

MEETING NOTE

DATE: September 8, 2023

PREPARED FOR: Honourable Nathan Cullen, Minister of Water, Land and Resource Stewardship

REGARDING: Meeting with Minister Wilkinson, Ministry of Energy and Natural Resources regarding mining in the Elk Valley and British Columbia's Critical Minerals Strategy

STRATEGIC CONSIDERATION AND MESSAGES:

- The Ministry of Energy, Mines and Low Carbon Innovation (EMLI) leads the Provinces' critical mineral strategy with support from the Ministry of Water, Land and Resource Stewardship (WLRS) through WLRS initiatives such as Modernized Land Use Planning.
- Strategic planning is advanced through collaboration with First Nation partners to help balance the Provinces' critical mineral and mining interests with stewardship and reconciliation goals.
- Ministers Osborne, Heyman, and Rankin met with Ktunaxa Nation leadership this past June to re-establish relationships and to offer to work collaboratively with Ktunaxa First Nations to explore pathways for continued mining in the Elk Valley.
- Continued mining in the Elk Valley must address Ktunaxa's concerns regarding existing impacts such as mining-caused water contaminants such as selenium, cumulative impacts to Bighorn Sheep, high elevation grasslands, Grizzly Bear, riparian areas, and old forests (caused by mining and forestry practices), as well as conservation of Ktunaxa cultural and ecological interests.
- WLRS is part of a whole government collaborative approach to address Ktunaxa concerns. The specific stewardship initiatives that WLRS will lead include interim protections for rare/endangered ecosystem such as high elevation grasslands, a cumulative effects management approach, and a land use planning process with the Ktunaxa First Nations for the Elk and Flathead valleys.
- The Elk and Flathead Valleys hold shared conservation and fish and wildlife interests for federal, provincial, and Ktunaxa governments. Advancement of Canada's conservation interests must be sequenced in a manner to best support the collaborative relationship British Columbia is nurturing with Ktunaxa regarding Elk Valley coal mining interests.
- British Columbia (BC) is co-developing with First Nations a Watershed Security Strategy that will improve watershed resiliency by enhancing watershed governance, developing and improving policy and legislative tools to address stream health, water quality, scarcity and its impacts, and implementing collaborative water planning to support watershed security.
- To implement the Strategy, there will be opportunities to co-development implementation plans with First Nations. Further opportunities for all sectors to lead in addressing watershed security locally and join with a range of watershed interests in initiatives like planning where new approaches to managing watersheds can be developed. Alignment with ongoing work in watersheds will be important.
- The March 2023 \$100 million (M) Provincial investment in a Watershed Security Fund is an unprecedented investment in BC's watersheds and builds on \$57M in previous provincial investments in watershed health. The Fund is being co-developed through the Real Estate Foundation of BC with First Nations. The Fund will help support implementation of the Watershed Security Strategy.
- BC, Fisheries and Oceans Canada, and the Ktunaxa are currently working within a trilateral agreement on the Columbia River Salmon Reintroduction Initiative (CRSRI), which aims to bring wild salmon and salmon culture back to the Upper Columbia River. Salmon passage was blocked over 80 years ago due to the creation of the many Columbia River dams.

FINANCIAL IMPLICATIONS:

- Southeast metallurgical coal deposits in the Elk Valley are a strategic resource held by the Province and a significant economic driver:
 - Metallurgical coal is an essential ingredient in the production of steel, making it one of the most widely used building materials on earth.
 - Canada is the world's fourth largest exporter of metallurgical coal, after Australia, the United States, and Russia.
 - Alberta and British Columbia produce approximately 80% of Canada's coal.
 - Teck Resources operates four coal mines in the Elk Valley and directly employs 3,600 local workers (Fernie, Sparwood, Elkford, and Cranbrook) and 7,200 support workers (contractors, etc.). Over the past three years, these mines have contributed approximately 85% of the Provinces' mineral taxes with an average of \$330M in annual mineral taxes.
 - The mines have an estimated annual economic impact of \$11B and contribute 13% of total provincial exports and 50% of the direct mining jobs in BC.
- Additional annual investment is needed to support sustained watershed health for BC both within government and for external parties. In March 2023, BC invested \$100M in a Watershed Security Fund that is being co-developed with First Nations. The Fund must be increased to meet the scale of water challenges facing BC. Current estimates suggest a minimum of \$1B Watershed Security Fund is required to support strategic investments in infrastructure, recovery, and watershed resilience.
- Ktunaxa and other First Nations have expectations that BC and DFO will continue to provide capacity funding for CRSRI agreement, which expires in 2025. In the past, funding has been provided by end-of-year ad hoc grants.

SUMMARY:

- The federal government's conservation interests in the Elk and Flathead Valleys include the establishment of a National Park in the Flathead Valley and the possible conversion of the federal Dominion Coal Blocks into a Ktunaxa Indigenous Protected and Conserved Area.
- It is premature to discuss the advancement of these conservation interests in the Elk and Flathead Valleys until a shared vision is developed with the Ktunaxa Nation for continued mining.
- Impacts to watersheds as a result of a changing climate are here and are growing. The leadership and effort required to ensure secure watersheds for B.C is significant. Governments need to think about climate adaptation to water on the same scale of effort as decarbonizing our economy.
- Watershed security is a benefit to all British Columbians. Resilient watersheds help mitigate crisis events (such drought, flood, and wildfire), and ensure ecosystems are healthy over the long term to support wild salmon, drinking water, food production and economic development.
- Further funding across governments – including the Federal government – and the private sector is needed to support shared watershed security goals and grow the Fund for a significant long-term annual investment in watersheds.

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REVIEWED BY:

	Initials	Date
DM	LH	October 10, 2023
A/CFO	TM	October 10, 2023
ADM	JM	October 10, 2023
ADM	DM	October 5, 2023
Program Exec. Dir	HW	October 5, 2023

