

Annual Report

2024-25

Water Security Agency

Letters of Transmittal



The Honourable
Daryl Harrison
Minister Responsible for
Water Security Agency

Office of the Lieutenant Governor of Saskatchewan

I respectfully submit the Annual Report for the Water Security Agency
for the fiscal year ending March 31, 2025.

A blue ink signature of Daryl Harrison, consisting of stylized initials.

Daryl Harrison
Minister Responsible for the Water Security Agency



Shawn Jaques
President and CEO
Water Security Agency

The Honourable Daryl Harrison
Minister Responsible for Water Security Agency

Dear Minister:

I have the honour of submitting the Annual Report of the Water
Security Agency for the fiscal year ending March 31, 2025.

A black ink signature of Shawn Jaques, written in a cursive style.

Shawn Jaques
President and CEO
Water Security Agency

Organization Overview

The Water Security Agency (WSA) is a unique organization in Canada – bringing together all of the Government of Saskatchewan’s core water management responsibilities in one place. WSA manages the province’s water supply, protects water quality, ensures safe drinking water and effective treatment of wastewater, and owns and operates over 70 dams and related water supply channels and reservoirs; the agency also helps to reduce flood and drought damage, protects aquatic habitat and provides information about water. WSA represents Saskatchewan on transboundary water issues. WSA reports to the Honourable Daryl Harrison, Minister of Agriculture and Minister responsible for the Saskatchewan Crop Insurance Corporation (SCIC) and WSA, who also serves as WSA’s Board of Directors.

Mandate

The Water Security Agency is responsible for managing the water supply, protecting water quality, ensuring safe drinking water, managing dams and water supply channels, reducing flood and drought damage, and providing information on water. The agency works to integrate all aspects of provincial water management to ensure water supplies support economic growth, quality of life and environmental well-being.

Mission

To manage water resources for a better quality of life for all Saskatchewan people.

Vision

To be the best water management agency in North America providing safe, reliable water that drives economic growth.

Service Delivery System

In 2024-25, services were provided by 324.5 full time equivalent employees located throughout the province.

Core Lines of Business

- Safe drinking water
- Protection of water resources and habitat
- Water infrastructure management
- Water related emergency response and planning
- Secure and resilient water supplies
- Agricultural water management

In addition, WSA helped facilitate development of a number of irrigation projects, adding over 23,100 new irrigable acres, supporting Saskatchewan's goal to maximize in the province and add 85,000 new irrigated acres by 2030.

Legislation Administered by the Water Security Agency

The Water Security Agency Act

The Conservation and Development Act

The Water Power Act

The Watershed Association Act

Portions of The Environmental Management Act, 2010

Portion of The Public Health Act, 1994

The Water Security Agency's 2024-25 Business Plan can be found at:

[2024-25 business plan \(wsask.ca\).](https://wsask.ca/2024-25-business-plan)

Progress on Goal 1: Saskatchewan's Water Infrastructure Drives Growth

WSA plays a central role in supporting *Saskatchewan's Growth Plan for the Next Decade of Growth* (2020-2030) through its mandate to responsibly and sustainably manage our water resources to enhance and expand economic growth, improve quality of life and enhance environmental well-being.

Strategy: *The approach we took to achieve our goal*

Ensure infrastructure meets the desired level of service.

Key Actions: *What we did to get there*

- Implement the framework to reduce infrastructure rehabilitation and maintenance deficits.
 - In spring 2025, the prioritization framework was implemented and used to refine the 2025-26 capital projects list and guide the 10-year Capital plan.
 - Prioritization outputs will improve as data gaps are addressed through the project scoping process. About 60 per cent of the water infrastructure assets have been scoped, with the remainder targeted for completion by the end of 2026-27.

Strategy: *The approach we took to achieve our goal*

Implement policies to promote using water as an economic driver.

Key Actions: *What we did to get there*

- Develop water allocation, priority of use and water usage policies.
 - WSA developed priority of use and water shortage policies in 2024-25. The policies are flexible and adaptable to ensure that local context is considered when making decisions. They provide clarity for potential investors and certainty to current water users.

Strategy: *The approach we took to achieve our goal*

Use available water to expand irrigation capacity.

Key Actions: *What we did to get there*

- Complete the preliminary design of the Westside Rehabilitation and Expansion Project.
 - The Westside Irrigation Rehabilitation Project (WIRP) expands and modernizes existing infrastructure constructed nearly 50 years ago, including the West Main Canal, Westside Pump Station and the partially completed Conquest Reservoir. After evaluating the best way to approach this project while minimizing costs and maximizing benefits, WSA chose to focus on upgrading existing infrastructure.
 - A review and analysis found that starting with a 90,000-acre project, by improving the existing infrastructure, would be the most practical approach.
 - The project was able to expand by an additional 10,000 acres, which resulted in overall cost savings, bringing the total area served by the WIRP to 100,000 acres.

- Expand new irrigation opportunities through continuous planning and development.
 - In 2024, work was conducted on 10 additional irrigation expansion projects across the province, including areas such as Lake Diefenbaker, the Saskatoon Southeast Water Supply System (SSEWSS), the Qu'Appelle South River, the Swift Current Creek Basin, the Old Wives Basin, the North Saskatchewan River, and the Quill lakes. New water supply models were developed to enhance understanding of water availability and identify regions where irrigation could be expanded.

