

## **Executive Summary**

The Saskatchewan Association of Rural Municipalities (SARM) respectfully submits the following budget requests to the Government of Saskatchewan for the 2020-21 provincial budget. There are several funding initiatives that fall under three themes that SARM believes would assist rural municipalities (RM) in delivering important services across the province. The initiatives for which we request funding will improve quality of life, ensure rural communities remain vibrant, and support economic development and growth in Saskatchewan.

The first funding request is to support rural infrastructure, including the Municipal Roads for the Economy Program, aggregate resources, and landfills. MREP supports RMs improving and maintaining roads and bridges that industry relies upon. Municipalities also require significant investment in landfills to achieve the Ministry of Environment's desired outcome of ensuring all operating and decommissioned landfills are in compliance.

We are also requesting that the municipal revenue sharing formula ensures that the portion of the PST allocated to municipalities does not decrease in the event that the tax base is reduced.

SARM is putting forward several proposals that will continue to build upon the good work the provincial government has undertaken, in partnerships with organizations like SARM, to reduce rural crime in Saskatchewan. This includes funding for the Protection Response Teams, Rural Crime Watch, and the Community Safety Officer Program.

In addition to these financial asks, we are also proposing two areas of policy development for consideration: raw water and water treatment systems and a bridge capital development program. We believe work in these areas would reap great benefit to communities, residents, and businesses across the province.

Finally, SARM expresses our gratitude to the provincial government for its commitment to programming under the Canadian Agricultural Partnership, including funding for rat control.

## **Financial Asks**

### **Infrastructure**

#### **Municipal Roads for the Economy**

Funding from the Ministry of Highways and Infrastructure has been delivered to SARM for the Municipal Roads for the Economy Program (MREP) since 2009. MREP provides funding to RMs to assist with the costs of maintaining roads and infrastructure impacted by heavy traffic use by industry. This program provides annual funding assistance to RMs through three components:

1. Clearing the Path (CTP) Corridor Incremental Maintenance
2. Heavy Haul High Volume Road (HHV) and CTP Construction Projects
3. Municipal Bridge Services

Since 2005, SARM has been working with municipalities, the provincial government, and transportation stakeholders to create a primary weight haul network of municipal roads. More than 6,644 kilometers of primary weight roads have been designated under Clearing the Path since 2007. MREP provides annual incremental maintenance funding for CTP designated roads.

Funding is also provided for Heavy Haul High Volume Roads and CTP Road Construction Projects. This includes engineering support and funding assistance for the repair and replacement of aging rural bridge and culvert infrastructure. These infrastructure projects are essential to industry and the economy, as the infrastructure is critical for the transportation of goods to market and for the day to day use of businesses and ratepayers.

The budget for MREP in the 2019/20 year was \$14 million. Due to budgetary reductions in prior years, the CTP Maintenance Grant has been reverted to 2013 funding levels of \$1,000.00 per km. This represents a reduction of \$100 per km. Budgetary reductions to MREP has meant that applications for new CTPs, including provincial projects, are being accepted but are not funded.

During the 2019-20 fiscal year, MREP is expected to fund the following capital projects: four heavy haul/high volume road projects, three CTP road projects, and 4.467 bridge and culvert projects. This is a significant reduction from 2013-14, when MREP funded 12 heavy haul/high volume road projects, 16 CTP road projects, and 34 bridge and culvert projects.

**SARM recommends that funding for MREP be restored to 2013/14 levels at \$25.5 million and include a two-year funding commitment.**

### **Gravel**

In 2015, SARM commissioned CPP Environmental to conduct a study on the current state of aggregate resources in Saskatchewan and develop strategies for sustainable gravel resource management for rural municipalities. The report, *Got Gravel? Aggregate Management Strategies for Rural Municipalities in Saskatchewan*, was released in June 2016. The report indicated there was a need for additional funding to accommodate exploration and acquisition of gravel reserves and reflect the actual cost of road maintenance in Saskatchewan. The SARM Board of Directors continues to work towards the implementation of the recommendations from the *Got Gravel? Report*. At this time, we believe the Government of Saskatchewan should include additional funding for exploration and acquisition of gravel reserves in the provincial

budget. In addition, we believe the provincial government should also create a mechanism for RMs and the province itself to house innovation information as it relates to products and best practices for road construction and maintenance.

**SARM recommends the provincial government allocate additional funding to accommodate exploration and acquisition of gravel reserves.**

**SARM recommends that the provincial government create a mechanism for RMs and the province to house innovation information as it relates to products and best practices for road construction and maintenance.**

### **Landfills**

In 2018, a new Solid Waste Management Advisory Committee was established to lead consultations on the draft Solid Waste Management Strategy with municipalities and stakeholders, and provide recommendations regarding the content of the strategy and potential regulatory and legislative changes related to solid waste management. President Ray Orb represented SARM on the committee. In April 2019, the committee presented its recommendations to the Minister of Environment. To assist municipalities in reaching compliance in both operation and decommissioning, SARM requests that the provincial government allocate funding to landfill infrastructure. Financial constraints are a major barrier to landfill compliance. Without additional funding for landfills, it will be difficult for the Ministry of Environment to achieve its objectives around landfills.

