

3:00 p.m.

Wednesday, December 7, 1994

[Chairman: Mr. Dunford]

MR. CHAIRMAN: I'd like to call the meeting to order at 3 p.m. I'd welcome the minister and his guests. I'd just like to review the process quickly. We would ask that you introduce the guests that you have with you, Mr. Lund, and then take whatever time you feel you need for an opening statement. However, we hope that it would be perhaps less than 15 minutes. Then we'll open the questions, and we'll start with the Liberal opposition. Then we'll move to the government benches and back and forth. Each time I recognize a member, they really in essence have the opportunity for three questions. We talk about a main question and supplementaries, but we've been operating very flexibly here, and we will continue to do so.

The primary mandate of the committee is to be reviewing the '93-94 report of the heritage savings trust fund, but again we've provided an opportunity for members to digress more into the future from that report. I would just look for your co-operation in that. If I sense that we're getting too far afield, then I always have the prerogative of the chair to call the member back to order. However, I stress to you that I am usually reluctant to do that. I think it's better if we have a free flow of information back and forth. So with that, perhaps if you would go ahead, Mr. Minister, we'd appreciate it.

MR. LUND: Well, thank you, Mr. Chairman, and good afternoon, members of the committee. My sincere apologies for the delay. I got hung up in Calgary and was not aware that you have to be at the airport 15 minutes, not 13 minutes, before the flight, because now under the new system with American Airlines they have to phone Houston, and 13 minutes is late, not on time. So my sincere apologies.

This afternoon I have with me on my right the deputy minister, Peter Melnychuk, and on my immediate left Jake Thiessen, who has been in charge of the water projects and an expert in what has happened down there, and Dr. Ken Higginbotham, the ADM responsible for lands and forests, so he's very familiar as well with the Pine Ridge situation. I've done the introductions, so I'll move along.

I am pleased to provide an update to the members of the standing committee on three environmental project activities funded by the Alberta heritage savings trust fund in the year 1993-94. My department is responsible for three projects funded by the heritage trust fund. These are the water management systems improvement project, the land reclamation project, and the Pine Ridge Forest Nursery enhancement project.

The first program that I'd like to discuss is the water management systems improvement. To help the members, I have had my department prepare maps of the projects, and we will distribute those whenever the chair thinks it's appropriate. The water management systems improvement program was initiated in 1975. In 1980 the scope of the program was significantly expanded. The reason behind this improved program was and still is to ensure that the water supply delivery system in southern Alberta is adequately sized, efficient, and reliable. The needs of 13 Alberta irrigation districts, the Berry Creek region, several municipalities, and other users are met through these water project management systems. About 80 percent of Albertans live in the southern half of this province, while only 20 percent of the water supply is in the south. The province-owned headworks provided water to approximately 1.3 million Albertans. This project was necessary to upgrade and modernize these 70-year-old systems so that we could continue to

provide this vital service. The projects included upgrading existing provincial headworks, rehabilitating and upgrading existing main channels of some irrigation districts, incorporating additional water storage facilities within the districts, and developing new water supply systems in special areas.

Mr. Chairman, this program is nearly completed. In fact, we are presently in the final year of funding under the Alberta heritage savings trust fund. The total expenditure under the program from 1975 to March 1994 is \$541.5 million. Under my department's three-year business plan the annual budgets for the '94-95 fiscal year have been limited to \$13.6 million. The total expenditures during the '93-94 fiscal year amounted to \$15.6 million. I'm happy to say that the objectives of the program have been met. Nearly all the projects under the program have been completed.

A number of additional headworks projects not included in the original program have been successfully completed or are being implemented at no additional cost. A total of 500 kilometres of main canals have been rehabilitated. The capacity of these canals has been upgraded from between 10 to 15 percent. Four storage reservoirs were identified under the program. All four are completed, resulting in a total storage capacity of about 232,000 acre-feet of water. This has been a very successful program to date. Consistent volumes of water are now available to municipalities and irrigation districts. The investment we have made to improve our water management systems has increased irrigation acreage from 875,000 acres in 1975 to 1.4 million acres, a 60 percent increase.