Performance Measure Results:

Dam Safety Risk Index – a qualitative assessment of the overall condition of WSA dams and associated components.

- **2024-25 Result:** 36.9 per cent
- Measured annually, the target is for an annually decreasing ratio.
- The Dam Safety Risk Index (DSRI) annual meeting was held in January 2025; an increase to the DSRI was quantified from 31.7 per cent to 36.9 per cent. The increase is primarily a result of increased inspection efforts capturing data that was not previously tracked.
- The net change can be further broken down into the following:
 - Condition Improved: 1.5 per cent decrease due to completed repairs and rehabilitations.
 - Condition Deteriorated: 4.6 per cent increase due to the deterioration of the condition of assets or newly collected information.
 - Standardization: 2.1 per cent increase due to WSA's refinement of standards to ensure consistent assessments with no changes to the physical condition of the asset.

Water Infrastructure Service Index – a qualitative assessment of the ability of WSA water infrastructure to perform the service desired of them (such as convey or store water).

- **2024-25 Result:** 14.1 per cent
- The WISI was reviewed alongside the DSRI in January 2025. 90 per cent of WSA's asset portfolio has been thoroughly inspected; issues have been identified and evaluated on the asset's consequence and likelihood. However, there are still data gaps in the area of conveyance, which will be the focus for future data collection efforts.
- The 14.1 per cent WISI from 2024-25 will become the baseline for the next fiscal year.

Number of new irrigation acres – the number of new irrigation acres given approval to irrigate.

- **2024-25 Result:** 23,100 acres
- At the beginning of 2024, Saskatchewan had already achieved 58,268 acres of new irrigation development, representing 70 per cent of the 2030 target (85,000 acres). By the end of 2024, progress surged to over 95 per cent of the goal, positioning the province to achieve its 2030 irrigation expansion target by the end of 2025, five years ahead of schedule.

Progress on Goal 2: Clean, safe, reliable water supply that is responsive to change

Regardless of where we live or what we do, water is essential to life. We need it in our homes for drinking, cooking and bathing. We irrigate our gardens and fields. Water is essential to farmers, ranchers and many industries. Most of us spend at least some of our leisure time on water-based recreation, often along our majestic lakes and rivers. To support our growing population, economy and quality of life, as the central water agency in Saskatchewan, WSA must take strong action to ensure clean, safe and reliable water.

Strategy: *The approach we took to achieve our goal*

Support clients to be responsive to change

Key Actions: *What we did to get there*

- Identify regions at risk of drought and flooding and support clients to develop drought and flood mitigation plans.
 - WSA continues to meet with the 17 communities that were identified as at risk to drought to finalize their Drought Response Plans. In 2024-25, three community drought plans were completed for the communities of Hudson Bay, Cabri and Vanguard.
 - WSA signed a Memorandum of Understanding to advance the Canada-Saskatchewan Flood Hazard Identification and Mapping Program. In addition, WSA has implemented a LiDAR strategy.
- Develop an integrated hydrologic drought plan to support drought preparedness, response and recovery.
 - A central element of hydrological drought planning is a hydrological drought indicator, which was completed in early spring 2024 and was incorporated into the spring and summer conditions reporting and forecasting processes.
 - As part of WSA's focus to sustainably manage water, a Managing Water Shortage Policy was developed to provide a framework responding to water scarcity. Further work is underway to fully develop the processes and procedures needed to support the full implementation of the policy.

Strategy: *The approach we took to achieve our goal*

Facilitate responsible drainage within resilient watersheds.

Key Actions: *What we did to get there*

- Complete demonstration and research projects and engage with stakeholders to inform development of the Agriculture Water Stewardship Policy.
 - The Agricultural Water Stewardship Policy was launched in January 2025, following the completion of 11 demonstration and research projects, engagement with more than 80 stakeholder organizations and Indigenous communities; a series of pilot projects helped inform the policy as well.
 - WSA is committed to ongoing research and monitoring and announced a \$1 million investment in advancing agricultural water management research.
- Complete an independent review of third-party water management organizations to build capacity to support effective delivery of water management programming.
 - WSA completed a review of third-party water management organizations, including a thorough assessment of potential changes to improve capacity to support regional water management. Several improvements implemented, including changes to third-party service agreements and the qualified person program. Additional changes are being considered for implementation, including modernizing relevant legislation.
- Develop and implement agriculture water management service standards.
 - Service standards were developed and implemented for the Agriculture Water Management Program. These standards are a commitment to a measurable level of performance clients can expect under normal circumstances. Tools to measure results against performance targets are being developed to support public reporting.

Strategy: *The approach we took to achieve our goal*

Safeguard human health by ensuring clean and safe water.

Key Actions: *What we did to get there*

- Implement a result-based regulatory structure.
 - Outcome-Based Compliance will ensure desired regulatory outcomes are achieved as effectively as possible, whether the regulatory requirements are prescriptive or results based. Compliance efforts will be based on the priority of desired outcomes so that efforts are directed to where they can have the most meaningful impacts.
 - The Outcome-Based Compliance project is on schedule and is planned to be completed in two phases.
 - Phase 1, drafting the general framework and program guides, was completed in March 2025.
 - Phase 2, the final phase prior to implementation, is now underway, with stakeholder engagement beginning in May 2025.

