

Building wealth for future generations: ABD

By Dave Yanko



Geoff Gay of Athabasca Basin Development

Photo by: Kevin Hogarth

Athabasca Basin Development (ABD) is doing very well for its owners in seven northern Saskatchewan communities. ABD launched in 2002 with an initial investment of just \$10,000 from its shareholders. In 2015, revenue generated from the basket of investments it owns in whole or in part totalled \$127 million.

“Today, our investments have an equity value of more than \$80 million,” says Geoff Gay, CEO and the investment manager of ABD.

“Our company started from humble beginnings and grew to where we are today largely because of the continued unity of the leadership in the region. Without this unity, we would not be where we are today.”

ABD is owned by Hatchet Lake Development, Black Lake Venture and Fond du Lac First Nation, each with 23 shares; the northern hamlet of Stony Rapids, with 12 shares; and the northern settlements of Wollaston Lake, Uranium City and Camsell Portage, with six shares each. These largely Dene First Nation communities have a total of about 5,000 people and are located in the Athabasca Basin, one of the most remote areas of Saskatchewan and home to an estimated 20 per cent of the world's uranium reserves. And while it was expansion of that industry in the 1990s that led to the establishment of ABD and its earliest opportunities, Gay says the community members who planned the corporation did so with a vision that reached beyond the benefits that accrued from the mining industry.

“The leadership at that time said they'd like to have a company that maximizes opportunities but makes sure there's something there for future generations,” says Gay. “So that when mining's finished in the region, there's a company that's still here that can participate in the economy.”

ABD has a dozen companies in its portfolio and owns three of them outright: Athabasca Basin Security, Athabasca Basin Labour Services and Lonona Contracting. It has partial ownership in Artic Beverages (48.33 per cent), Double Diamond

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Envirotec—Saskatchewan's cleanup crew

By Dave Yanko

Envirotec Services Incorporated once was a two-man operation employing a tiny old vacuum truck to empty septic tanks and 80 portable toilets located at work sites around Saskatoon. Today, 25 years later, the Saskatoon-based company has 175 employees, new multi-million dollar facilities in Regina and has just expanded to Esterhazy to service the mining industry and future oil and gas concerns in that region. Envirotec recently won the 2016 SABEX Business of the Year award as well as the inaugural SABEX Safety award and a Saskatchewan Better Business Bureau Torch Award for Ethics.

"The cornerstone of our company is the vacuum truck, and what it spawned are all the services we offer today," says Lyle Clouatre, president and co-owner with Terry Loraas of Envirotec.

"Really, it all started with two people."

Envirotec offers seven areas of service: recycling and waste management, automotive fluid services, vacuum truck services, industrial cleaning and flushing, emergency response, environmental sciences and environmental remediation.

Clouatre says the company no longer is involved in the portable toilet business. However, the bigger, more powerful vacuum trucks remain key to business. "We go into potash mines; we jump into storage tanks in confined spaces. It's really heavy industrial cleaning—that's what the trucks are used for today." On the recycling front, Envirotec handles everything from school lab chemicals and household paints to heavy-duty industrial chemicals and solvents.

Environmental sciences is the company's newest business line. Envirotec advises clients on the potential environmental impact of a planned development, including Phase I and Phase II environmental site assessments for mining companies. Environmental remediation, meanwhile, involves spill or waste cleanup and efforts to eliminate damage occurring on land, water, road and rail. Clouatre says Envirotec is on call for emergencies and is one of the private contractors Canadian Pacific and Canadian National railways call for cleanups after derailments.

"Whether it's crude oil or anhydrous ammonia, chlorine, liquid petroleum gas... any of the nasties, we're likely to be involved."

"We cherish our home, Saskatchewan."

And involved they were in Regina in 2007 when a huge asphalt oil spill seeped into the city's storm sewer system and into Wascana Lake. The huge oil slick coated geese near the Saskatchewan Legislative Building and required another dredging of the lake that had just undergone a major dredging project. Envirotec worked on the cleanup for two-and-a-half years.

"That was a pivotal moment for our company because it helped us enter a larger arena regarding what we could do in the future," says Clouatre. "And we've built around that."

