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THE QU'APPELLE VALLEY



OCTOBER 6, 1975

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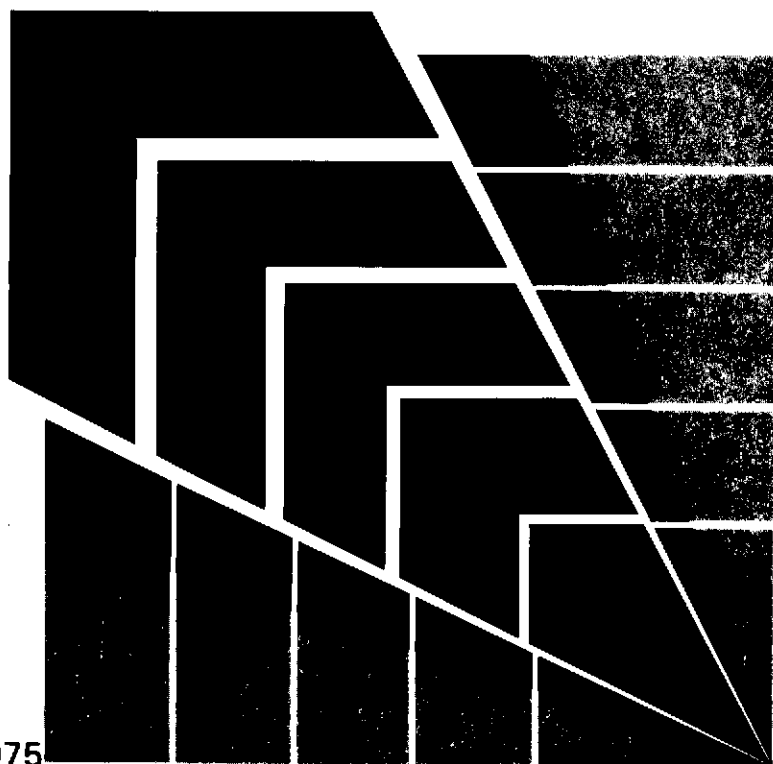


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CANADA/SASKATCHEWAN

THE QU'APPELLE VALLEY



OCTOBER 6, 1975

CANADA-SASKATCHEWAN
SUBSIDIARY AGREEMENT
ON THE QU'APPELLE VALLEY

THIS AGREEMENT made this 6th day of October, 1975

BETWEEN:

THE GOVERNMENT OF CANADA (hereinafter referred to as "Canada"), represented by the Minister of Indian Affairs and Northern Development, the Minister of the Environment, the Minister of Industry, Trade and Commerce, and the Minister of Regional Economic Expansion,

OF THE FIRST PART,

AND:

THE GOVERNMENT OF SASKATCHEWAN (hereinafter referred to as "the Province"), represented herein by the Minister of the Environment, the Minister of Industry and Commerce, and the Minister of Tourism and Renewable Resources,

OF THE SECOND PART.

WHEREAS Canada and the Province have signed a General Development Agreement (hereinafter referred to as "the GDA"), dated February 11, 1974, under which they agree to cooperate jointly in selecting and implementing initiatives for the economic and socio-economic development of Saskatchewan;

AND WHEREAS Canada and the Province have agreed that the Qu'Appelle Valley is an important recreation and tourism resource and a significant part of the natural and cultural heritage of Saskatchewan and of the nation;

AND WHEREAS the Qu'Appelle Valley has experienced widespread environmental damage to its land and water resources;

AND WHEREAS Canada and the Province have agreed to formulate and to cooperate in measures to improve and manage the natural environment, to develop

and protect the recreation and tourism resource and to conserve the natural and cultural history in the Qu'Appelle Valley, and wish by this Agreement to provide a framework for coordinated planning and implementation of such measures;

AND WHEREAS Canada and the Province have agreed on the objectives, general strategy and procedures which would govern the identification and selection of such measures;

AND WHEREAS the Governor in Council by Order in Council P.C. 1975-18/1746 of the 22nd day of July, 1975, has authorized the Minister of Indian Affairs and Northern Development, the Minister of the Environment, the Minister of Industry, Trade and Commerce, and the Minister of Regional Economic Expansion to execute this Agreement on behalf of Canada;

AND WHEREAS the Lieutenant Governor in Council by Order in Council No. 359/75 of the 25th day of February, 1975, has authorized the Minister of the Environment, the Minister of Industry and Commerce, and the Minister of Tourism and Renewable Resources to execute this Agreement on behalf of the Province;

NOW THEREFORE the parties agree as follows:

DEFINITIONS

1. In this Agreement:

- (a) "Advisory Council" means the Qu'Appelle Valley Public Advisory Council established pursuant to section 4 (10);
- (b) "Board" means the Qu'Appelle Valley Management Board established by section 4 (1);
- (c) "Directorate" means the Qu'Appelle Valley Implementation Directorate established pursuant to section 4 (7);
- (d) "Director of Implementation" means the Director of Implementation for the Qu'Appelle Valley Program appointed pursuant to section 4 (9);
- (e) "eligible costs" means directly related costs that in the formally recorded opinion of the Directorate have been reasonably and properly incurred for the implementation of the work, and include actual costs for engineering, design and construction supervision, and legal fees and disbursements related to the acquisition of land, for any project jointly financed under this Agreement;
- (f) "fiscal year" means the period commencing on April 1 of any year and terminating on March 31 of the immediately following year;

- (g) "Interim Implementation Board for the Qu'Appelle Valley" means the board established by an exchange of correspondence dated February 15, 1974, and April 4, 1974, between the Minister of the Environment of the Province and the Minister of the Environment of Canada;
- (h) "municipality" includes any local authority within Saskatchewan approved for the purposes of this Agreement by the parties; and
- (i) "Provincial Ministers" means the Minister of the Environment, the Minister of Industry and Commerce, and the Minister of Tourism and Renewable Resources of the Province and anyone authorized to act on behalf of any of them.