Performance Measure Results:

Per cent of communities supplying water that meets the drinking water quality guidelines on a consistent basis – percentage of water treatment plants that meet or exceed minimum treatment standards. Minimum treatment standards help ensure clean, safe and reliable water for drinking purposes.

- **2024-25 Result:** 82.7 per cent
- This is the first year WSA is reporting on meeting drinking water quality guidelines. Having reached 99 per cent compliance with minimum treatment standards, WSA aims to set a higher standard to further improve the quality of water. Drinking water quality guidelines set limits on the levels of various contaminants and other parameters in drinking water. Previous reporting was on meeting minimum treatment standards and achieved over 99 per cent compliance. By transitioning to reporting on drinking water guidelines, WSA is committed to ensuring even better water quality. The target for this measure is 100 per cent.

Per cent of wastewater facilities meeting performance standards on a consistent basis – the number of sewage effluent discharges that represent a risk to source water is a measure and direct indication of the potential for source water contamination due to poor wastewater treatment.

- **2024-25 Result:** 75.5 per cent
- Consistently meeting performance standards helps ensure the safety and reliability of source water protection. This is the first year WSA is reporting on meeting performance standards. This change is to be consistent with drinking water measure reporting. The target for this measure is 100 per cent.

Percentage of at-risk communities that have up to date flood maps – this measures the number of communities in Saskatchewan identified as being at risk of flooding that have completed or have access to modern engineered flood maps where the benefits are commensurate with the cost.

- **2024-25 Result:** One community
- WSA has identified 58 communities that are flood prone and planned to be addressed by WSA flood mapping.
- WSA has the target of updating or completing 22 maps by 2030 at the request of communities.
- With the completion of a new map for Saskatoon in 2024–25, and maps for six communities in 2023-24, a total of seven communities now have completed maps. With the past mapping efforts, these additional maps result in maps being available for 11 communities. This represents 50 per cent progress toward the 2030 target and covers 19 per cent of the identified at-risk communities.

Progress on Goal 3: Service Excellence

Service excellence means we continually strive to meet or exceed client expectations. We take the time to listen and understand their needs and concerns and collaboratively work together to solve problems. We respond timely to all issues and have a positive attitude.

Strategy: *The approach we took to achieve our goal*

Implement an integrated client service model.

Key Actions: *What we did to get there*

- Implement a comprehensive marketing and communication strategy to promote programs and services.
 - In 2024-25, WSA implemented multiple marketing and communications plans and strategies across each core line of business to raise awareness of WSA's programs and services. WSA's marketing efforts are helping to inform the public.

Strategy: *The approach we took to achieve our goal*

Develop a Business Continuity Plan.

Key Actions: *What we did to get there*

- Develop and implement a Business Continuity Management Program.
 - WSA implemented the Business Continuity Management Program in 2024-25 through communication and education. Five critical processes were enhanced to ensure that critical programs and services remain available to our clients through disruptions.
 - WSA will continue to test and improve the Business Continuity Management Program.

Performance Measure Results:

Client Satisfaction – the percentage of clients satisfied with the service they receive from WSA.

- **2024-25 Result:** 72 per cent
- Overall, 72 per cent of clients were satisfied or very satisfied with their client experience at WSA. Positive feedback is noted when WSA staff provide expert knowledge and professionalism and can deal with questions and issues promptly and efficiently.
- Results suggest just under half (45 per cent) of clients who contact WSA achieve first contact resolution, with overall satisfaction in that group showing a 93 per cent satisfaction rate.
- This is the first year WSA is reporting on client satisfaction. The 72 per cent rating from 2024-25 will become the baseline for the next fiscal year.

2024-25 Improvement and Innovation Highlights

1	Enhancing Drought Resilience through Irrigation Water Supply Management in Saskatchewan Irrigation Expansion • Developed 23,100 new irrigated acres in 2024, bringing the total to 81,368 acres since 2020. • Around 15,000 acres resulted from smaller-scale projects led by the Irrigation Development Unit, including: ○ Expansion of the Saskatoon Southeast Water Supply System (SSEWSS). ○ Investigations for the Upper Qu’Appelle Basin. ○ Pilots for flexible water allocation allowing for irrigation expansion in areas with water scarcity. • Outcome: Expanding irrigation supports farmers in their resilience against drought, increased production potential and enabling diversification into high-value crops (e.g., potatoes, seed canola, vegetables). Water Use Monitoring • Partnered with Irrigation Saskatchewan to implement bi-weekly water use monitoring and reporting in high-risk basins including Upper Qu’Appelle, SSEWSS and Swift Current Rush Lake systems. • Monitored 9,582 irrigated acres (67 pivots). • Launched pilots for electromagnetic flow meters with remote monitoring, achieving high accuracy. • Outcome: Improved monitoring and reporting methods were validated, ensuring compliance and reducing overuse risks in stressed basins. Next Steps • Advance follow up work on Old Wives Lake, Duncairn Reservoir and Helgeson Dam to identify potential new expansion opportunities in the near future. • Finalize the SSEWSS/M1 model to guide long-term water supply planning and identify new allocations for irrigation development. • Roll out flexible allocation as an opportunity for more producers, allowing for irrigation expansion without requiring additional water resources. • External testing with producers in 2025 for an online water use reporting portal to replace paper-based systems. • Launch online water use report portal for 2026 growing season, integrate with flow meter technology and gradually phase out paper reporting method.
2	Managing Aquatic Habitat Protection through a result-based regulatory framework The Water Security Agency (WSA) offers a range of regulatory options designed to provide clients with flexibility and to expedite permit processing times. Alternatives to the standard Aquatic Habitat Protection Permit (AHPP) include Environmental Protection Plans (EPPs),

