now continue with the considerations of bills. We will now consider Bill No. 73, *The Municipalities Amendment Act, 2012*. We will start with clause 1, short title.

Mr. Minister, if you have opening remarks, please proceed.

[21:30]

**Hon. Mr. Reiter:** — Mr. Chair, I have some brief opening remarks I'd like to read into the record and then we will entertain any questions.

*The Municipalities Act* provides the legislative framework through which Saskatchewan's southern small urban and rural municipalities exercise their powers and provide services. The proposed amendments for the fall 2012/spring 2013 legislative session to this Act support government directions related to education property tax reporting, municipal procurement, encouraging intermunicipal business licensing, and overweight vehicle permitting.

They also implement recommendations from several ministry reviews to improve processes for boundary alterations and annexations, assessment appeals, financial approvals, and road maintenance dispute resolution.

The proposed amendments also respond to and address requests for amendments by the municipal sector, including a request from the Saskatchewan Association of Rural Municipalities by adding authority for RMs to establish additional service areas within an RM to provide and fund different services or different levels of service.

The municipal sector, including the Saskatchewan Urban Municipalities Association and SARM and other interest groups, have been consulted extensively since February 2012 in identifying amendments and in the preparation of drafting instructions. There's general support to proceed with the proposals. Mr. Chair, I'd be happy to — my officials or I — to answer any questions.

**The Chair:** — Thank you, Mr. Minister. We will look for questions and comments. The Chair recognizes Mr. Wotherspoon.

**Mr. Wotherspoon:** — Just taking a look at some of the changes as it relates to the rural municipalities, can the minister describe what some of the changes mean for a rural municipality and also if those changes are supported fully by the, through the consultation, by the sector as a whole — SUMA, SARM, all of the partners.

**Hon. Mr. Reiter:** — There was a great deal of consultation done by our officials with the organizations you're referring to. And this bill, as I read in the opening comments, addresses a number of different issues. I'm going to ask John Edwards to highlight some of those issues of the bill and to address your point about the consultations and whether there's any concerns.

**Mr. Edwards:** — John Edwards. The provisions that are included in the bill cut across a number of different areas that affect rural municipalities, and I'll hit the highlights in terms of what those are. First off business licensing. The bill provides the authority for intermunicipal licensing of businesses. It basically is enabling legislation and it could be either urban or rural municipalities.

The bill includes a number of changes intended to improve the process relating to boundary alterations, and those too can affect both urban and rural municipalities. The bill includes some provisions relating to reporting information regarding oil

and gas well assessments, and those would of course be predominantly in the rural municipalities and were actively sought by SARM and SAMA [Saskatchewan Assessment Management Agency].

The bill includes provisions relating to education property tax returns, and those apply to both urban and rural municipalities. The bill includes a number of provisions relating to road maintenance agreements intended to improve the ability for rural municipalities to enforce such agreements.

The bill includes provisions relating to overweight permits. And that basically is focused not so much on the current system but the development of a common overweight permit system. Again those are enabling and would predominantly be focused on rural municipalities but may also apply to urban as well.

There are a number of other provisions relating to purchasing policies and specifically additional service areas. The provisions relating to additional service areas were requested by SARM. There was a convention resolution that set the process of preparing them in place. And we met with the SARM board on a number of occasions to talk about those and develop the design of the provisions. One more provision relating to municipal hail insurance that obviously affects farmers in rural municipalities, and basically the intent behind that is to allow property owners to make a payment on their hail insurance separate from their property tax. So those are the highlights.

**Mr. Wotherspoon:** — And as far as areas of concern from the sector partners?

**Mr. Edwards:** — We think we have satisfied the sector partners, the SUMA and SARM, in terms of preparing the bill. There were some items that were discussed that didn't proceed after further discussions with them, but we think we have support from SUMA and SARM for the whole bill.

**Mr. Wotherspoon:** — Okay. So some of the items that were identified as concerns never made it into the bill. Is that correct?