To offer its broad array of services the company requires employees with a range of training, education and expertise. Clouatre says all new staff go through a comprehensive basic training program including Workplace Hazardous Materials Information System

(WHMIS), first aid and CPR. All new employees also work under a mentor for their first six months. Later, as they proceed along their career path, they're sent for advanced safety training at top facilities across North America, including: Texas A&M University's Environmental Health and Safety program; the Justice Institute of British Columbia, billed as Canada's leading public safety training facility; and The Security and Emergency Response Training Centre in Pueblo, Colorado.

"This kind of training is just not available in many places and it's very expensive," says Clouatre. "But we have to send our people to these institutes in order to provide the services we do." Envirotec offers an array of careers ranging from truck drivers and mechanics to chemists, engineers and toxicologists.

Changing public attitudes have helped the company. Clouatre says that when Envirotec launched in the early 1990s, there was much uncertainty about the environmental industry. The uncertainty grew out of a push for better care of the environment that focused on compliance and enforcement. "Now, there's a lot of awareness and people want to do the right thing. And we want to help them do that."

Envirotec is pleased with its growth and happy to continue to expand within Saskatchewan. But Clouatre says the company is not looking to expand beyond provincial boundaries.

"We sat down here a while ago and really got into our DNA and why Envirotec exists. And what we concluded is that we cherish our home, Saskatchewan, and we exist to take great care of its people and environment."



The Envirotec team

Photo by: Calvin Fehr Photography

Safe and sound: SSC training

By Dave Yanko

The Saskatchewan economy loses an estimated \$1.1 billion annually through preventable injuries and almost 5,500 of those injured each year are students—Saskatchewan has the fourth-highest job-injury rate in Canada for people under 25.

“Only one in five young people receive some type of safety orientation in their first jobs,” says Terri Kerbrat, community rela-

tions coordinator for the Saskatchewan Safety Council (SSC).

“We know that students are most likely to be injured during their first six months on the job, and yet the vast majority of them are not getting any safety orientation at all.”

Kerbrat and the SSC are determined to

change that. The SSC has developed a model for a flexible, school and industry based training program aimed at reducing such injuries and the economic and human costs they incur. It's called the Early Safety Training Program (ESTP) and it takes the vision and goals of a regional safety program established in southeast Saskatchewan's oil patch in the late 1990s and adds industry specific electives and



Melfort and Unit Comprehensive Collegiate (MUCC) students at Bourgault Industries

Photo by: Red Storm Photography

course preps youth

alternative delivery formats that can meet the safety training needs of virtually any region of the province. Young people 14 to 21 are eligible for the training and Kerbrat says it holds particular appeal to Grade 12 students looking for jobs on graduation.

“We tell students this is a way of enhancing your portfolio,” she says.



“And when they get their certificates that say they participated in the Early Safety Training Program, there’s an explanation on the back that tells would-be employers exactly what that means.”

The ESTP consists of three basic methods of delivery aimed at increasing accessibility and reducing costs. They include a self-study bursary program, classroom curricula fitted format and what the SSC calls “The Next Generation Safety Training Boot Camps.” Mandatory courses include: Workplace Hazardous Materials Information System (WHMIS), which can be taken online or through classroom delivery; Standard First Aid and CPR, available through classroom or a “blended learning” process that mixes online with classroom study; and the Young Worker Readiness Certificate Course available free online. Students or student groups can choose from one of a host of elective courses that meets their specific needs, including back care/lifting, defensive driving, food safety, H2S Alive (hydrogen sulfide safety) and transportation of dangerous goods.

SSC has been administering the provincial program since 2013 in a partnership with WorkSafe Saskatchewan as well as community, education and industry stakeholders. When the SSC inherited the ESTP, students took the training in their communities and then applied for a self-study bursary of up to \$200 to help cover costs of the courses. This is still an option. However, Kerbrat says that since the SSC began administering the program it’s been helping to find funding and organizing training sessions. Requests for help sponsoring ESTP typically come from schools or school divisions and, if there is not specific funding in place in that region for the electives required, Kerbrat sets out to raise

the funds through sponsorship and/or fundraisers. However, Kerbrat says the SSC in May carried out a safety training program and boot camp so successful it will now serve as the template for future efforts across the province.