	notifications and blanket permits. EPPs allow clients to undertake specific low-risk projects through a streamlined notification process. • WSA released two new EPPs in 2024-25: Bridge Maintenance, Repair and Replacement and Irrigation Intake and Pump Station. • Alternative approval options (EPP and notification processes) resulted in a 13 per cent reduction in AHPP applications. • There was a 35.6 per cent decrease in AHPP review time over the previous fiscal year. • WSA audited 18.5 per cent of EPP sites in 2024-25. 83.3 per cent were compliant with EPP eligibility criteria and construction conditions.
3	Drainage Approval Process Improvement WSA has advanced efforts to streamline the drainage approval process and improve compliance with the regulatory program. Key progress includes: • Completed an audit of 100 files to identify roadblocks. • Developed and implemented a new policy allowing for alternative pathways to compliance, including land control exemptions for low-risk projects and an option to screen projects into compliance without completing a full approval. • Developed and implemented service standards that include a commitment to a 10-day turnaround for completed drainage applications, a 24-hour turnaround for client inquiries and quarterly check-ins on all developing projects. • Created a new Drainage Extension Unit and strategy to improve client understanding of responsible drainage practices and the approval process. • Launched a new dashboard tool that tracks all drainage projects and generates drainage applications. To date, progress has led to improved client experiences and has allowed us to shift resources from administrative tasks to higher value functions. Additional work needs to be done to streamline barriers to land control, map the process value stream and assess progress through measurement and public reporting.
4	Client Experience Improvement Project • ServiceNow, a client management system, was launched in November 2024 and finalized in March 2025. • Dashboard reporting was created allowing quick tracking of client inquiries, service standards and response times. Next steps in current configuration would be: • Build custom reporting for various division statistics and measure against service standards. • Implement scheduled reporting to divisions. Next steps in future phases: • Add modules to implement automated client survey capabilities to ensure client feedback is captured to increase client satisfaction.

5

The Water Infrastructure Service Index (WISI)

In January 2025, the process to calculate a new measure, the Water Infrastructure Service Index (WISI) was developed, tested and fully integrated into the annual WSA risk assessment process. This measure is designed to track the risk of service interruptions from water infrastructure in a standardized way. The measure requires significant data on the condition of assets that is still being collected. Once that dataset is complete, a baseline will be established, the measure will become stable and will be a key input to the prioritization of maintenance and rehabilitation projects. The following milestones were achieved developing the process:

- Finalized criteria to determine asset consequence levels.
- Finalized criteria to determine likelihood of failure to different service issues.
- 90 per cent of WSA's water infrastructure assets were assessed and service issues identified.
- Each issue evaluated for its likelihood of failure.
- An initial WISI was calculated across the portfolio (consequence x likelihood of failure) and determined to be 14.1 per cent for 2024-25 based on the partial data set.

Once fully implemented, this improvement and innovation initiative will provide:

- Consistent, reliable and defensible data to track the service risks WSA carries.
- Qualitative input to the prioritization of maintenance and rehabilitation projects.
- A more robust update to the 10-year capital plan, with a reliable service risk input.

Next Steps:

- The remaining 10 per cent of assets will be assessed and added to the WISI data set.
- The index will be analyzed and reported annually.
- The index will become a key input for prioritization and decision making for long term maintenance and rehabilitation plans.

Financial Summary

Additional financial information can be found in the Government of Saskatchewan Public Accounts located at <https://publications.saskatchewan.ca/#/categories/893>.

WATER SECURITY AGENCY

FINANCIAL STATEMENTS

MARCH 31, 2025

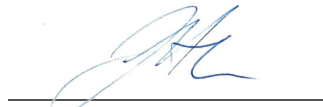
Management Report

The accompanying financial statements, notes and schedules contained in the annual financial statements of Water Security Agency are the responsibility of management. The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards (PSAS). The preparation of the financial statements necessarily includes some amounts which are based on the best estimates and judgements of management.

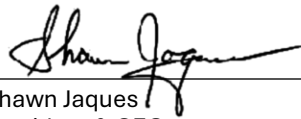
To assist in its responsibility, management maintains accounting, budget and other internal controls to provide reasonable assurance that transactions are appropriately authorized and accurately recorded, that assets are properly accounted for and safeguarded and that the financial records are reliable for the preparation of financial statements.

The Board of Directors of Water Security Agency is composed of an elected official who exercises their responsibility by overseeing management in the performance of its financial reporting responsibilities. The Board of Directors fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with external auditors.

The financial statements have been audited by the firm of MNP LLP. Their report to the Board of, stating the scope of their examination and opinion of the financial statements, follows.