**Mr. Edwards:** — Yes.

**Mr. Wotherspoon:** — And the contents of the bill now, what pieces exist that would be of concern to SUMA and SARM? Or is it clear at this point that partners don't have concerns with the legislation?

**Mr. Edwards:** — We believe we have their agreement on all of the provisions in the bill. We haven't had any concerns or objections expressed to us. We have expressions of support.

**Mr. Wotherspoon:** — Has the minister . . . Sorry, a question. Has the minister had any concerns expressed to you?

**Hon. Mr. Reiter:** — No I haven't. The consultation again was done at the officials' level, but discussions that I've had with the two boards, I've had no concerns raised.

**Mr. Wotherspoon:** — As far as the procurement changes to comply with, those are to comply with the New West Partnership. Is that correct? Have there been concerns by SUMA, SARM, or respective municipalities on that front? I

know that goes a little broader.

**Mr. Nasewich:** — It's Rod Nasewich. No real concerns. What the amendments do is clarify that municipalities are subject to the thresholds in those agreements which came into effect last year, and that's regardless of whether there's legislation. So what we did with the amendments was make it clear that a council's purchasing policy and purchasing must be compliant with the thresholds in those agreements. And some municipalities were not aware of those, but most are and most are certainly supportive of open procurement and those processes.

**Mr. Wotherspoon:** — Some changes around that to the debt limit and what's determined as own-source revenues. Is there any concern from the sector on this front? Certainly I think it's fair to say that we would have some concern just as it relates to what seems to be a significant and increasing debt burden on our municipalities and then onto the backs of our ratepayers or our property tax payers. Has the minister or ministry received any concerns on this front?

**Hon. Mr. Reiter:** — I certainly have heard no concerns about this from the municipal associations or any individual municipality, and I'm not sure if ministry officials have or not.

**Mr. Edwards:** — The ministry hasn't received concerns. Subsequent to drafting and introduction of the bill, there have been some further discussions with SUMA, but not focused on the provisions in the bill. I believe their latest newsletter talked about a couple of items, which obviously we didn't have an opportunity to include. They'll be for the next go-round.

**Mr. Wotherspoon:** — Actually I think I have a copy of that newsletter here tonight, but thank you. I have no further questions of the bill. I do think that it looks to be a strengthened process by way of some of the mediation that may be sought before going to the Municipal Board, and that's certainly something that maybe looks to be valuable moving forward.

**The Chair:** — Thank you, Mr. Wotherspoon. Are there any other comments or questions regarding Bill No. 73? Seeing none, we will now commence with the voting on the Bill No. 73, *An Act to amend The Municipalities Act*. There are 59 clauses in this bill. We will vote on them clause by clause. Clause no. 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

[Clause 1 agreed to.]

[Clauses 2 to 59 inclusive agreed to.]

[21:45]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 73, *The Municipalities Amendment Act, 2012* without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we

report Bill No. 73, *The Municipalities Amendment Act, 2012* without amendment.

**Mr. Phillips:** — So moved.

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

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you.

#### Bill No. 74 — *The Cities Amendment Act, 2012*

##### Clause 1

**The Chair:** — Thank you committee members. We will now consider Bill No. 74, *The Cities Amendment Act, 2012*. We'll start with clause 1, short title. Mr. Minister, if you have any opening remarks, you may proceed.

**Hon. Mr. Reiter:** — Thank you, Mr. Chair. As I did with the other bills, I'll read some brief comments into the record and then entertain questions.

*The Cities Act* provides the legislative framework through which Saskatchewan's 16 cities exercise their powers and provide services. Amendments proposed to this Act for the fall of 2012, spring 2013 legislative session support government directions by encouraging intermunicipal business licensing and strengthening provisions related to education, property tax reporting, and municipal procurement and purchasing.