The program was a collaborative endeavour hosted by Melfort and Unit Comprehensive Collegiate (MUCC) and sponsored by Bourgault Industries, the St. Brieux-based manufacturer of agricultural equipment. In addition to SSC and Bourgault, the partnering network included the Red Cross and the Safety Association of Saskatchewan Manufacturers. A group of 20 students from MUCC completed the Young Worker Readiness Certificate, the online components of First Aid/CPR, Fall Protection and Respiratory Protection. They then attended a one-day First Aid/CPR skills assessment course on a holiday Monday at MUCC to finalize their certification. The following Saturday, the students attended Bourgault Youth Safety Day at the company’s St. Brieux headquarters to complete the certification for Fall Protection and Respiratory Protection.

Kerbrat says Bourgault’s sponsorship was big part of the success. Frank Blandin, Bourgault’s corporate safety officer, led students through the information and presentations required to finalize their certification. Afterwards, they toured the Bourgault plant and received their certifications.

And through it all, the students were able to check out Bourgault as a possible place of work while Bourgault was able to size up some future job candidates.

“This is the model,” says Kerbrat. “It is absolutely what we aspire to.”

Growth drives success for TA Foods

By Darrell Noakes



Mike and Terry Popowich, owners of TA Foods Ltd., Yorkton

Photo by: Darrell Noakes

Winning the Diversity Leadership Award at the Yorkton Chamber of Commerce 2016 Celebrate Success Business Awards in April is the latest recognition in a string of awards that TA Foods Ltd. has earned during a period of intense growth.

The Yorkton-based food processor was the recipient of the Growth & Expansion Award at the Saskatchewan Chamber of Commerce 2015 ABEX awards last October. The company had also been named finalist in the Exports and Innovation categories.

TA Foods specializes in supplying cleaned flaxseed, milled flax and flax oil to bulk and retail markets throughout Canada, the US,

Mexico, and Asia and is now offering co-packaging/production services to companies requiring custom oil pressing, bottling, and packaging.

The Growth & Expansion award was “an awesome honour,” says Mike Popowich, co-owner of the family operated business. “It’s amazing how much an award like that helps the company gain recognition in the international community.

“A lot of our customers don’t get the opportunity to meet us face-to-face or see our facility, so awards like that really help to legitimize your company in the international community.”

The award recognized the work that TA Foods had accomplished as a result of facility upgrades completed three years ago, when the company added a cleaning plant and bottling line, Popowich says.

“The upgrades were geared to increasing capacity and increasing production and sales. We went from about five employees to 30 employees now—about 26 at the time we won the award.”

“With the addition of our high capacity crushing area, we were able to do a lot more flax oil per day than we were able to do before, and with the addition of a bottling line being able to offer a private label to customers,” he adds.

“We do all of our own label design and bag design here. We can do it quickly and easily for anybody who wants to start marketing their own brand of milled flax or whole flax or flax oil.”

One particular innovation that Popowich is proud to point out is the company’s success in improving the “smoke point”—the temperature at which bluish smoke starts to form, indicating the destruction of beneficial nutrients and the creation of harmful free radicals—for its flax oils. Flax oils have a reputation for easily oxidizing, he says, resulting in a low smoke point, a little over 100 degrees Celsius.

“But with the flax oil that we produce here it’s between 180 and 200 degrees Celsius, similar to an olive oil. So we can recommend our flax oils for baking and for stir frying.”

Innovation has always been a driving force behind the Popowich family. In the 1980s, Mike’s parents, Terry and Ann, established a seed-cleaning plant on the family farm south of Orcadia, purchasing grain from local farmers, then distributing the cleaned grain to processors and end users. By the late 1980s, the family opened Popowich Milling, with its main facility just beyond the northern outskirts of Yorkton. The family sold Popowich Milling to Grain Millers in 2002.