Jordan Huber
Vice President, Finance



Shawn Jaques
President & CEO

To the Board of Directors of Water Security Agency:

Opinion

We have audited the financial statements of Water Security Agency (the "Organization"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2025, and the results of its operations, change in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Regina, Saskatchewan

May 13, 2025

MNP LLP

Chartered Professional Accountants

WATER SECURITY AGENCY
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2025
(\$ thousands)

	2025	2024
FINANCIAL ASSETS		
Cash	\$ 33,444	\$ 36,265
Accounts receivable	10,372	10,437
	43,816	46,702
LIABILITIES		
Accounts payable and accrued liabilities	11,969	12,672
Deferred revenue (Note 6)	40	90
Employee future benefits (Note 7)	874	821
Long-term debt (Note 8)	1,552	4,746
	14,435	18,329
NET FINANCIAL ASSETS	29,381	28,373
NON-FINANCIAL ASSETS		
Tangible capital assets (Schedule 3)	556,950	521,489
Prepaid expenses and supplies	753	657
	557,703	522,146
ACCUMULATED SURPLUS	\$ 587,084	\$ 550,519

The accompanying notes and schedules are an integral part of these financial statements.

Contractual Obligations and Contingencies (Note 12)
Contractual Rights (Note 15)

On behalf of the Board:



WATER SECURITY AGENCY
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2025
(\$ thousands)

	2025		2024
	Budget	Actual	Actual
	(Note 14)		
REVENUE			
Government of Saskatchewan			
Operating Grant	\$ 28,638	\$ 38,300	\$ 38,658
Capital Grant	75,000	50,600	47,138
Own Source Revenue			
Water revenue	21,410	20,853	19,083
Contract revenue (Schedule 1)	1,474	2,086	2,002
Interest Revenue	1,970	1,351	1,938
Other	1,110	1,290	1,041
	129,602	114,480	109,860
EXPENSES (Schedule 2)			
Science & Licensing	14,441	16,420	15,502
Infrastructure	14,001	16,368	17,374
Agriculture Services & Economic Development	9,795	13,173	11,716
Finance	9,507	10,716	8,632
Corporate Services	4,161	5,028	4,989
President & CEO's Office	2,697	2,520	2,695
Amortization	9,892	13,690	13,714
	64,494	77,915	74,622
Operating surplus for the year	65,108	36,565	35,238
Accumulated operating surplus - beginning of the year	550,519	550,519	515,281
Accumulated operating surplus - end of the year	\$ 615,627	\$ 587,084	\$ 550,519

The accompanying notes and schedules are an integral part of these financial statements.

WATER SECURITY AGENCY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2025
(\$ thousands)

	2025		2024
	Budget	Actual	Actual
	(Note 14)		
Surplus for the year	\$ 65,108	\$ 36,565	\$ 35,238
Acquisition of tangible capital assets (Schedule 3)	(75,000)	(49,115)	(51,699)
Amortization of tangible capital assets (Schedule 3)	9,892	13,690	13,714
(Gain) Loss on sale of tangible capital assets (Schedule 3)	-	(36)	32
	-	1,104	(2,715)
Net acquisition of prepaid expenses	-	(96)	(220)
Increase (decrease) in net financial assets	-	1,008	(2,935)
Net financial assets – beginning of year	28,373	28,373	31,308
Net financial assets – end of year	\$ 28,373	\$ 29,381	\$ 28,373

The accompanying notes and schedules are an integral part of these financial statements.

WATER SECURITY AGENCY
STATEMENT OF CASHFLOWS
 FOR THE YEAR ENDED MARCH 31, 2025
 (\$ thousands)

	<u>2025</u>	<u>2024</u>
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES:		
Surplus for the year	\$ 36,565	\$ 35,238
Items not affecting cash:		
Amortization of tangible capital assets	13,690	13,714
(Gain) Loss on sales of tangible capital assets	(36)	32
Net change in non-cash balances relating to operations:		
Change in accounts receivable	65	4,526
Change in accounts payable and accrued liabilities	(703)	219
Change in deferred revenue	(50)	(89)
Change in employee future benefits	53	45
Change in prepaid expenses	(96)	(220)
	<u>49,488</u>	<u>53,465</u>
CAPITAL ACTIVITIES:		
Acquisition of tangible capital assets	<u>(49,115)</u>	<u>(51,699)</u>
FINANCING ACTIVITIES:		
Principal portion of loan repaid in year	<u>(3,194)</u>	<u>(4,419)</u>
Decrease in cash, during the year	(2,821)	(2,653)
Cash – beginning of year	36,265	38,918
Cash – end of year	<u>\$ 33,444</u>	<u>\$ 36,265</u>

The accompanying notes and schedules are an integral part of these financial statements.

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

1. STATUS OF THE WATER SECURITY AGENCY

The Water Security Agency (WSA) was originally established as the Saskatchewan Watershed Authority on October 1, 2002, and was continued under *The Water Security Agency Act*, on October 1, 2012. It is a Treasury Board Crown corporation within the meaning of *The Crown Corporations Act, 1993*.

WSA is mandated to integrate all aspects of provincial water management to ensure watersupplies support economic growth, quality of life and environmental wellbeing. WSA supports protection of drinking water, flood and drought response, and management of water supplies, water quality and aquatic habitat. WSA owns and operates provincial dams and water supply channels.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian public sector accounting standards. The following accounting standards are considered to be significant:

Tangible Capital Assets

Tangible capital assets are recorded at cost. Internally provided engineering and technical services are capitalized at charge out rates designed to recover salaries, benefits, and overhead. The objective of this policy is to recognize the approximate value of design, supervision and administrative services rendered by WSA employees on construction projects. WSA capitalizes interest expense on debt relating to specific construction projects. Amortization of assets under development commences once they are operational and available for use. Water infrastructure assets include land and earthen dams, which are not amortized as they do not degrade over time, if adequately maintained.