The amendments also support government's growth strategy by implementing recommendations for improvements to processes for boundary alterations in which affected councils cannot reach agreement and apply to the Saskatchewan Municipal Board for a decision.

Finally, the amendments address requests from cities and the Saskatchewan Urban Municipalities Association for improvements to the assessment appeal provisions related to notices, and for consistent treatment and authority regarding matters such as unpaid city utility charges and the licensing of trailer homes.

The city sector, including SUMA, city managers, the city mayors' caucus of SUMA, the Saskatchewan Association of City Clerks, and other interest groups have been consulted extensively since February 2012 in identifying amendments and in the preparation of drafting instructions. There's general support to proceed with the proposals. And now my officials and I would be happy to entertain any questions, Mr. Chair.

**The Chair:** — Thank you, Mr. Minister. The Chair recognizes Mr. Wotherspoon.

**Mr. Wotherspoon:** — The consultation that's been referenced by the minister, from that consultation with sector partners, has there been any concerns identified with the legislation as it stands before this Assembly?

**Hon. Mr. Reiter:** — There's been no concerns raised with me. I'll get our officials to speak to discussions they've had at the

officials level.

**Mr. Edwards:** — No concerns with the bill as it stands.

**Mr. Wotherspoon:** — Just by way of a comment, of course, some of these changes to legislation are a result of the New West Partnership. And certainly I think there's some debate that could be had about that partnership itself and some of the impacts for local decision making and municipal procurement or otherwise. But this bill is of consequence in some parts to respond to the New West Partnership, and we're not here to debate it here tonight. I have no further questions at this point in time.

**The Chair:** — Thank you, Mr. Wotherspoon. Is there any other questions or concerns with Bill No. 74, *The Cities Amendment Act, 2012*? Seeing none, we will commence with the voting on Bill No. 74, *An Act to amend The Cities Act*. Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 44 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 74, *The Cities Amendment Act, 2012* without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 74, *The Cities Amendment Act, 2012* without amendment. Mr. Tochor so moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you.

**Bill No. 75 — *The Northern Municipalities  
Amendment Act, 2012***

**Clause 1**

**The Chair:** — We will now continue with consideration of Bill No. 75, *The Northern Municipalities Amendment Act, 2012*. We will start with clause 1, the short title. Mr. Minister, if you have opening remarks, please proceed.

**Hon. Mr. Reiter:** — Thank you, Mr. Chair. *The Northern Municipalities Act, 2010* provides a framework for the governance and administration of Saskatchewan's northern municipalities. As with the amendments proposed for the other two municipal Acts, the amendments proposed to this Act support government's directions and growth strategy by encouraging intermunicipal business licensing and overweight vehicle permitting and strengthening municipal procurement and education property tax reporting.

They also implement recommendations from several ministry reviews for improvements to processes for boundary alterations, assessment appeals, financial approvals, and road maintenance dispute resolution, and address requests for amendments by the municipal sector.

Amendments specific for the North include strengthening accountability regarding inactive and non-compliant municipal development corporations, clarifying provisions regarding northern hamlet incorporation and dissolution, and making terms of office for members appointed to the Northern Municipal Trust Account Management Board consistent with those for municipal councillors.

The ministry has consulted extensively since February of 2012 with the municipal sector, including SUMA, New North, and the Northern Municipal Trust Account Management Board. The stakeholders support the amendments in this bill. I'd entertain any questions now, Mr. Chair.

**The Chair:** — Thank you, Mr. Minister. Mr. Wotherspoon, do you have some questions for the ministry?

**Mr. Wotherspoon:** — Thank you for those comments, and thank you, Chair. The road maintenance provisions in this bill, could the minister just clarify the changes and how it relates to road maintenance?