PURPOSE, OBJECTIVES AND STRATEGY

- 2. (1) The purpose of this Agreement is to set forth the measures to be undertaken, the costs to be incurred, the financial participation and the procedures to be followed by the parties to achieve the objectives stated hereinafter in accordance with the strategy agreed to in or pursuant to this Agreement.
- (2) The objectives of the Work are:
 - (a) to ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base, including the natural environment, historic resources, cultural heritage and hospitality industry;
 - (b) to increase the benefits from utilization of this resource base in terms of:
 - improved incomes and greater diversity of employment opportunities for residents of the Qu'Appelle Valley, and
 - increased recreational opportunities for residents of nearby urban centres, particularly Regina and Moose Jaw, thereby influencing individual locational decisions of employers and members of the labour force in favour of these centres; and
 - (c) to improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future uses of these resources.
- (3) To pursue the objectives stated in section 2 (2), Canada and the Province will coordinate their efforts in order to improve the environment of the Qu'Appelle Valley and establish

effective environmental management practices, and expand the recreation and tourism industry based on the natural, historic and cultural resources of the Qu'Appelle Valley.

- (4) - A broad strategy for achieving the objectives is provided in Schedule "A", and may be reviewed from time to time by the parties for possible amendment.

SUBJECT MATTER

3. (1) Canada and the Province shall jointly undertake activities (herein referred to as "the Work") which shall comprise the following sectors ("Sectors"), the programs ("Programs") of which are more particularly described in Schedule "A":
- (a) Environmental Improvement and Management ("Environmental Sector")
 - (b) Tourism and Recreation Development ("Development Sector")
 - (c) Implementation ("Implementation Sector")
- (2) The maximum duration of this Agreement shall be the period from April 1, 1974, to March 31, 1984, inclusive.
- (3) (1) (a) By September 30, 1975, and on each succeeding September 30 during the period of this Agreement, the Directorate shall recommend to the Board a work program and budget for the subsequent fiscal year.
- (b) The annual work plan and budget therefor shall be submitted to the Board by the Directorate for approval and, if approved by the Board, shall constitute the work and budget for the following fiscal year.
- (2) The Province shall undertake either directly or through its agencies, or arrange for the municipalities concerned to undertake, the annual work plan as approved by the Board each year, except that those parts of the work plan for which responsibility is vested in Canada, under section 3 (4), in Schedule "A", by Board Minute, or pursuant to special federal programs, shall be carried out by Canada.
- (4) (1) Canada shall implement the Commercial Development Incentives Program of the Development Sector of the Work, except that no offer of an incentive shall be made without prior consultation with the Directorate.

- (2) Incentive offers pursuant to the Commercial Development Incentives Program may be made in respect of facilities within the Qu'Appelle Valley in Saskatchewan, in accordance with guidelines approved by the Board relating to type, size and location of facility, and for the following categories of facilities:
 - (a) convention facilities,
 - (b) travellers' accommodation,
 - (c) food and beverage service outlets, and
 - (d) recreational facilities.
- (3) Subject to subsections (1) and (2), the Regional Development Incentives Regulations and the procedures followed in the administration of the Regional Development Incentives Act shall apply.
- (5)
 - (1) Subject to subsections (2) and (3), the Province shall acquire or arrange for the municipality concerned to acquire all lands and interests in lands required for projects eligible for joint financial participation by Canada and the Province under this Agreement.
 - (2) Notwithstanding subsection (1) where the Board decides that certain projects of any Program should be undertaken by Canada, Canada may acquire any lands required for those projects.
 - (3) Where Indian Reserve lands or Indian rights are involved, Canada, the Province or the municipalities concerned shall not use those lands or acquire those lands or interests therein or infringe upon those rights except in accordance with the Indian Act or any treaty which may be applicable thereto.
- (6) Subject to subsection 3 (3) (2), the Province shall acquire or arrange for the municipality concerned to acquire, either by purchase or rental (as the Directorate may determine), the equipment required for the Work, and shall let contracts for portions of the Work as deemed appropriate by the Directorate.
- (7) Subject to the exception contained in subsection 3 (3) (2), and subject to section 9, all contracts for equipment, work or services shall be awarded by the Province or the municipality concerned in accordance with procedures to be approved by the Board and, except where the Directorate determines otherwise, shall be awarded to the qualified and responsible tenderer submitting the lowest evaluated bid pursuant to tenders invited by public advertisement.

- (8) Canada shall not be liable to reimburse the Province for any costs arising from a contract which has not previously been approved in writing by the Directorate in a form satisfactory to the federal co-chairman of the Board, unless the contract is subsequently approved by the federal members of the Board, duly recorded by Board Minute.
- (9) All announcements of contract awards shall be made jointly by Canada, the Province, and, if applicable, the municipality or the private sector.
- (10)
 - (1) Expenditures incurred in respect of contracts entered into and purchases made after April 1, 1974, and before the date of this Agreement, and which have received approval of the Interim Implementation Board for the Qu'Appelle Valley, may be accepted as eligible costs under this Agreement, subject to the approval of the Board.
 - (2) Notwithstanding subsection 8.4 of the GDA, expenditures incurred in respect of contracts entered into and purchases made after June 15, 1973, and before April 1, 1974, for Regina waste treatment facilities under the Municipal Waste Treatment Program of the Environmental Sector of the Work may be accepted as eligible costs under this Agreement, subject to the approval of the Board.
- (11)
 - (1) The parties intend that the Province acquire administration and control of, and accept responsibility for, the structures and works listed in Schedule "C".
 - (2) The terms and conditions under which the Province will acquire such administration and control, and will accept such responsibility, shall be determined between the parties following investigations which Canada shall undertake to determine all matters related to such acquisition and acceptance.

