Agenda - Executive Policy Committee - November 17, 2004

Report - Standing Policy Committee on Public Works - November 9, 2004

Item No. 2 Shoal Lake Watershed Management Plan
File WW-3.1

STANDING COMMITTEE RECOMMENDATION:

On November 9, 2004, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submits the following to Council:

1. That the City of Winnipeg formally endorse the Shoal Lake Watershed Management Plan in principle and in so doing, the City will pursue a formal Memorandum of Understanding with all of the parties associated with the plan.

2. That in the implementation process for the Shoal Lake Watershed Management Plan, any recommendations in the Plan that may have policy and/or budget implications for the City of Winnipeg, be submitted to Council for approval.

3. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Agenda - Executive Policy Committee - November 17, 2004

Report - Standing Policy Committee on Public Works - November 9, 2004

DECISION MAKING HISTORY:

STANDING COMMITTEE RECOMMENDATION:

On November 9, 2004, the Standing Policy Committee on Public Works concurred in the administrative recommendation and submitted the matter to the Executive Policy Committee and Council.

RE: SHOAL LAKE WATERSHED MANAGEMENT PLAN

FOR SUBMISSION TO: STANDING POLICY COMMITTEE ON PUBLIC WORKS

ORIGINAL REPORT SIGNED BY: Director of Water and Waste Department

REPORT DATE: October 1, 2004

RECOMMENDATION(S):

That the City of Winnipeg formally endorse the Shoal Lake Watershed Management Plan.

REPORT SUMMARY

KEY ISSUES:

The Shoal Lake Watershed Management Plan will be an important element in the City's multi-barrier program for ensuring drinking water quality. In endorsing the Plan, the City would approve its recommendations in principle, and agree to pursue a formal Memorandum of Understanding. Through the Memorandum of Understanding, an Implementation Coordination Team would be created to establish priorities for phased implementation of recommendations. Recommendations with policy or budget implications will be submitted for consideration by separate report. As such, there are no financial implications associated with this report.

IMPLICATIONS OF THE RECOMMENDATION(S):

General Implications

x	None
	For the organization overall and/or for other departments
	For the community and/or organizations external to the City of Winnipeg
	Involves a multi-year contract
	Comment(s):

Policy Implications

x	No
	Yes – Comment(s):

Environmental Implications

x	None
	Yes – Comment(s):

Human Resources Implications

x	No

[ ] Yes – Comment(s):

Financial Implications

[x] Within approved current and/or capital budget
[ ] Current and/or capital budget adjustment required
Comment(s):

REPORT

REASON FOR THE REPORT:

Council authority is required to endorse the Shoal Lake Watershed Management Plan.

HISTORY:

In 1989 Shoal Lake #40 First Nation, Manitoba, and Winnipeg signed the Tripartite Agreement providing financial and other incentives to the community in exchange for development controls on Shoal Lake #40 lands adjacent to Indian Bay and Snowshoe Bay on Shoal Lake.

In 1994 Ontario and the five Shoal Lake area First Nations signed the Shoal Lake Watershed Management Agreement to provide greater involvement of the First Nations in making decisions concerning the use and management of watershed resources. The agreement called for the development of a watershed management plan, which provided for the involvement of Manitoba, including the City of Winnipeg.

In 2002 the Shoal Lake Watershed Working Group submitted the Shoal Lake Watershed Management Plan to the Governments of Canada, Manitoba, Ontario, Winnipeg and the participating First Nations.

DISCUSSION:

In 1913, an Ontario Order in Council conferred the right of the Greater Winnipeg Water District to withdraw water from Shoal Lake for use as a municipal water supply. Authorization for the City of Winnipeg to withdraw water from Shoal Lake was also provided by the Government of Canada in 1913 and by the International Joint Commission in 1914. Shoal Lake was chosen as the source of Winnipeg's water supply because of its high water quality and because of its relative remoteness from human development. Shoal Lake straddles the Manitoba and Ontario border, and the watershed, including lakes and streams, is approximately 960 square kilometres in area.