**Hon. Mr. Reiter:** — Certainly. I'll get either John or Rod to get to the details of that in a minute. I would just, if I could, Mr. Chair and Mr. Wotherspoon, the amendments in this Act are parallel to the last two Acts with three exceptions. There's the municipal development corporation section, and then a section on the incorporation and dissolution of northern hamlets. And then there's another section that's just sort of clarifying amendments, which deals with essentially housekeeping items. So with that, on to the specifics of your question. John?

**Mr. Edwards:** — Yes, thank you very much for the question. The road maintenance agreement provisions in this bill parallel those in *The Municipalities Act*. So the amendments are twofold. First, they provide the ability for a municipality to apply to the court to obtain a stop order preventing a person who has not entered into a road maintenance agreement with the municipality, yet continues to haul from transporting or receiving goods.

Secondly, the amendments provide authority, clarify the authority for the SMB, the Saskatchewan Municipal Board, by order to direct either party to the dispute — that is either the shipper, hauler, or receiver of the goods, or the municipality — to provide compensation that the board considers necessary and reasonable.

**Mr. Wotherspoon:** — Thank you. And just as it relates to the dissolution of settlement or settlements or the hamlets, who is urging these changes to be brought forward? And if a hamlet dissolves, who then provides the governance?

**Hon. Mr. Reiter:** — I'll ask Rod to speak to those two questions.

**Mr. Nasewich:** — The changes related to dissolution were

identified by the ministry when . . . They don't change the process for dissolution, but when the new Act was drafted, when a settlement is dissolved there are assets and there's revenues that are desired to stay in that area for a certain period of time to address issues. And when the new Act was drafted back in 2010, it was proposed that the way to reduce those or to deal with those assets and those revenues would be set in regulation. It was subsequently decided that a better way to do that is through the order that actually dissolves the community, to tailor it to the particular instances. So that's what the amendments do. So they were identified by the ministry as a better way to handle the affairs of the dissolved community. And once a settlement is dissolved, it goes back into the northern Saskatchewan administration district, which is essentially run by the province.

**Mr. Wotherspoon:** — So now would this be a similar process in the South when you're dealing with a potential hamlet that may be dissolved and taken over then by, say, a rural municipality?

**Mr. Nasewich:** — Not at all. In the South, there are rural municipalities, for example, that cover an area in which an established community can be included into. In the North, the unorganized district of the North outside of the communities is the administration district, which is essentially the province.

**Mr. Edwards:** — To supplement that, the terminology for historical reasons has proved a little bit confusing. In the North, northern hamlets are incorporated municipalities. In the South, they are not. The smallest incorporated municipalities are the villages or resort villages. Hamlets are basically clusters of dwellings within a rural municipality. And then there's a legal status referred to as organized hamlets when they have kind of a quasi-government status but they're still within the rural municipality.

[22:00]

**Mr. Wotherspoon:** — Okay. That's helpful. I know through the estimates process we talked a little bit about some of those circumstances where, in the South, where there may be villages or small communities that may be looking to be taken over or governed by the rural municipality. And we talked a bit about some of what might be considered to ensure that that transition can occur, maybe where a community has lost, from its perspective, the capacity to govern itself and feels that it's better to have the RM potentially manage it. And we talked a bit about liabilities like landfills and those sorts of pieces.

So I was just trying to get my head around if there was something . . . if it was similar to considerations in the North. I guess just looking at these hamlets, how many hamlets do we have in the North?

**Mr. Nasewich:** — Eleven northern hamlets.

**Mr. Wotherspoon:** — Now how many . . . Now how would a hamlet dissolve? Would that be by the . . . There's some governance to them now, and it's those hamlets themselves democratically choosing to dissolve?

**Mr. Nasewich:** — Right. I think it'd be done on request. And

the minister also has the ability, if it's in the public interest, to order in a dissolution if there's capacity issues and that, of that nature. But it's done by an order that then resolves the council issues and the funding and the assets.