MANAGEMENT AND COORDINATION

4. (1) The Qu'Appelle Valley Management Board is hereby established for the purpose of managing the Work. The members are:
 - (a) the Director General, Saskatchewan, of the Federal Department of Regional Economic Expansion or his designate, who shall be the federal co-chairman;
 - (b) the Deputy Minister of the Saskatchewan Department of the Environment or his designate, who shall be the provincial co-chairman;

- (c) three other federal members, comprised of one senior official representing each of the following Federal Departments:
 - i) Environment,
 - ii) Industry, Trade and Commerce, and
 - iii) Indian Affairs and Northern Development; andthree other provincial members, comprised of one senior official representing each of the following:
 - i) the Department of Tourism and Renewable Resources, and
 - ii) the Executive Council,and one other member to be named by the provincial co-chairman of the Board.
- (2) Subject to this Agreement, the Board shall be responsible for the management of the Work, including the following:
 - (a) to establish procedures for the conduct of its business and for the reference to the parties, pursuant to section 4 (6), of matters it is unable to resolve;
 - (b) to review, and determine upon, recommendations made by the Directorate, including the annual budget;
 - (c) generally to direct the Directorate and to authorize the Director of Implementation to perform any of the functions of the Directorate as may be required from time to time;
 - (d) to submit an annual report to the parties containing an assessment, in terms of the objectives of the Work, of the progress made under this Agreement to the end of the previous fiscal year and an estimate of the subsequent fiscal year's financial requirements;
 - (e) to recommend to the parties any changes required in the level of financing as outlined in Schedule "B";
 - (f) to establish committees and sub-committees from time to time as required, and specifically committees on planning, the Environment Sector and the Development Sector, and to refer matters to such committees and sub-committees for a report to the Board;

- (g) to ensure that the Work is implemented on the basis of sound environmental practices;
 - (h) to undertake public consultation through the Advisory Council and otherwise as it deems necessary; and
 - (i) to recommend to the parties action to be undertaken for the purpose of meeting the objectives of this Agreement.
- (3) The Board shall meet as necessary, but at least four times a year, in order to discharge its responsibilities, the first meeting to take place within sixty days of the signing of this Agreement.
- (4) (1) A quorum shall consist of both co-chairmen and two other members, one of whom must be a federal member and one of whom must be a provincial member.
- (2) A vacancy in the membership of the Board shall not impair the right of the remainder to act.
- (3) If a member is unable to attend, he may delegate an alternate or, if no alternate attends, the member's proxy shall be held by the appropriate federal or provincial co-chairman.
- (4) Every decision of the Board rendered at a meeting of its members shall require approval by majority vote, provided always that, if the federal department or departments represented by the federal member or members is or are required to expend moneys to implement the decision of the Board, such majority vote shall include the vote or votes of the federal member or members concerned.
- (5) The Board may delegate to the co-chairmen jointly whatever authority it may deem advisable.
- (6) If the Board is unable to resolve a matter, it may refer the matter to the parties for decision.
- (7) A Qu'Appelle Valley Implementation Directorate shall be established and shall comprise:
- (a) a federal coordinator who shall be appointed by the Director General, Saskatchewan, of the Department of Regional Economic Expansion; and
 - (b) the Director of Implementation referred to in section 4 (9).

- (8) Under the general direction of the Board, the Directorate shall have the responsibilities assigned to it in this Agreement, including the following:
- (a) to prepare and recommend to the Board an annual work plan and budget;
 - (b) to review and approve all awards of contracts pursuant to section 3 (7);
 - (c) to determine eligible costs;
 - (d) to approve estimates for interim financing pursuant to section 6 (2);
 - (e) if necessary, to adjust allocations of funds in the annual work plan within each program;
 - (f) to review and evaluate the implementation of this Agreement, and to forward to the Board recommended changes in the Work or annual work plan; and
 - (g) to carry out such other activities as may be delegated by the Board.
- (9) The Deputy Minister of the Saskatchewan Department of the Environment shall appoint the Director of Implementation who shall direct or coordinate the implementation of the annual work plan insofar as the responsibility is vested in the Province under this Agreement, except where such responsibility is specifically assigned to another person or body under section 3 (4), in Schedule "A", or by a decision of the Board duly recorded by Board Minute.
- (10) (1) The Qu'Appelle Valley Public Advisory Council shall be established by the Board to review material provided to it by the Board and to advise the Board concerning the Work, on behalf of those members of the public affected by the Work.
- (2) The Board shall define, by Board Minute, the terms of reference and membership of the Advisory Council, and shall meet with the Advisory Council within twelve months of the date of this Agreement and at least once every twelve months thereafter.
- (11) Canada and the Province shall apply existing federal, provincial and federal-provincial programs to assist in the effective implementation of this Agreement, subject to the provisions of such programs and the availability of funds, and, in particular, note is taken of the Prairie Farm Rehabilitation

Administration, the Special ARDA Program under the Agricultural and Rural Development Act (ARDA), the Regional Development Incentives Act (RDIA), the Canada-Saskatchewan Agreement on the Development of Last Oak Park, the Agreements for Recreation and Conservation (ARC) Program, and the Travel Industry Development Program.

- (12) The Interim Implementation Board for the Qu'Appelle Valley shall be dissolved on the date of this Agreement.

FINANCIAL

5. (1) (1) Subject to section 5 (2), Canada and the Province shall contribute to each Program described in Schedule "A" and in the proportions set out in Schedule "B".
- (2) Notwithstanding anything in this Agreement, the total amount of contributions payable by Canada in respect of each Program shall not exceed the maximum federal contributions set out in Schedule "B".
- (2) The provision of financing by Canada and the Province for the implementation of the Work undertaken pursuant to this Agreement is subject to there being an appropriation by the Parliament of Canada in the fiscal year in which any commitment hereunder would come in course of payment, and the Legislative Assembly of Saskatchewan having provided funds for such financing for the fiscal year in which such financing is required.
- (3) Notwithstanding any other provision in this Agreement, all obligations of Canada incurred by virtue of this Agreement shall be subject to the Financial Administration Act.
- (4) Canada shall not be obliged to pay any claim which is not received within a twelve-month period following the termination of the Work, but Canada may agree, at its discretion, to pay such claim.
- (5) (1) Subject to subsection (2), Canada will contribute to or share in eligible costs in respect of the Work, or portions thereof, listed in Schedule "A".
- (2) Administration costs which are eligible to be shared under this Agreement by Canada, shall include the gross salary (including the employer's share of Canada Pension Plan and Unemployment Insurance contributions) of employees of the Province who are specifically assigned to implementing this Agreement for a continuing period of at least one month, and their travel expenses in

accordance with applicable provincial travel directives, but shall not include any costs for office space, telephone, postage, stationery, office equipment rental or other normal overhead costs of operating an office except where such costs are directly attributable to the operation of an office located in Fort Qu'Appelle and such other office as may be required for the sole purpose of implementing this Agreement. Relocation expenses in accordance with applicable provincial relocation directives for provincial employees located in Fort Qu'Appelle are eligible costs under this Agreement.