Historically, issues regarding the Shoal Lake watershed have arisen between the governments concerning the need to protect water quality and the desire for economic development for the region and its communities. The need for a watershed management plan became evident due to the diverse and competing interests in the watershed. Many of the interests revolve around water

and water-related resources and uses. These include resident and non-resident First Nations communities, cottage and recreational users, mining, forestry, hydroelectricity, and the governments of Canada, Ontario, Manitoba and Winnipeg.

The Shoal Lake Watershed Management Plan was developed through a collaborative process of the Shoal Lake Watershed Working Group including representatives from the governments of Canada, Ontario, Manitoba and Winnipeg, Iskatewizaagegan First Nation #39, and Shoal Lake First Nation #40.

The following vision and management principles are excerpted from the Plan:

Watershed Vision and Management Principles

VISION FOR THE SHOAL LAKE WATERSHED

The Vision for the Shoal Lake watershed is one of a healthy ecosystem with excellent water quality, and healthy communities with strong and sustainable economies that respect the cultural and traditional values of the communities served.

GENERAL PRINCIPLES FOR MANAGEMENT OF THE SHOAL LAKE WATERSHED

- *Development decisions are consistent with maintaining the integrity of the watershed ecosystem.*
- *Development decisions seek to balance the distribution of socio-economic benefits.*
- *First Nations and the people of Ontario and Manitoba continue to benefit from the quality and adequacy of water resources.*
- *In accordance with section 35 of the Constitution Act, 1982, existing treaty and Aboriginal rights of the First Nations peoples within the Shoal Lake watershed are respected.*
- *Development and use of renewable resources is sustainable.*
- *Renewable and non-renewable resource development use best management practices (BMPs) and are ecologically and environmentally responsible.*
- *All jurisdictions involved in developing and implementing the Shoal Lake Watershed Management Plan share in the responsibility for protecting the ecosystem and for contributing to careful planning.*
- *All stakeholders proactively share information and knowledge. They act cooperatively and seek to communicate openly and clearly.*

- *Traditional First Nations knowledge and other local knowledge are used in the development and implementation of the Plan.*

- *The Shoal Lake Watershed Management Plan is viewed not only as a product, but also as part of an ongoing process. As new information is obtained, the Plan is revisited and, where necessary, is refined.*

A hard copy of the Shoal Lake Watershed Management Plan is on file with the City Clerks Department. Alternatively, the Plan can be viewed at the following website:

http://www.winnipeg.ca/waterandwaste/pdfs/water/shoal-lake-watershed-mgmt.pdf

The Shoal Lake Watershed Management Plan is intended to guide the design and delivery of government programs and services for the promotion of the sustainable development of the watershed lands and resources and for the protection of the watershed environment.

Many governmental organizations have jurisdiction within the Shoal Lake Watershed and accordingly have legislative requirements within their individual processes. The Plan does not replace or duplicate the requirements of each respective jurisdiction, but rather strives to integrate separate processes and provide opportunities for collaboration and partnering. It contains a total of 58 recommendations regarding protection of water quality, sustainability of water use (water conservation), ecological and community sustainability, watershed management practices, and implementation. At this time, budget and resource implications associated with the recommendations have not been identified. Several of the recommendations have the potential for financial implications to the City of Winnipeg.

Regarding implementation, the Plan recommended:

- Formal endorsement of the Plan by the partner governments
- Development of a Memorandum of Understanding among the partner governments
- Formation of an Implementation Coordination Team

The Manitoba Provincial Cabinet has endorsed the Shoal Lake Watershed Management Plan in principle subject to formal endorsement by the City of Winnipeg.

The Province of Ontario has endorsed the Shoal Lake Watershed Management Plan through an Assistant Deputy Ministers (ADM) Committee, consisting of the Assistant Deputy Ministers for the ministries of Natural Resources, Northern Development and Mines, Native Affairs Secretariat, and Environment.

A teleconference meeting of the Shoal Lake Watershed Working Group was held in September of 2004 to discuss the status of each partner government's endorsement of the plan as well as the next steps in implementing the plan. A meeting of the Shoal Lake Watershed Working Group has been tentatively scheduled for the end of November of 2004 to continue this work. The City's representatives will participate in the November meeting and will pursue the development of the

Memorandum of Understanding and the implementation of the Shoal Lake Watershed Management Plan through the Shoal Lake Watershed Working Group.