Charges for amortization are calculated at the following annual rates:

Asset Category	Amortization Basis	Amortization Rate
Leasehold improvements	Straight-line	Term of lease
Buildings	Straight-line	20 to 60 years
Water infrastructure - mobile equipment	Diminishing balance	15 to 30 percent
Maintenance equipment	Straight-line	5 years
Office equipment	Straight-line	2 to 10 years
Water infrastructure	Straight-line	20 to 60 years

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Government grants are recognized as revenue in the period during which the grant is authorized, and eligibility criteria are met, except when and to the extent that the grant stipulations give rise to an obligation that meets the definition of a liability.

Own source revenue consists of water revenue, contract revenue, and other revenue. Water revenue is recognized as revenue in the year it is consumed. Contract revenue received by WSA for specific purposes is recognized as revenue in the year in which the related expenses are incurred. Other revenue includes licenses, fees, permits, and interest income which are recognized in the year they are earned.

Grants to Clients

Grants provided to clients for a variety of programs are recorded as an expense to WSA, when any eligibility criteria have been met and final approval for the grant payment is made. Where WSA enters into contractual agreements for project construction under various assistance programs, expenses are accounted for on an accrual basis.

Employee Future Benefits

WSA administers a benefit relating to a retirement allowance which is paid to eligible employees upon retirement. WSA has adopted the accrual method of accounting for this benefit whereby the cost of providing the benefits is recorded when the related services of employees are performed.

WSA's employees participate in the Public Employees' Pension Plan which is a multi-employer contribution plan. WSA's contributions to the pension plan are expensed as incurred.

Asset Retirement Obligation

A liability for an asset retirement obligation is recognized at the best estimate of the amount required to retire a tangible capital asset (or a component thereof) at the financial statement date when there is a legal obligation for the WSA to incur retirement costs in relation to a tangible capital asset (or component thereof), the past transaction or event giving rise to the liability has occurred, it is expected that future economic benefits will be given up, and a reasonable estimate of the amount can be made. The best estimate of the liability includes all costs directly attributable to asset retirement activities, based on information available on March 31, 2025. The best estimate of an asset retirement obligation incorporates a present value technique, when the cash flows required to settle or otherwise extinguish an asset retirement obligation are expected to occur over extended future periods.

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

Measurement Uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the useful lives of assets for amortization periods, allowance for doubtful accounts, asset retirement obligation and employee future benefits.

Remeasurement Gains and Losses

These financial statements do not include a Statement of Remeasurement Gains and Losses as WSA has had no gains or losses due to remeasurement.

3. NEW STANDARDS AND AMENDMENTS TO STANDARDS

The following new standards and amendments to standards are effective for financial statements on or after April 1, 2026:

New and Amended Standards	Effective Date
The Conceptual Framework for Financial Reporting in the Public Sector	April 1, 2026, earlier adoption permitted
PS 1202 - Financial Statement Presentation	April 1, 2026, earlier adoption permitted

Conceptual Framework for Financial Reporting in the Public Sector: provides additional guidance and clarity, builds on the previous conceptual framework by retaining and explaining some of concepts, like recognition and measurement, and including new concepts, such as derecognition and service capacity.

PS 1202 - Financial Statement Presentation Reporting Model: ensures an increased understanding of financial statements and the indicators within them and increases the accountability value of financial statements in an understandable way. Earlier adoption is permitted only if the Conceptual Framework is also adopted at the same time.

4. CHANGES IN ACCOUNTING POLICIES

There were no new standards or amendments to standards that were adopted for the fiscal year beginning April 1, 2024.

5. FINANCIAL INSTRUMENTS

WSA's financial assets consist of cash and accounts receivable. Financial liabilities consist of accounts payable and accrued liabilities, employee future benefits, deferred revenue, and long-term debt.

All financial instruments are initially recognized at fair value. The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The carrying amount for long-term debt is the fair value initially recognized. The carrying amounts for other instruments are of fair value due to their short-term nature.

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

Credit risk

WSA is exposed to credit risk from the potential non-payment of accounts receivable. The carrying amount of accounts receivable represents WSA's maximum credit exposure. The allowance for doubtful accounts is \$191 (2024 - \$157).

Liquidity risk

Liquidity risk is the risk that WSA will not be able to meet its financial obligations as they become due. WSA monitors its cash balance and cash flows from operations to meet its requirements.

Interest rate risk

WSA is exposed to interest rate risk on its fixed rate long-term debt. The fixed-rate instruments subject WSA to a fair value risk due to interest rate fluctuations in the market.

6. DEFERRED REVENUE

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$90	\$179
Additions during the year	70	18
Revenue recognized during the year	(120)	(107)
Balance, end of year	\$40	\$90

7. EMPLOYEE FUTURE BENEFITS

The amount related to the defined benefit retiring allowance are as follows:

	<u>2025</u>	<u>2024</u>
Accrued benefit liability	\$874	\$821
Benefits paid during the year	-	105
Net expense (benefit)	\$153	\$150

The significant actuarial assumptions adopted in measuring WSA's accrued benefit liability are:

	<u>2025</u>	<u>2024</u>
Discount rate	3.90%	4.20%
Salary increase	3.00%	3.00%
Average remaining service life	9.0 years	9.6 years

For 2025, the mortality assumption is based on the 2014 Canadian Pensioner Mortality (CPM) Table using the CPM improvement Scale B, for the private sector with generational mortality projection without size adjustment factors.