- (3) No eligible costs shall be incurred for land acquisition except in accordance with procedures and financial guidelines to be established by the Board.
- (6) If the use of any land acquired or of any structures constructed as part of the Work is changed within twenty years of acquisition or construction to a use which, in the opinion of Canada, is inconsistent with the objectives of the Work, the Province shall pay to Canada an amount equal to the original contribution of Canada for such land or structures.

PAYMENT PROCEDURES

- 6. (1) Subject to section 6 (2), payments by Canada hereunder shall be made promptly to the Province on the basis of progress claims setting out the eligible costs actually incurred and paid for the performance of the Work, submitted in a form and verified in a manner satisfactory to the Federal Minister of Regional Economic Expansion.
- (2) (1) In order to assist with the interim financing of projects, Canada may, if the Province so requests, make interim payments to the Province of one hundred per cent (100%) of Canada's share of claims submitted, based on estimates of eligible costs actually incurred as certified by a senior officer of the Province.
- (2) The Province shall account for each interim payment by submitting to Canada, within ninety days after such payment by Canada, a detailed statement of the actual expenditures incurred and paid, verified in a manner satisfactory to the Federal Minister of Regional Economic Expansion. Any discrepancy between the amounts paid by Canada by way of interim payments and the amounts actually payable shall be promptly adjusted between Canada and the Province.

- (3) Where a portion of the Work is to be undertaken by Canada, the eligible costs incurred by Canada in undertaking that portion, including salaries and related costs of employees of Canada assigned full time to undertaking that portion, shall be considered part of the contribution by Canada to the Program of which it is a portion, and an amount equal to, in the case of a Program cost-shared equally between Canada and the Province, the total amount, and, in the case of a Program for which Canada contributes sixty per cent (60%), two-thirds of the total amount expended by Canada, shall be deducted from the total eligible costs set out on subsequent progress claims submitted by the Province in respect of that Program before the share payable by Canada in respect of such claims is calculated.
- (4) Payments by Canada in respect of the Commercial Development Incentives Program shall be made directly to the recipient of an incentive offer in accordance with the Regional Development Incentives Regulations and the procedures followed for payments in respect of the Regional Development Incentives Act, subject to section 3 (4).

RECORDS AND AUDIT

7. Each of the parties shall keep detailed and accurate accounts and records of its expenditures in respect of the Work under the Agreement, the cost of which is to be shared between them, and shall make the accounts and records available at all reasonable times for inspection and audit by the other party, and any discrepancy between the amounts paid by either party and the amounts actually payable by it, as disclosed by an audit, shall be promptly adjusted between the parties.

AMENDMENT

8. (1) This Agreement may be amended from time to time by the agreement of the parties expressed in writing, except that any amendment to the financial limitation for any Program expressed in Schedule "B" of this Agreement, or to any ratio of the cost-sharing by Canada and the Province expressed in Schedule "B" for any Program or to the general nature and intent of this Agreement, shall be made only with the approval of the Governor in Council and Lieutenant Governor in Council.
- (2) At the end of the third, sixth and ninth years of this Agreement, if the Board so recommends, the parties may review the financial limitation for each Program, which is expressed in Schedule "B" in 1974 values, on the basis of implementation

experience with costs, and the parties will review the provisions of the Tourism and Recreational Development Sector based on the results of the Planning Program of that Sector, and the parties may agree to amendments to any part of the Agreement as a result of these reviews, subject to the provisions of section 8 (1).

MATERIALS, EQUIPMENT AND LABOUR CONDITIONS

9. (1) Canadian material, and consulting and other professional services, shall be used in respect of the Work to the extent to which it is procurable and consistent with proper economy and the expeditious performance of the Work.
- (2) The following conditions relevant to employment and the award of contracts shall apply in respect of the Work:
 - (1) Labour shall be recruited through the Canada Manpower Centres, unless the Directorate considers that the services cannot reasonably be provided.
 - (2) In the employment of persons for the implementation of the Work, there shall be no discrimination by reason of race, age, sex, marital status, national origin, colour, religion, or political affiliation, but special measures designed to benefit native people or disadvantaged groups in the Qu'Appelle Valley area may be implemented under the Work.
 - (3) The provisions of the Labour Standards Arrangement proposed by the Federal Department of Labour in 1970 shall be applicable to this Agreement, it being understood and agreed that, to the extent that there are higher provincial standards applicable to particular occupations or regions, these higher provincial standards shall apply. In the aforesaid Labour Standards Arrangement, the following provisions are regarded as minimum requirements:
 - (a) rates of pay shall be those prevailing in the area of employment for each classification of work, subject to the minimum wage specified in provincial legislation;
 - (b) in building construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 48 per week;

- (c) in road and heavy construction, the rates of pay for overtime shall be time and one-half the specified prevailing rate of pay after the hours stipulated for purposes of overtime payment in the relevant provincial standards, which shall in no case be more than 50 per week; and
- (d) labour conditions to be specified in all tendering documents and to be posted conspicuously in the work place.

EVALUATION

- 10. (1) At the expiration or termination of this Agreement, the parties shall enter into appropriate arrangements for an assessment of the impact of the Work and its parts in terms of the objectives of the Work.
- (2) Within six months of the date of this Agreement, the Board shall establish the criteria and data requirements for the assessment referred to in section 10 (1) and for the annual assessment referred to in section 4 (2) (d).
- (3) The Director of Implementation shall establish an information system for the purpose of collecting and maintaining the data required for the purposes of section 10 (2).