**Mr. Wotherspoon:** — Do you see . . . Are dissolution of certain hamlets imminent right now or pending right now?

**Hon. Mr. Reiter:** — My understanding from our officials is there are a couple of communities that have voluntarily provided a resolution to dissolve. And I'm just going to ask our assistant deputy minister, Keith Comstock, to elaborate on those.

**Mr. Comstock:** — Good evening. My name is Keith Comstock. Yes, there are two northern settlements: the northern settlement of Camsell Portage and the northern settlement of Southend that have voluntarily provided a resolution that would dissolve them back into the NSAD [northern Saskatchewan administration district]. Now primarily in these communities' cases it's because of low population and just a lack of capacity and the ability to be able to conduct themselves as a full municipality. So we're taking that and moving that ahead.

**Mr. Wotherspoon:** — Thank you very much for those answers. So as it's been relayed, just to clarify, the municipal partners throughout the North that are impacted by this legislation support the changes that are here today?

**Hon. Mr. Reiter:** — The two primarily are the Northern Municipal Trust Account Management Board and the New North, and they support this. I believe SUMA has raised no objections either.

**Mr. Wotherspoon:** — Okay. I have no further questions at this point.

**The Chair:** — Thank you, Mr. Wotherspoon. Are there any other comments or questions? Seeing none, we will proceed with the voting on consideration of Bill 75, *The Northern Municipalities Amendment Act, 2012*. There are 59 clauses and we'll go through them clause by clause.

Clause 1, short title, is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 59 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 75, *The Northern Municipalities Amendment Act, 2012* without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 75, *The Northern Municipalities Amendment Act, 2012* without amendment. Mr. Huyghebaert moves. Is that

agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you.

**Bill No. 76 — *The Municipal Board Amendment Act, 2012***

**Clause 1**

**The Chair:** — We will now continue on with the consideration of bills. We will now consider Bill No. 76, *The Municipal Board Amendment Act, 2012*. We will start with clause 1, short title. Mr. Minister, if you have any opening remarks, please proceed.

**Hon. Mr. Reiter:** — Thank you, Mr. Chair. I will, as with the previous bills, I'll read some brief comments into the record and then entertain questions.

*The Municipal Board Act* provides a legislative framework through which the Saskatchewan Municipal Board is established and undertakes its responsibilities. Amendments for the fall of 2012, spring of 2013 legislative session to this Act will improve the Saskatchewan Municipal Board's committee processes related to the disputed boundary alteration applications by clarifying the secretary's ability to determine the sufficiency of applications, including requirements for the councils to undertake mediation to settle the dispute prior to applying to the SMB; clarifying that the timeline for SMB decisions begins after mediation has occurred and an application is deemed complete; enabling partial approval of applications by the SMB; and allowing the appointment of alternates to the part-time members nominated by SUMA and SARM and allowing these members to be able to run as candidates for local government.

Amendments to the three municipal Acts also pertain to the annexation process. The proposed amendments also update provisions regarding the appointment of part-time members and members' pension plans and respond to SMB requests for minor changes. The SMB was consulted extensively in identifying amendments and in the preparation of drafting instructions. The Saskatchewan Municipal Board supports proceeding with the proposals.

Now, Mr. Chair, we'd be willing to entertain any questions.

**The Chair:** — Thank you, Mr. Minister. The floor is now open for comments or questions. The Chair recognizes Mr. Wotherspoon.

**Mr. Wotherspoon:** — Thank you for those comments. As part of the consultation reference to Saskatchewan Municipal Board, I suspect that SUMA and SARM were also fully engaged in consultation. And what's their position as it relates to this legislation? Have they cited any concerns?

**Hon. Mr. Reiter:** — Again as with the previous bills, our officials did the consultations. I'll ask John to address that question.

**Mr. Edwards:** — So the provisions in the bill fall into two

categories — internal operational matters relating to the Saskatchewan Municipal Board, and what I call external provisions that affect the municipal sector. The main ones that fall into the latter category relate to annexations and boundary alterations and also the appointment of alternate members from SUMA and SARM to hear those kinds of annexations.