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

8. LONG-TERM DEBT

<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Fiscal Year Acquired</u>	<u>Interest Rate</u>	<u>2025</u>	<u>2024</u>
Bank of Montreal	31-Dec-24	2014-15	3.03%	-	1,176
TD Commercial Banking	12-Dec-25	2015-16	2.69%	\$1,552	3,570
Total Debt				\$1,552	\$4,746

All long-term debt is borrowed over a 10-year loan period. The full balance of long-term debt will be repaid over the next twelve months.

9. LAND TRANSFERS

WSA received 34 parcels of land transferred from Agriculture and Agri-Food Canada, 3 parcels of land Ministry of Agriculture, 3 parcels transferred from SaskWater, and 3 parcels transferred from private landowners. This land has nominal value therefore not reported in these financial statements.

10. RELATED PARTIES TRANSACTIONS

Included in these financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards, and commissions related to WSA by virtue of common control by the Government of Saskatchewan, as well as key management personnel and their close family members (collectively referred to as “related parties”). Related party transactions with WSA are in the normal course of operations and are recorded at fair market value.

Routine operating transactions with related parties are settled at prevailing market prices under normal trade terms. These transactions and amounts outstanding at year end, are as follows:

	<u>2025</u>	<u>2024</u>
General Revenue Fund	\$88,900	\$85,796
Water, contract, and other revenue	18,120	17,058
Purchases	9,021	9,760
Accounts receivable and accrued receivables	6,977	6,347
Accounts payable and accrued liabilities	855	550
Deferred Revenue	-	-
Prepaid Expenses	17	16

On April 5, 2021, WSA entered a Memo of Understanding (MOU) with the Saskatchewan Ministry of Highways (Highways) to provide WSA with a full range of expertise and advice related to the Lake Diefenbaker Irrigation Expansion Project (the Project). Under the MOU WSA reimburses Highways for advice on planning, cost estimating, designing, and rehabilitating or constructing all aspects of the Project including administrative costs and third-party invoices paid directly by Highways. During the year, tangible capital asset expenditures of \$247 (2024 - \$142), that were related to the Project and reimbursed to the Ministry of Highways were capitalized.

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

Details of amounts and transactions due to and from related parties and the terms of settlement are described separately in these financial statements and the notes thereto.

11. CASH GRANTS

Included in expenses are grants or assistance provided to various persons and organizations to carry out a variety of programs administered by WSA. Particulars of these grants, by program, are as follows:

	<u>2025</u>	<u>2024</u>
Capital Transfers	3,431	-
Channel Clearing Program	852	846
Agriculture Water Management Program	707	15
Watershed Program	481	26
Bridge Program	299	84
Flood Damage Reduction Program	205	235
Landowner Wetland Retention Program	97	119
Emergency Flood Damage Reduction Program	16	79
Total	\$6,088	\$1,404

12. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Contractual obligations

As of March 31, 2025, WSA has outstanding contractual obligations of \$24,445 (2024 - \$20,971) for construction contracts, consulting agreements, software licensing, watershed funding agreements and other services. These costs are tied to contracts that run until December 31, 2029. Within various contractual agreements, WSA has committed to provide in-kind services. If contracts were terminated, WSA's only liability would be for actual costs incurred to date.

Leases

WSA has entered into various operating lease agreements with the following minimum lease payments:

	<u>Building Leases</u>
2026	2,861
2027	2,407
2028	2,355
2029	2,355
Thereafter	4,741

Litigation

WSA is a party to four active lawsuits (2024 - five) related to various water management issues. The outcome of these lawsuits cannot be determined therefore no amounts have been allowed for settlement in these statements.

WATER SECURITY AGENCY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2025
(\$ Thousands)

13. PENSION PLAN

WSA's employees participated in the Public Employees' Pension Plan (the Plan), which is a defined contribution pension plan. WSA's contributions to the Plan included making regular payments into the Plan. The total amount paid into the Plan for 2025 was \$2,502 (2024 - \$2,337).

14. BUDGET FIGURES

The budget figures are presented for comparison purposes. WSA's Board of Directors approved the 2024-25 budget March 6, 2024.

15. CONTRACTUAL RIGHTS

WSA is party to certain contractual rights which are expected to provide future economic benefits to the organization.

- Haying, grazing, and cultivation permits are agreements with local farmers to use WSA titled land. Rates for the permits are determined using the Ministry of Agriculture's rates that are determined annually.
- Oil and gas surface leases are agreements with oil and gas companies to use WSA titled land. Rates for the leases are determined using the Ministry of Agriculture's rates that are reviewed every three years.
- Federal Funding Contributions are collaborative initiatives that involve contributions from other agencies towards water infrastructure, water quality, water quantity, wastewater, habitat and species at risk management, and flood hazard mapping.
- Provincial Funding Contributions are collaborative initiatives that involve contributions from other agencies towards water infrastructure, water quality, water quantity, wastewater, habitat and species at risk management, and flood hazard mapping.