PUBLIC INFORMATION

- 11. (1) Canada and the Province agree to cooperate in the development and implementation of a program of public information respecting implementation of projects under this Agreement, and Canada further agrees to supply, erect, and maintain throughout the period that work is in progress, one or more signboards indicating that the project is undertaken and financed in accordance with this Agreement, or bearing any other statement having the same meaning approved by the Board.
- (2) Canada reserves the right to provide and install wherever suitable, on completion of the work, a permanent plaque or signboard bearing an inscription to the effect that the project is undertaken and financed in accordance with this Agreement.
- (3) Any public announcement of the measures covered by this Agreement, and any official opening ceremony for any project under this Agreement, where such ceremony is indicated and appropriate, shall be arranged jointly by the parties and,

where appropriate, be coordinated by the Minister of Regional Economic Expansion on behalf of Canada and by the Minister of the Environment on behalf of the Province.

GENERAL

12. (1) Where the parties fail to resolve a dispute which arises between them, and the dispute is a controversy within the meaning of the Federal Court Act, either party may submit the dispute to the Federal Court of Canada.
- (2) Where a party is responsible for the implementation of a shared-cost project under this Agreement, it shall indemnify and save harmless the other party, its officers, servants and agents, against all claims and demands of third parties in any way arising out of the implementation of such project, except as such claims or demands relate to the act or negligence of any officer, employee or agent of the other party.
- (3) Contributions by Canada under this Agreement to any jointly financed equipment or facility do not vest in Canada any proprietary interest in such equipment or facility, which shall be and remain the property of the Province.
- (4) This Agreement, including Schedules "A", "B" and "C", constitutes the entire Agreement between the parties with respect to the subject matter hereof and supersedes all previous negotiations and documents relating thereto.
- (5) No member of the House of Commons of Canada or the Legislative Assembly of Saskatchewan shall be admitted to any share or part of any contract, agreement, or commission made pursuant to this Agreement, or to any benefit to arise therefrom.
- (6) Nothing in this Agreement shall be construed so as to limit, vary or amend the authority of any Minister of the Crown in right of Canada.
- (7) Any notice or communication to be sent by the Provincial Ministers or by any representative of the Province may, for the purposes of this Agreement, be sent to the Federal Minister of Regional Economic Expansion or anyone appointed by him in writing.
- (8) Any notice or communication to be sent by Canada or by any representative of Canada may, for the purposes of this Agreement, be sent to the Provincial Minister of the Environment or anyone appointed by him in writing.

IN WITNESS WHEREOF this Agreement has been executed on behalf of Canada by the Minister of Indian Affairs and Northern Development, the Minister of the Environment, the Minister of Industry, Trade and Commerce, and the Minister of Regional Economic Expansion, and on behalf of the Province by the Minister of the Environment, the Minister of Industry and Commerce, and the Minister of Tourism and Renewable Resources.

GOVERNMENT OF CANADA

In the presence of:

Witness

Minister of
Indian Affairs and
Northern Development

Witness

Minister of the Environment

Witness

Minister of
Industry, Trade and Commerce

Witness

Minister of
Regional Economic Expansion

GOVERNMENT OF THE PROVINCE OF SASKATCHEWAN

In the presence of:

Witness

Minister of the Environment

Witness

Minister of
Industry and Commerce

Witness

Minister of
Tourism and Renewable Resources

CANADA-SASKATCHEWAN
SUBSIDIARY AGREEMENT
ON THE QU'APPELLE VALLEY

SCHEDULE "A"

A. INTRODUCTION

Development opportunities related to recreation and tourism in the Qu'Appelle Valley are identified in Schedule "A" of the General Development Agreement between Canada and the Province. The relevant part of the Schedule reads as follows:

"In line with the objectives of increasing aggregate economic growth, diversification and job creation, significant opportunities exist in recreation and tourism. These would improve leisure time facilities available to Saskatchewan residents, extend the length of stay in the province of through-traffic and provide a limited number of major destination points to draw tourists to the province.

The Qu'Appelle Valley is a major attraction for Saskatchewan residents and potentially for Trans-Canada traffic. Unless the water quality in the lakes is improved and recreational development planned in the area, not only will it be impossible to develop a major tourist industry there, but it will deprive residents of southern Saskatchewan of a major recreation resource. Consideration will be given in conjunction with the federal Departments of the Environment, Indian and Northern Affairs, and Industry, Trade and Commerce, and the Provinces of Saskatchewan and Manitoba to developing the Qu'Appelle Valley as a major recreation area. So that through-traffic will be attracted to stay in the province longer, consideration will be given to establishing or upgrading several cultural and historic sites along the routes and at major destination points."

The items contained within this Schedule "A", as agreed to between Canada and the Province, make up a program to develop the recreational and tourism potential of the Qu'Appelle Valley.

B. BACKGROUND

The Qu'Appelle Basin extends from the headwaters of the Qu'Appelle River, near Lake Diefenbaker, to its confluence with the Assiniboine in Manitoba; a distance of 250 miles. The Basin encompasses an area of some 20 000 square miles. The outstanding physical characteristic of the Basin is the flat, to gently undulating and generally treeless plain. The Qu'Appelle River Valley, incised 100 to 300 feet into this plain, traverses the entire length of the Basin, and has a total area of approximately 560 square miles.

The Qu'Appelle River has numerous minor tributaries and 10 major ones, including the Moose Jaw River and Wascana Creek. It flows through seven major lakes which are regulated by means of control structures. Last Mountain Lake, the largest in the Basin, is connected to the Qu'Appelle River by Last Mountain Creek.

The population of the Basin in 1971 was approximately 280 000. Within the Valley communities, the major sources of income are agriculture and recreation and tourism. The largest centre in the Valley is Fort Qu'Appelle, with a population of just over 1 500. Fort Qu'Appelle is located almost in the centre, and, being an important local service and shopping centre, provides a focal point for activities surrounding the Fishing Lakes (Pasqua, Echo, Mission and Katepwa Lakes).