In 2003, recognizing the vast potential for value-added production of market-ready products for consumers, the family launched TA Foods Ltd.—the T and A standing for Terry and Ann. Starting from a single employee, they quickly grew to establish a headquarters and main production facility on Yorkton’s downtown edge, in a building that they purchased after having sold it to Grain Millers only a year previously. Mike Popowich and his wife Lana joined the family business as co-owners in 2013.

About 50 per cent of the company’s revenues come from its retail products, Popowich says. In addition, TA Foods sup-

plies flax, milled flax and bulk oil as blends or ingredients used in familiar brands of granola and health foods.

“As a food product, it has been growing more and more with the health food industry. With high Omega-3s, Omega-6s and Omega-9s in the product, it’s very healthy.

“We do some custom packaging and custom crushing for other companies in Saskatchewan, too, for camelina oils, some hemp oils and various products like that. We try to utilize this facility as much as we can.”

Worldwide, interest in flax products has been growing steadily for the last decade, Popowich says. The company exports mainly to China, Japan, Taiwan, South Korea, Ireland, Mexico and the US.

“Most of our future focus for the business is on the retail side,” he says, noting that the retail market is primarily overseas, whereas the US market tends toward bulk ingredients.

Although TA Foods markets under its own brand, familiar to grocery shoppers

throughout Canada, Popowich says the company also bottles and packages more than 30 private labels currently.

The company purchases almost all of its conventional flax from Saskatchewan farmers, many of them in the Yorkton region. For its organic flaxseed, the company looks a little wider, Popowich says, buying from producers in Alberta and Manitoba, as well.

Popowich notes that TA Foods meets the rigorous standards of Global Food Safety Initiative (GFSI)—Safe Quality Foods Program (SQF), Hazard Analysis and Critical Control Point (HACCP), Good Manufacturing Practice (GMP), Pro-Cert Organic, Non-GMO Project, Kosher and Gluten Free certifications.

“Canada is the world’s largest grower and export of flax in the world,” Popowich says.

“If you include some of the northern flax-producing US states—North Dakota and Montana—over 50 per cent of the world’s flax is grown within 1000 miles of here.”



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Structures (66 per cent), Flyer Electric (68 per cent), Mudjatic Thyssen Joint Venture (29.5 per cent and 35 per cent), Points Athabasca (75 per cent), Points North Group of Companies (48.3 per cent), Team Drilling (50 per cent), Tru-North RV, Auto and Marine (50 per cent), and West Wind Aviation (55.4 per cent).

ABD does not operate companies itself—it places one or two people on the boards, instead. Gay serves as a board member for most of the companies and ABD will also choose a board member with expertise in a particular industry when it's appropriate. Its own board, which includes representatives from the shareholder communities, each year sets a dividend value for distribution to member communities.

The company paid no dividends for the first five years while it focused on building equity. Since 2007, however, dividends have almost doubled.

“We’ve built a lot of wealth on paper for the long term,” says Gay. “And we’ve taken the approach with these dividends that we want them to be sustainable. We don’t want them to fluctuate up and down.”

So successful has that approach been that member communities are able to go to the bank and borrow against future dividend payments to finance capital projects like an arena in one community and, likely, a new town hall in second. Another benefit for ABD members is a donation program that this year contributed \$80,000 to a First Nations

breakfast program at four schools in the region. Last year, two communities received a total of \$50,000 to build greenhouses that provide fresh produce to residents.

“When we were at what we believed to be the peak of the resource cycle, when we thought earnings might struggle a bit over the next couple of years, we did a one-time donation for cell tower service to all the communities in the Athabasca.” Gay says the \$249,000 donation brought a \$6 million project that benefits everyone in the area, helps ensure safety in the communities and makes residents more accessible for jobs and business communications.

The downturn in the uranium industry has had an impact on residents of Athabasca. Gay says at peak cycle four years ago there were about 400 northern people working in ABD companies and that number has since decreased. But ABD’s equity and dividends continue to grow through a prudent investment strategy that balances short-term benefits and long-term growth with a focus on helping future generations once the mines are eventually shuttered.

“So we consider that long-term vision, along with the desire of people wanting cash now, and we work to find that balance between the two.

“It’s not easy to do, but we continue to work at it. And we’re making good progress towards the original goal of building wealth for future generations.”

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