Expected revenues from these contractual rights are as follows:

	<u>Terms</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Thereafter</u>
Haying, Grazing, and Cultivation Agriculture Permits	1, 3, or 5 years	\$326	\$312	\$63	\$55
Oil and Gas Surface Leases	5-25 years	149	149	149	298
Federal Funding Contribution	3-10 years	4,966	3,810	3,210	27,110
Provincial Funding Contribution	2-5 years	137	137	34	-
Total		\$5,578	\$4,408	\$3,456	\$27,463

16. COMPARATIVE INFORMATION

WSA has adjusted certain amounts reported previously to conform with the current year's presentation.

WATER SECURITY AGENCY

Schedule 1 - Contract Revenue
Year Ended March 31, 2025
(\$ thousands)

	2025	2024
Environment and Climate Change Canada	1,613	1,393
Northern Municipal Trust	150	-
Receiver General of Canada	147	-
Ministry Of Highways	137	137
Ducks Unlimited Canada	60	-
Sask Power	30	228
Health Canada	30	-
Scotiabank	10	10
Minister of Finance	6	
Ministry of Parks, Culture and Sport - Pike Lake	-	105
Ministry of Environment	-	33
Ministry of SaskBuilds and Procurement	(97)	96
	<u>\$ 2,086</u>	<u>\$ 2,002</u>

WATER SECURITY AGENCY

Schedule 2 - Expenses by Functional Area

Year Ended March 31, 2025

(\$ thousands)

				Agriculture Services & Economic Development								
	Budget	Science & Licensing	Infrastructure		Finance	Corporate Services	President & CEO's Office	2025 Total	2024 Total			
Salaries & Employee Benefits	33,294	13,324	9,091	5,634	2,508	3,223	1,854	35,635	33,456			
Professional & Contractual Services	9,331	1,566	2,846	4,441	995	640	368	10,856	14,926			
Cash Grants (Note 11)	2,382	177	3,193	2,717	-	-	1	6,088	1,404			
Rent and Utilities	2,998	1	522	-	3,316	1	1	3,841	3,921			
Software & Computer Hardware	2,286	3	9	-	3,047	11	-	3,071	2,604			
Travel & Other Staff Costs	2,533	965	628	293	356	647	76	2,965	3,133			
Supplies & Materials	988	335	703	26	149	46	46	1,305	1,265			
Promotional Expenses	358	2	-	10	-	472	7	491	507			
Insurance & Licenses	203	2	1	-	187	-	-	190	330			
Interest & Bank Charges	125	-	-	-	156	-	-	156	232			
Other	104	45	(625)	52	-	(12)	167	(373)	(870)			
Subtotal	\$ 54,602	\$ 16,420	\$ 16,368	\$ 13,173	\$ 10,716	\$ 5,028	\$ 2,520	\$ 64,225	\$ 60,908			
Amortization	9,892	-	-	-	13,690	-	-	13,690	13,714			
Total	\$ 64,494	\$ 16,420	\$ 16,368	\$ 13,173	\$ 24,406	\$ 5,028	\$ 2,520	\$ 77,915	\$ 74,622			

WATER SECURITY AGENCY

Schedule 3 - Tangible Capital Assets
FOR THE YEAR ENDED MARCH 31, 2025
(\$ thousands)

	Land (Note 9)	Building & Leasehold Improvements	Maintenance Equipment	Office Equipment	Water Infrastructure	Work In- Progress (Water Infrastructure)	Work In-Progress (Building & Leasehold Improvements)	Work In- Progress (Irrigation)	2025	2024
	\$	\$	\$	\$	\$	\$		\$	\$	\$
<i>Tangible Capital Assets - at Cost</i>										
Opening Balance as of April 1	5,155	4,272	5,272	2,973	631,929	33,656	-	20,853	704,110	652,443
Additions/Purchases	-	339	489	777	-	36,851	50	10,609	49,115	51,699
Disposals	-	-	-	-	-	-	-	-	-	(32)
Transfers to (from)	-	-	-	-	43,242	(43,242)	-	-	-	-
Closing Balance as of March 31	5,155	4,611	5,761	3,750	675,171	27,265	50	31,462	753,225	704,110
<i>Tangible Capital Assets - Amortization</i>										
Opening Balance as of April 1	-	1,903	4,296	2,147	174,275	-	-	-	182,621	168,907
Amortization	-	600	528	538	12,024	-	-	-	13,690	13,714
Disposals	-	-	-	-	(36)	-	-	-	(36)	-
Closing Balance as of March 31	-	2,503	4,824	2,685	186,263	-	-	-	196,275	182,621
Net Book Value										
Opening Balance as of April 1	5,155	2,369	976	826	457,654	33,656	-	20,853	521,489	483,536
Closing Balance as of March 31	5,155	2,108	937	1,065	488,908	27,265	50	31,462	556,950	521,489
Change in Net Book Value	-	(261)	(39)	239	31,254	(6,391)	50	10,609	35,461	37,953
Disposals										
Historical Cost	-	-	-	-	-	-	-	-	-	32
Accumulated Amortization	-	-	-	-	36	-	-	-	36	-
Net Cost	-	-	-	-	36	-	-	-	36	(32)
Price of Sale	-	-	-	-	-	-	-	-	-	-
Gain (Loss) on Disposal	-	-	-	-	36	-	-	-	36	(32)