The Qu'Appelle Valley contains eight Indian Reserves, with a combined population of about 5 000. Much of the recent recreation and tourism development initiative has come from the Reserve Indians, acting individually and through native groups. For example, the four Indian Reserves around Crooked and Round Lakes formed a Corporation for the development of Last Oak Park, a year-round recreation area.

There are four major water-based recreational areas in the Qu'Appelle Basin: Buffalo Pound Lake, Last Mountain Lake, the Fishing Lakes, and Crooked and Round Lakes. About 45 per cent of the recreation land at the lakes is in the Last Mountain Lake area. The Fishing Lakes and Buffalo Pound Lake each account for about one-quarter of the recreation land, with the remainder in the Crooked and Round Lakes area. Of the total, approximately 45 per cent is used for cottage subdivisions and resort villages.

There are about 5 500 cottages at the lakes, an increase of 100 per cent over the past 15 years. The majority of these are owned by urban dwellers, particularly from Regina and Moose Jaw. Residents of Regina own 80 per cent of the 2 650 cottages at Last Mountain Lake, and 70 per cent of the 1 660 cottages at the Fishing Lakes. At Buffalo Pound Lake, 85 per cent of the 600 cottages are owned by people from Moose Jaw.

It is estimated that there were 754 300 visitor days spent in three provincial parks in the Valley for summer recreation in 1973, with about 80 per cent of the visitor days coming from the Qu'Appelle Basin.

Winter recreation has been growing in the Qu'Appelle Basin, principally in the areas of Last Oak Park, Fort Qu'Appelle, Buffalo Pound and Regina Beach. These areas provide skiing, both downhill and cross-country, snowmobiling and ice fishing.

As well as providing the major recreational resource for a large proportion of the Saskatchewan population, the Qu'Appelle Valley has some potential for medium to high density tourist use.

Recreational and tourism development of the Valley has been piecemeal and uncoordinated. The result is an imbalance between attractions, facilities and services, great seasonality of use; alternatively overloading and underutilizing of accommodation, and deterioration of the resource. Of particular note are the historic resources of the Qu'Appelle Valley which are the scene of some of the most significant events of the early Canadian West. These resources are at the same time underused and in danger of being destroyed.

A perennial hindrance to development in the Valley, and a continuing problem in other parts of the Basin, is the spring flooding which follows winters of exceptional snowfall (such as the 1973-74 winter). This flooding damages homes, cottages and facilities, in Moose Jaw, Regina, Lumsden and on down the Valley, and causes significant financial and other hardships to farmers in the Valley.

A further problem is the quality of water of the Qu'Appelle River and Lakes. The effluent from the sewage facilities for Regina and Moose Jaw discharges through tributaries into the Qu'Appelle River, which increases the nutrient content of the water. Other pollutants from fertilizers, livestock production and recreational facilities also affect water quality.

These problems of flooding and water quality must be dealt with through better environmental controls and land and water use management, to allow further development of the tourism and recreational potential of the Qu'Appelle Valley.

Under the Qu'Appelle Basin Study Agreement of August, 1970, the Qu'Appelle Basin Study Board, comprised of representatives of the Governments of Canada, Saskatchewan and Manitoba, prepared a Framework Plan designed to guide the management of the water and related land resources of the Basin. To give effect to the Framework Plan, the Board made recommendations with respect to water quality, water supply, land and water use and adjustment to the flood hazard.

Although no federal-provincial implementation agreement has been signed to carry out the recommendations, an Interim Implementation Board for the Qu'Appelle, with representatives from Canada and the Province, has been authorized by federal and provincial Ministers to coordinate development planning and implementation for the Qu'Appelle Valley.

Canada and the Province have now developed an integrated package of programs to be implemented over a ten-year period to solve the urgent environmental problems, establish effective management practices and develop the recreation and tourism potential of the Qu'Appelle Valley. Other problems beyond the scope of this Work are capable of solution through the application of on-going federal and provincial programs and initiatives.

C. OBJECTIVES

The objectives of the Work are:

- (a) to ensure the long-term productivity of the Qu'Appelle Valley's recreation and tourism resource base, including the natural environment, historic resources, cultural heritage and hospitality industry;
- (b) to increase the benefits from utilization of this resource base in terms of:
 - improved incomes and greater diversity of employment opportunities for residents of the Qu'Appelle Valley, and
 - increased recreational opportunities for residents of nearby urban centres, particularly Regina and Moose Jaw, thereby influencing individual locational decisions of employers and members of the labour force in favour of these centres; and
- (c) to improve the management of the land and water resources of the Qu'Appelle Valley to meet existing and future uses of these resources.

D. STRATEGY

The underlying strategy to the development of the recreation and tourism industry in the Qu'Appelle Valley is based on developing the natural and man-made attractions and services and facilities for both the resident and non-resident market. The majority of users will come from the nearby urban areas, notably Regina, Moose Jaw, Melville and Yorkton, while non-residents will be drawn from the Trans-Canada Highway. Towards this end, it is intended that there be development of selected destination points that have good potential for year-round usage.

The potential role of the Indian Reserve lands for tourism and recreation development should be recognized. The Indian Bands will be invited to plan development on their lands within the overall program, and may receive assistance either through projects under Programs 2.4 and 2.5 of this Agreement or through complementary programs such as

Special ARDA, or the programs of the Federal Department of Indian Affairs and Northern Development, to take advantage of the opportunities related to tourism and recreation development. The development of the Last Oak Park area on the Indian Reserves near Broadview under the ARDA program is an example of an activity complementary to the Work called for in this Agreement.

Following detailed planning, initial emphasis for development will be aimed at maximizing the benefits from the existing local recreation demand of the nearby urban populations, through extending the prime summer recreation season and establishing more winter attractions. This would also encompass greater utilization of existing facilities, and improvement of facilities and services.

