

B.C. Water Leaders Submission to the BC Budget 2020 Consultation

June 26th, 2019

Attn: Select Standing Committee on Finance and Government Services

As the Committee has heard many times during the Budget 2020 hearings, watersheds in British Columbia are facing increasing pressures and are being negatively impacted from development, poor water and land management, overallocation, and climate change. Many regions of the province are already in severe drought that is undermining watershed health and proper ecological functioning. Communities are grappling with precarious water supplies, disruptions to economic production, and critical impacts to fish, wildlife, and riparian areas. This follows multiple years of water crises in all corners of the province: from 2018's historic flooding, fires, and droughts; to drinking water problems in the Hullcar Valley, Peachland, and beyond; to large-scale disasters like the Mt. Polley mine tailings spill.

Threats to British Columbians' home watersheds are unprecedented, have real economic implications, and will affect communities and local quality of life. In response, First Nations local governments, communities, stewardship groups and other partners (including the Province) are increasingly leading innovative watershed planning and governance initiatives. But more is needed: Provincial action is urgently required to help build community and economic resilience in the face of climate change and its increasingly severe impacts on fresh water. B.C. has an immediate opportunity with Budget 2020 to demonstrate leadership in watershed management and stewardship by establishing a ***BC Water Sustainability Fund***. This Fund would support partnerships with First Nations, local governments and watershed-based organizations to carry out long-term strategic-level watershed planning and management activities to build resilience, protect watershed health, and ensure a sustainable water future.

Our network of B.C. Water Leaders is comprised of experts, practitioners, funders, and water champions from First Nations, salmon, water, wildlife, academic, stewardship and community organizations. For over a decade, we have been collaborating and engaging with government to advance water policy, governance, and law reform in support of watershed sustainability and effective watershed governance. In 2017 and 2018, our group provided submissions to government outlining the most essential actions for freshwater protection. These submissions consistently highlight the need for government to provide adequate funding for effective water management and governance, and specifically recommend that government create a permanent Water Sustainability Fund to support initiatives that deliver water protections across B.C.

The enclosed submission reiterates the B.C. Water Leaders' ask for a Water Sustainability Fund and details the characteristics of such a fund, including precedents and options for sustainable revenue streams.

For a list of the primary groups involved in the B.C. Water Leaders network see our 2018 *Statement of Essential Elements for Freshwater Protection*:

<https://poliswaterproject.org/files/2018/12/WaterLeadersLetterAndStatement.pdf>

On behalf of the BC Water Leaders network,



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BC WATER SUSTAINABILITY FUND

1. BACKGROUND

FOUNDATIONS FOR WATER SUSTAINABILITY ARE IN PLACE

In response to growing water challenges, First Nations, local governments, and community organizations are taking leadership in protecting their local rivers, lakes and aquifers.

A new government-to-government partnership between the Province and First Nations in the Nicola Valley and innovative models such as the Cowichan Watershed Board, co-chaired by the Cowichan Valley Regional District and Cowichan Tribes, demonstrate what can be achieved when we harness the collective capacities, local expertise and unique strengths in our communities. And we are seeing a growing number of indigenous guardians and community groups monitoring their local rivers, streams and lakes and participating in efforts to restore and protect their watersheds.

At the provincial policy level, the *B.C. Water Sustainability Act* enables innovative watershed-scale partnerships, and the Province is also taking steps to modernize land-use planning in partnership with First Nations and has committed to implementing the principles of the UN Declaration on the Rights of Indigenous Peoples.

The policy tools are in place and the local leadership and readiness exists. All that is needed is some consistent funding support.

WHAT A WATER SUSTAINABILITY FUND WOULD SUPPORT

A BC Water Sustainability Fund would create an enduring legacy for the province based on healthy watersheds, reconciliation, and thriving communities and local economies. By supporting and strengthening Indigenous and local leadership and driving innovation in how we manage shared water resources, the Province can turn B.C. into a global leader in water sustainability.

A Water Sustainability Fund would support: collaborative partnerships at the watershed scale, modernized watershed-based land-use plans, community-driven restoration initiatives, and innovation that supports province-wide advancements in watershed protection.

	<i>Example/illustration</i>
Collaborative Partnerships	The Nicola Watershed Pilot - a historic partnership between the Province & Nicola First Nations to sustainably govern the watershed of the Nicola Valley
Restoration/local projects	The re-building of Stoltz Bluff was an award-winning restoration project on the Cowichan River that resulted in renewed salmon habitat
Innovation funding	For example, the development of a provincial water monitoring network that connects community monitoring, indigenous knowledge, government science, and industry data to develop decision-ready watershed assessments.

2. WATER SUSTAINABILITY FUND BENEFITS

The benefits of investing in local watershed leadership and innovation are substantial:

- **Protecting Drinking Water Supplies** - supporting local communities to ensure their drinking water sources are protected and safe is essential for human health and community well-being.
- **Safeguarding Salmon** - protecting and restoring fish habitat will help to rebuild the abundance of our rivers, lakes and streams and support healthy salmon populations essential to indigenous peoples and the identity of British Columbians.
- **Advancing Reconciliation** - Indigenous and non-Indigenous governments and communities working together to develop watershed plans and solutions presents a tremendous opportunity to build lasting relationships that align with the principles of UNDRIP and the Truth and Reconciliation Commission.
- **Resilience to the Climate Crisis** - collaborative watershed solutions build resilience to climate change, reducing the costs and conflict arising from droughts, floods and forest fires.
- **Building ‘Social Licence’** - supporting local capacity in the protection of clean and healthy waters also creates the foundations for sustainable local economies, building ‘social licence’ for sustainable resource development and at the same time generating new local jobs in monitoring, restoration, and stewardship.
- **Supporting Local Businesses** - many local business opportunities arise from healthy watersheds, including local tourism operators, sports and commercial fishing, sustainable agriculture, craft brewing, wine-making and many more.

3. WATER SUSTAINABILITY FUND DESIGN & REVENUE STREAMS

To support and leverage local leadership and capacity, the Province should create an independent Fund or Trust that can manage a sustainable, ongoing source of funding for First Nations, local governments and watershed organizations. This funding would then be leveraged with local sources of funding and volunteer time, as well as private and philanthropic dollars, to extend and amplify the reach of these funds far beyond the original investment.

An Initial Endowment

The Water Sustainability Fund could be created through an initial endowment from the Province. Various analogues exist, including the \$237 million the Province has invested in the Forest Enhancement Society. The initial endowment for the Water Sustainability Fund could be a similar magnitude and established to last in perpetuity, with expenditures matching investment returns, along with additional revenue sources (such as a portion of water rental fees - see below). On a smaller scale, another recent example is the endowment fund created June 11, 2019 by the Province of Manitoba, with an initial investment of \$52 million for the Growing Outcomes in Watersheds Program (GROW), to be managed by the Winnipeg Foundation.

Ongoing Royalty Contribution from a Surcharge on Water Rental Fees

The Water Sustainability Fund should also be supported by a dedicated portion of water rental fees, supported by a surcharge to major industrial water users. British Columbia currently charges \$2.25 per million litres for water rentals. B.C.’s rate is the lowest of all the provinces that charge a water rental or royalty. Ontario charges \$3.71 per million litres to industrial water users. Quebec charges \$70 and Nova Scotia charges \$140. An example of a similar model is the Habitat Conservation Trust Foundation, which was established through a surcharge on hunting, angling, guiding and trapping licenses.