Those provisions by and large result from a review of boundary alterations and the SMB's role that the ministry conducted. When the ministry completed the review, we tabled the report with its recommendations, such as are being advanced here. With the municipal sector, we consulted SUMA and SARM on those. And we've reached the point where we have support from SUMA and SARM for those changes which, as you noted earlier, will improve the annexation process.

**Mr. Wotherspoon:** — The changes for the annexation process seem to be rather common sense by way of improvements to make sure of the completeness of those applications before you engage the Municipal Board. I think that makes sense, and I think there's an important role there to be fulfilled. And then as well, the role for mediation is certainly something that would be valuable, so that's helpful too. And I guess the other piece that changes here is that when a decision is made, there's parts of a decision. It's not just an, I think all or nothing, were the words of the minister, which probably leaves parties in a constructive position to find some sort of settlement or compromise. Is that the feeling of the minister?

**Hon. Mr. Reiter:** — That's exactly the case, yes.

**Mr. Wotherspoon:** — One question: as far as removing references to repealed legislation and discontinued board functions from the *Gazette*, what's going on there? What's the purpose of that?

**Hon. Mr. Reiter:** — That deals with housekeeping. I'll ask John to address that as well.

**Mr. Edwards:** — At least two of the references are to Acts that are proposed for repeal this session in Bill 53. So basically those are statutes that are redundant and no longer necessary. In addition there are some other provisions such as relating to equivalency assessments that applied only to Lloydminster. And that is also redundant.

The other area where there is a provision that's being repealed relates to *The Condominium Property Act*, and there the provisions that are referenced were actually repealed in 2003. So *The Subdivisions Act* and *The Municipal Debentures Repayment Act* fall under Bill 53, as I mentioned earlier. Equivalency assessments are no longer needed. They're redundant. And that pretty well covers it.

[22:15]

**Mr. Wotherspoon:** — Okay. Thank you for the comments. Also thank you to the Chair of the Municipal Board and all of those members for the important work that they do. And of course when they're intervening, it's at a time where there's a difference of opinions, and certainly municipalities are entering into those processes with some sensitivity at the time to the matters that are being dealt with. And I just really appreciate the

important role fulfilled by the Municipal Board. At this point in time I have no further questions.

**The Chair:** — Thank you, Mr. Wotherspoon. Is there any other comments or questions in regarding to the consideration of Bill No. 76? Seeing none, we will now proceed with the voting on Bill No. 76, *The Municipal Board Amendment Act, 2012*. There are 18 clauses. We will do them clause by clause, starting with clause 1, short title. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried.

[Clause 1 agreed to.]

[Clauses 2 to 18 inclusive agreed to.]

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts the following: Bill No. 76, *The Municipal Board Amendment Act, 2012* without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. I would ask a member to move that we report Bill No. 76, *The Municipal Board Amendment Act, 2012* without amendment.

**Ms. Jurgens:** — I so move.

**The Chair:** — Ms. Jurgens moves. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Carried. Thank you. Thank you, committee members, and thank you, Mr. Minister. Would you have any closing remarks that you would like to make?

**Hon. Mr. Reiter:** — I do. Thank you, Mr. Chair. I'd like to thank Mr. Wotherspoon for his questions, and also for all our officials for being here tonight and to the committee members and also staff and to you as well, Mr. Chair. Thank you.

**The Chair:** — Thank you, Mr. Minister. Mr. Wotherspoon.

**Mr. Wotherspoon:** — Thank you to the minister for your time tonight. Thank you to all the officials and all of the sector partners that do the good work on behalf of the municipal sector. And I appreciate the time here tonight.

**The Chair:** — Thank you. I would ask a member to move a motion of adjournment. Mr. Steinley has moved. All agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That is carried. This meeting is adjourned until May 1st, 2013 at 1:30 pm.

[The committee adjourned at 22:19.]