Subsequent development would be aimed at creating additional demand, particularly non-resident, through development of additional attractions, facilities and services. Facilities would be put in places when they are needed, avoiding, as far as possible, both losses through under-utilization and frustrated demand.

An important element of the strategy is the establishment of an integrated system relating attractions and facilities development and improved access to and within the Valley.

It is important, also, to ensure that development of tourism and recreational uses of the Valley are not incompatible with viable agricultural operations.

Achievement of the objectives requires a strategy that places considerable initial emphasis on all aspects of the environmental factors, including environmental enhancement and protection, comprehensive land and water use management, flood control and improved conveyance capacity of the system.

E. WORK

The Work shall comprise the following sectors:

1. ENVIRONMENTAL IMPROVEMENT AND MANAGEMENT SECTOR:

The purpose of this Sector is to improve the quality of the environment of the Qu'Appelle Valley, particularly its water resources, and to establish effective environmental management to preserve the natural resources. The aim is to provide for continuation of existing activity in the area, as well as to ensure a base for future tourism and recreational development.

This Sector is composed of the following Programs:

1.1 Management of Land and Water Resources Program

Concomitant to the investment of public and private moneys in recreation and tourism development is the need for environmental management measures including water quality improvement, channel conveyance and adjustment to the flood hazard.

Essential to the future protection of the environment and natural resources, and, hence the recreation and tourism industry, is proper management of the land and water resources in the Valley. To this end, land and water zoning controls will be developed and implemented to protect and improve the resources both in the present and for the future. Failure to zone sensitive areas may result in serious deterioration of recreation and tourism resources, resulting in an inadequate resource base for the industry in the future. Proper management of the Valley's resources will be aided by preliminary research studies, continuous monitoring and modern management techniques.

In order to control better the supply of water in the Qu'Appelle River system, the conveyance capacity of the system will be improved. These improvements in the channel conveyance capacity will allow for the improved control of water flow. As well, stabilization of the flow of water in the system will reduce flooding and will further recreation usage, fish spawning, and protection of facilities close to the water.

To reduce the huge losses incurred through flooding, and to ensure that potential investment in the Valley is directed away from the flood plain, a major flood management program is required. This will involve land use planning, flood hazard mapping and other non-structural alternatives from flooding. Dykes and flood control works will be constructed to protect existing developed areas around Regina, Moose Jaw, Lumsden and Tantalton.

The activities related to conveyance and flooding will provide additional protection to the important agricultural sector of the Qu'Appelle Valley's economy, as well as permit greater tourism and recreation development.

Estimated costs for this Program are \$14 000 000 in 1974 dollar values.

1.2 Municipal Waste Treatment Program

The major source of nutrient to the Qu'Appelle River is from the sewage treatment facilities at Regina and Moose Jaw. Other lesser sources include CFB Moose Jaw and a number of smaller urban centres in the Basin. The Department of National Defence is undertaking a project separate from this Agreement to direct waste from CFB Moose Jaw into the Moose Jaw municipal system.

Assistance will be provided under this Agreement for improved sewage treatment facilities in Regina, an effluent irrigation system in Moose Jaw, and chemical treatment in smaller urban centres in the Valley.

Total estimated costs for this Program are \$12 600 000, in 1974 dollar values, of which two-thirds are eligible for CMHC loan financing. The remaining \$4 200 000 are eligible for cost-sharing under this Agreement.

1.3 Flood Prone Land Purchase Program

This Program is aimed at purchasing that portion of those lands subject to serious flooding, which are currently being used for agricultural purposes. After purchase, lands may be leased to a farm operator, provided he has a viable operating unit without the use of such lands, with the first option for lease being given to the former owner. Any lease would contain a provision indemnifying government from any responsibility for flood damage, however caused.

Estimated costs for this Program are \$4 000 000.

2. TOURISM AND RECREATION DEVELOPMENT SECTOR:

The major social and economic benefits of environmental management in the Qu'Appelle Valley will be achieved through development of the area as a major recreation base for nearby urban residents and for tourists alike. Pursuit of such development requires the coordinated application of an integrated package of federal, provincial and joint activities aimed at ensuring that basic services are in place, resources (attractions) are developed and preserved, and that private sector investment occurs.

The types of Programs required can only be stated in broad conceptual terms. Details of the specific works and activities, and of their costs over the ten-year period of the Agreement, are not known. The following Programs describe the outline of the Tourism and Recreation Development Sector, and costs for

preliminary activity in each are set out. When the framework plan for development called for under the Planning Program is prepared, the Board, under the authority of section 8 (2) of this Agreement, will be able to recommend to the parties appropriate amendments to the Program descriptions and financial limitations for this Sector based on sound planning.

2.1 Planning Program

While considerable work has been done to identify opportunities and requirements for tourism and recreation development in the Qu'Appelle Valley, there is still a need to produce an integrated plan which includes the identification of specific activities for future years and produces a basis for the orderly timing of the development. This planning phase is a prerequisite to activity beyond preliminary work in the other Programs of this Sector.

Estimated costs for this Program are \$1 000 000.

2.2 Historic/Recreational Corridor Program

This Program is intended to provide for a scenic parkway route which focuses on the historical, recreational, cultural and scenic resources of much of the Qu'Appelle Valley. The route itself would be the connecting spine to the resources within the corridor. Included in this Program would be access to key points along the route, as well as the development of important historic, natural, or cultural attractions. The existence of such a corridor is important in attracting the Trans-Canada traveller from out of the province. It will provide much of the integrating framework for the other Programs and activities.

Full implementation of this concept will be dependent on the results of the planning work to be done under the Planning Program. When the detailed planning is completed, the Board can recommend to the parties that the appropriate amendments to this description and financial limits be made, as provided for in section 8 (2) of this Agreement.

Estimated costs for this Program for preliminary improvements to the road access and some historic resource development are \$2 000 000.

2.3 Tourism Facilities Development Program

Public investment is required as a catalyst in the development of destination points and attractions if these areas are to be successful in attracting both resident and non-resident tourism markets during all seasons. To this end,

a planned approach must be implemented over the coming decade, involving the orderly development of new or improved tourism facilities or attractions.