In addition, landfills are a major source of greenhouse gas emissions for municipalities. Up to 50 per cent of waste in landfills can be organic material, which creates landfill gas. It is particularly challenging for small landfill operators to deal with landfill gas. As such, we believe the province should offer funding to municipalities to improve landfill infrastructure. We would also support the province in an initiative to introduce a provincial composting program.

**SARM recommends that the provincial government allocate funding to support municipalities in landfill compliance and decommissioning.**

**SARM recommends that the provincial government establish a provincial composting program.**

### **Municipal Revenue Sharing**

In February 2018, the Government of Saskatchewan announced the new municipal revenue sharing formula, to be based on three quarters of one point of the provincial sales tax (PST) revenue collected from the fiscal year two years prior to the current year. SARM appreciates that the provincial government recognizes the value of providing consistent funding to municipalities. In 2017 the PST was increased to 6 per cent and the tax base expanded. The new municipal revenue sharing ensures municipalities receive similar levels of funding to previous years, with ebbs and flows that follow the provincial

economy. Should the PST tax base be reduced in the future, SARM believes it is important that the revenue sharing formula is adjusted to ensure RMs continue to receive the equivalent of one point of the PST as it was when the program was introduced. We believe this in the spirit of the program, which is to provide municipalities with predictable, sustainable and transparent funding.

**SARM recommends that the municipal revenue sharing formula ensures the portion of the PST shared with municipalities remains stable in the event that PST tax base is reduced.**

### **Crime Reduction**

Over the last few years, rural crime has increased significantly in Saskatchewan. In fact, Statistics Canada found that in 2017 the rural crime rate was 36 per cent higher than the urban crime rate in Saskatchewan. SARM very much appreciates the provincial government's willingness to work with us to address this serious issue and restore the feeling of safety in rural communities. Many positive strides have been made already, including the establishment of the Protection Response Team and the launch of the Saskatchewan Crime Watch Advisory Network. SARM continues to work with the province and the RCMP to promote the Rural Crime Watch program and is working towards the launch of the Saskatchewan Rural Crime Watch Program, a provincial umbrella group to assist local chapters in their growth and advocacy. To ensure its success, Saskatchewan Rural Crime Watch will require funding to establish its structure and promotion. SARM appreciated the funding made available to Rural Crime Watch in the 2018-19 fiscal year. We are optimistic that additional funds will be made available to continue this initiative. SARM is also eager to learn the results of the proof of concept of Everbridge, and hope to see the program expand beyond the southern region of the province.

While SARM believes in the benefit of technology such as Everbridge and Innovation Challenges, it must be acknowledged that these tools are only as useful as they are accessible. Unfortunately, reliable access to broadband and cell service is often hard to come by in rural Saskatchewan. Not only does rural broadband spur economic development, it also helps keep our residents safe. For this reason, we believe rural broadband must continue to be a priority for the provincial government.

SARM has worked with the provincial government and Saskatchewan Urban Municipalities Association to establish and promote the Community Safety Officer Program. Community Safety Officers (CSO) receive special constable appointments and are municipal employees tasked with carrying out high priority, low risk enforcement of bylaws and select provincial statutes. A CSO can provide a uniformed presence in a municipality, liaise with schools and community groups, and use targeted enforcement to increase compliance with municipal bylaws and traffic. CSOs have the ability to perform tasks that bylaw enforcement officers cannot, such as enforce

weights and measures. The program also helps reduce the workload and pressure on provincial resources and the RCMP. Everyone benefits from the presence of CSOs in the province. While many RMs are interested in employing a CSO, the program is expensive. The first year is anticipated to cost between \$147,000 - \$170,000. Subsequent years are expected to carry costs between \$75,000 - \$120,000. Municipalities that employ a CSO are still responsible to pay their entire RCMP levy. To increase the presence of CSOs in the province, RMs have asked for funding or incentives from the provincial government.