It is recommended that the City of Winnipeg endorse the Shoal Lake Watershed Management Plan. In endorsing the Plan, the City would approve its recommendations in principle, and agree to pursue a formal Memorandum of Understanding. Through the Memorandum of Understanding, an Implementation Coordination Team would be created to establish priorities for phased implementation of recommendations. Recommendations with policy or budget implications will be submitted to the appropriate authority for consideration by separate report. As such, there are no financial implications associated with this report.

ANCILLARY ISSUES:

On July 6, 2004 Halo Resources Ltd. announced the signing of a Heads of Agreement over the Duport Property with the Sheridan Platinum Group Ltd. allowing Halo to acquire 100% interest in the Duport Property.

In response to this announcement the Water and Waste Department wrote a letter to the Ontario Ministry of Northern Development and Mines seeking clarification on the notification process and the opportunities for the City of Winnipeg to participate in any permitting / approvals process.

In response to the Department's letter, a reply was received from Ontario Ministry of Northern Development and Mines discussing the above questions. The letter from Ontario Ministry of Northern Development and Mines is attached for information in Appendix A.

Financial Impact Statement **Date:** September 22, 2004

Project Name: Endorsement of Shoal Lake Watershed Management Plan

COMMENTS:

There is no financial impact associated with the recommendation.

Moira L. Geer C.A.
Manager of Finance & Administration

IN PREPARING THIS REPORT THERE WAS CONSULTATION WITH AND CONCURRENCE BY:

N/A

THIS REPORT SUBMITTED BY:

Department: Water and Waste Department
Division: Water Services Division
Prepared by: A. Weremy, P. Eng.
File No.: 012-18-18-35-00

APPENDIX A

2004-09-10

Ms. Diane Sacher
Manager of Water Services, City of Winnipeg
552 Plinquet Street
Winnipeg, Manitoba
R2J 0G1

Dear Ms. Sacher,

In reply to your letter of August 17, 2004, I can inform you that the notification process for potential developments in the Shoal Lake watershed, as detailed in the "Interim Notification and Referral Protocol" remains in place. Although the protocol is not binding on the parties as would be legislation or regulation, this office will continue to abide by it. In addition to the Shoal Lake process, your office can use Ontario's Environmental Registry to assist your due diligence efforts with regard to development activities in the Shoal Lake area. Ontario's *Environmental Bill of Rights* requires that most of the permits issued by its ministries be posted to the registry to ensure notification of the public about undertakings that have the potential to affect the environment. Examples of postings to the Registry that would be of interest to you include the receipt of Closure Plans by MNDM and of applications for Land-use Permits by MNR; postings may vary in length but are not less than 30 days. The registry is available at the following address: http://www.ene.gov.on.ca/envision/env_reg/ebr/english/index.htm.

The permitting and approvals process for mineral development projects in Ontario is presented in reasonable detail in Appendix F of the Shoal Lake Watershed Management Plan, of which I believe you have a copy. There have been some minor changes to the information presented there but I can confirm the process remains as described. The regulation of mine development in Ontario is summarized on our web site at http://www.mndm.gov.on.ca/mndm/mines/mg/advex/permits_e.asp. I will also confirm that completion of permitting requirements under the *Mining Act*, does not exempt mineral explorers or developers from their obligations under any other provincial or federal environmental regulation applicable to their activities.

Examples of changes to the information presented in Appendix F include: consolidation of the provincial *Energy Act* and *Gasoline Handling Act* into the *Technical Standards and Safety Act*; and the transfer of administrative responsibility for the federal *Navigable Waters Protection Act* to Transport Canada from the Coast Guard.

Given the complexity and, in this case, the sensitivity of this issue, I would be pleased to meet with you, appropriate staff from the City of Winnipeg and, perhaps, members of city council, to discuss the issues and processes of mineral development in the Shoal Lake watershed. If you are interested, I would hope to be able to meet in conjunction with the Manitoba Mines and Minerals Convention in Winnipeg, November 16 – 18, 2004. If this is not convenient, I would be pleased to consider some time more suitable.

Yours truly,

ORIGINAL SENT 2004-09-13

Michael Grant
Mineral Development Co-ordinator
Mineral Development and Lands Branch
mike.grant@ndm.gov.on.ca

cc: Dick Cowan, Director MDLB, MNDM