Estimated costs for this Program are \$1 000 000 for preliminary developments.

2.4 Commercial Development Loans Program

Due to the seasonality and high risk nature of the recreation and tourism industry, ordinary sources of reasonable cost funding are scarce. In attempting to provide good commercial facilities in the Qu'Appelle Valley region, and in particular around the major destination points, it is essential that funding be made available to the commercial sector. Accordingly, loan financing will be made available through the Saskatchewan Economic Development Corporation ("SEDCO") for commercial developments which receive recommendation from the Directorate and which meet the normal criteria of SEDCO.

An initial amount of \$2 000 000 in loan funds will be available for this purpose. Projects eligible for loans under this Program may also receive incentives under the Commercial Development Incentives Program or Special ARDA.

2.5 Commercial Development Incentives Program

Incentive grants will also be necessary to ensure that commercial operators expand, modernize or locate in the area in keeping with the planned development. This Program will be coordinated with the assistance available under Special ARDA for similar types of development, involving employment of native people with provisions of the Last Oak Park Agreement under ARDA, and with the Commercial Development Loans Program.

This Program will be administered by the Federal Department of Regional Economic Expansion ("DREE") in accordance with the regulations and procedures normally applied under the Regional Development Incentives Act.

The statutory maximums for incentive grant offers, conditions of offers, inspection and payment requirements of RDIA will all apply.

Applications will be screened initially by the Directorate to determine whether they fit within the guidelines established by the Board. Those applications which are within the guidelines will be evaluated by DREE Incentives staff,

with advice from other federal and provincial agencies as required. Positive recommendations will be forwarded to the Director for approval. Incentive grant offers will be signed by the federal Co-chairman of the Board.

Payment of these incentives will be made directly to the successful applicant by Canada, which will bear 100 per cent of the costs of this Program.

Of equal importance to financial assistance is management assistance and management skill development, particularly in the recreational services industry. This will be provided through existing programs of relevant Saskatchewan Departments.

Estimated costs of this Program are \$1 000 000 for initial development. Related private investment should be between \$3 000 000 and \$4 000 000.

2.6 Alternate Land Use Program

The purpose of this Program is to acquire lands which have been identified as having a high potential for public uses such as public parks, wildlife areas, natural areas and fish spawning areas. Consequently, the Province will purchase such lands under this Program; development of the lands will occur under other Programs previously described.

Estimated costs for this Program are \$3 500 000.

2.7 Community Development Assistance Program

Infrastructure assistance may be required in major destination areas to allow for expansion of tourism facilities and attractions and commercial plant development. Communities may also require assistance to maximize their respective roles and opportunities in the expanded tourism and recreation market.

Estimated costs for this Program for preliminary development are \$1 000 000.

3. IMPLEMENTATION SECTOR:

There is one Program under this Sector.

3.1 Implementation Program

To ensure the coordinated implementation of activities under this Agreement, a Qu'Appelle Valley Implementation Agency will be established under a Director of Implementation.

This Program will also provide funds for expenses associated with the Advisory Council, such as travel and honoraria for members.

As well, the costs of developing and maintaining an information system as required under section 10 (3) will be paid under this Program.

Estimated costs for this Program are \$2 000 000.

The estimates of the costs associated with the various Sectors and Programs that make up the Work are outlined in Schedule "B", together with the cost-sharing arrangements for each Program.

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SCHEDULE "B"

<u>SECTOR</u>	<u>PROGRAM</u>	<u>FEDERAL/PROVINCIAL COST-SHARING RATIO</u>	<u>\$DOO ESTIMATED TOTAL COST</u>	<u>\$DOO MAXIMUM FEDERAL CONTRIBUTION</u>
1. Environmental Improvement and Management	1.1 Management of Land and Water Resources	50/50	14 000	7 000
	1.2 Municipal Waste Treatment	55/45 (2)	12 600 (1)	2 310 (2)
	1.3 Flood Prone Land Purchase	50/50	4 000	2 000
2. Tourism and Recreation Development	2.1 Planning	60/40	1 000	600
	2.2 Historic/Recreational Corridor	60/40	2 000	1 200
	2.3 Tourism Facilities Development	60/40	1 000	600
	2.4 Commercial Development Loans	0/100	2 000 (3)	NIL
	2.5 Commercial Development Incentives	100/0	1 000	1 000
	2.6 Alternate Land Use	50/50	3 500	1 750
	2.7 Community Development Assistance	50/50	1 000	500
3. Implementation	3.1 Implementation	50/50	2 000	1 000

(1) Two-thirds (\$8 400 000) of the total cost of this Program is eligible for CMHC loan financing; only the remaining one-third (\$4 200 000) is eligible for cost-sharing under this Agreement.

(2) Applies to portion of costs not eligible for CMHC loans.

(3) Loan financing by SEDCO.

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SCHEDULE "C"

	STRUCTURE	LOCATION	FUNCTION
1.	Valeport Dyke 3 control structures	N½, 2B & SE31-20-21, W2, Southeast end Last Mountain Lake	Flow and water level control and irriga- tion capacity
2.	Valeport Canal and 3 timber bridges (farm crossings)	N½, 14-20-21, W2 Qu'Appelle River to Long Lake Creek	Channel capacity improvement
3.	Craven Dam	SW, 24-20-21, W2 Qu'Appelle River below Last Mountain Lake	Flow and water level control, irrigation
4.	Craven Cutoff Canal 1 timber bridge	Below Craven Dam SW, 24-20-21, W2	Channel improvement
5.	Echo Lake Dam and Dyke	Fort Qu'Appelle NW, 7-21-13, W2	Flow and water level control
6.	Katepwa Weir	East End Katepwa Lake NW, 27-19-12, W2	Water level control
7.	Crooked Lake Dam	Outlet of Crooked Lake S½, 8-19A-5, W2	Flow and water level control
8.	Round Lake Dam	Outlet of Round Lake NE, 14-18-3, W2	Flow and water level control