**SARM recommends that the provincial government provide funding for the establishment of Saskatchewan Rural Crime Watch, to assist rural residents and municipalities in establishing community-driven crime watch networks.**

**SARM recommends that the provincial government provide continued funding for the Saskatchewan Crime Watch Advisory Network.**

**SARM recommends that the provincial government continue to fund the Protection Response Team to combat rural crime.**

**SARM recommends that the provincial government provide funding and/or incentives to municipalities that employ a Community Safety Officer to encourage participation in the program.**

**SARM recommends that the provincial government work with the federal government to prioritize rural broadband, as many technologies to assist in combating rural crime rely on reliable broadband access.**

## **Non-Financial Asks**

### **Water Treatment Systems**

Water is a critical resource that is central to the expansion of economic development in Saskatchewan. Potable and non-potable water must be made easily available to industry, agricultural producers, and residents. *The Water Regulations, 2002* require that any waterworks or pipelines that provides water that is intended or actually used for consumptive or hygienic purposes must meet potable water standards. The Water Security Agency is denying additional hook-ups to raw water pipelines and installation or new raw water pipelines as the administration feels raw water provided to a site is seldom restricted to just agricultural, commercial or industrial purposes. However, SARM knows that many industries, including producers, often do just need raw water. Currently, the Water Security Agency is recommending the expansion of existing or the creation of new water treatment systems to these users. This is not a viable option.

Many communities, including rural municipalities, struggle to meet the requirements of the current drinking water regulations. In some cases, even with funding for capital investment, the actual cost of replacement and long-term upgrades to centralized

treatment facilities are not economically feasible. Fortunately, there are alternative water treatment solutions available, such as point-of-entry (POE) and point-of-use (POU). POE systems are installed where the water first enters a home or facility and treats all water used in the building. POU systems are installed at a single water connection and treats the water at that single point. These systems are often installed under the sink in kitchens or bathrooms. POE and POU systems are inexpensive and much less complex than conventional water treatment plants. In addition, in cases where the end-use of most water supplied is for irrigation or other non-potable uses, POE and POU systems lessen the adverse ecological impact of water treatment.

Saskatchewan does not recognize POE and POU as an accepted means to bring water to potable water standards. Other jurisdictions, including British Columbia, Ontario, and several states, have completed the research and determined that POU and POE systems are a safe and efficient means to ensure homes and businesses have access to potable drinking water. While we understand that POE and POU systems require proper inspections and ongoing maintenance to certify the systems as safe, there are existing companies capable of conducting this work.

Many communities, including rural municipalities and First Nations, would benefit from access to affordable, safe water treatment systems such as POE and POU. These systems would reduce the number of long-term boil water advisories in Saskatchewan and improve the health of communities. In addition, allowing raw water users to hook up to existing raw water pipelines will provide opportunities for further economic development in the province. The use of POE and POU systems could be used to ensure any raw water entering buildings from these pipelines is treated to potable standards.

**SARM recommends that the provincial government amend *The Water Regulations, 2002* to allow for users in need of raw water to hook up to existing raw water pipelines and to allow for the use of point-of-use and point-of-entry water treatment systems in homes and businesses.**

### **Bridge Capital Program**

Saskatchewan contains the largest provincial road network in Canada, totaling 188,000 kilometres. Provincial highways contribute 26,000 km while rural municipal roadways contribute 162,000 kilometres. Saskatchewan struggles to maintain infrastructure to a level of service suitable for industry's needs. Despite a slowdown of natural resource industries in recent years, industry still maintains an important presence in the province and many continue to thrive. Saskatchewan rural municipalities face a critical funding deficit to maintain their bridge infrastructure. The catastrophic collapse of a rural municipal bridge in 2018 has shed light on the urgent need for a bridge infrastructure funding strategy in Saskatchewan.

Rural municipal roadways outdistance provincial highways at a ratio of 6.2 to 1 kilometers and rural municipal bridges outnumber provincial highway bridges at a ratio

of 1.9 to 1. On average, each provincial highway bridge services 34 kilometres of roadway while each rural municipal bridge services 110 km of roadway. RMs can occasionally replace their bridges for half the cost of a similar provincial highway bridge, but when they are responsible for almost twice as many they are not afforded any advantage in those possible savings.

The concentrated provincial government bridge construction period of the 1960s has also created a significant barrier to RMs being in a reasonable position to fund bridge infrastructure management. RMs have only recently become aware of their responsibility for a number of bridges, but those bridges are already at the end of their expected service life. Most rural municipal bridges are at an age and condition where ongoing maintenance is not cost effective, which only leaves the higher upfront capital cost associated with replacement. Bridge construction projects are not like road projects which can be divided into smaller portions and completed over multiple years. Even if an RM were in a better position than most and able to extend the life of their current treated timber bridge infrastructure, those efforts might only grant them another 10 years before replacement is required.

Both provincial highways and rural municipal roadways are open to the public at large and thus have a symbiotic relationship with one another. SARM calls upon the Ministry of Highways and Infrastructure to start planning the development of a bridge capital program to help address the dire bridge infrastructure deficit in rural Saskatchewan.

**SARM recommends that the provincial government take steps to develop a bridge capital funding program to address the infrastructure deficit in rural Saskatchewan.**