This irrigated land produces about 16 percent of the province's gross agricultural revenue. The benefits to the region and to Albertans are numerous. About 30 percent of all regional employment is attributed to irrigation. Irrigation supports some 3,200 jobs in agricultural processing and another 600 in the agricultural and machinery sector. Irrigation helps our thriving beef industry stay competitive in the world market. There are 48 communities, 14 industrial users that benefit from these systems as well as 50 developed recreational facilities on reservoirs. The program has generated a lot of engineering and construction activity in southern Alberta. Employment opportunities have been created for engineers, contractors, construction workers, tradesmen, material suppliers, and others.

Earlier I said that nearly all the projects were completed. There are two projects under the water management systems improvement program which I would like to bring to your attention. First is the St. Mary dam spillway replacement. This existing spillway is badly deteriorating and is a serious safety concern for the dam and the reservoir. It also requires upgrading to increase capacity to meet current dam safety regulations. The second is the Carseland-Bow River headworks rehabilitation. Total rehabilitation of this system was not originally included in the program as a priority. Some work was carried out to replace deteriorating structures and make some canal improvements. However, inspections indicate that the system has now deteriorated to the extent that it requires immediate and urgent rehabilitation.

I have plans to go down and tour these two projects in the near future, and at that time I will also meet with the key stakeholder groups involved. These projects are very important to the Albertans who rely on the system for their water supply, and my department has a responsibility to maintain these systems. Initial funding for these two projects came from the Alberta heritage trust fund. Completion of these projects will depend on funding from some other source.

The second program that receives funding from the Alberta heritage trust fund is our land reclamation program. This program, which started in 1975, ended in March of 1994. Through the life

of these projects the Department of Environmental Protection reclaimed derelict lands and restored sites to a productive state. In addition, an extensive amount of research was conducted on land reclamation problems. The program cost \$2.5 million annually. Approximately \$2 million each year was spent on actual reclamation of lands, which included abandoned garbage dumps, sewage lagoons, gravel pits, water reservoirs, coal mines, industrial sites, and other man-made disturbances. An additional \$500,000 was spent annually on reclamation research in four major areas: plains coal, mountains and foothills coal, oil sands, and oil and gas. Some research was cofunded by industry. This partnership approach has been encouraged and pursued wherever possible. Under the program some 1,500 individual derelict parcels of land were reclaimed. In addition, more than 100 individual research projects were completed.

This program has benefited almost every single municipality in the province. Many areas have been assisted through the program on more than one reclamation site. Other government departments have also used the program to reclaim derelict sites on Crown land. The total cost of the program was \$44.4 million, and the work done and the results achieved have benefited Alberta immensely.

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The third program funded by the Alberta heritage savings trust fund is the Pine Ridge Forest Nursery enhancement. In 1932 the provincial government became directly responsible for reforestation of Crown lands. The Pine Ridge Forest Nursery, near Smoky Lake, was built so that the government could provide seedlings for reforestation. Alberta's forest industry has grown rapidly over the past decade, and the continued production and planting of tree seedlings is a critical component of the future of our forests. By the late 1980s the Pine Ridge Forest Nursery was not able to meet the government's obligation to supply the necessary seedlings for reforestation in the province. In addition, by that time the facilities were in need of retrofit and upgrading. This program under the Alberta heritage trust fund was initiated in 1990-91, and the main object was to help meet the increased demand for seedlings and to upgrade the existing facilities.

The expansion included some construction of a new 6,000 square metre greenhouse, construction of 12,000 square metres for a new outdoor growing area, and construction of an additional production room and staff facilities and provided new equipment to operate the new greenhouse space. The retrofit included upgrading the structure and growing environment in all 20 existing greenhouses and upgrading the seed processing and lab testing. This included some equipment needs. It is my pleasure to report to this committee that the retrofit and expansion project is complete and all areas are functional.

As of April 1, 1994, forest industries were no longer provided seedlings free of charge. Industry now pays for services from the Pine Ridge Forest Nursery through a revolving fund. These services include seed extraction, seed cleaning, testing services, as well as supplying specialty seedlings, such as field-grown transplants, which are not provided by other Alberta growers. The nursery continues to supply seedlings used by Environmental Protection to reforest sites where the government has reforestation responsibilities. This program under the Alberta heritage savings trust fund has enabled us to keep in touch and keep in step with Alberta's reforestation requirements.

Mr. Chairman, the three programs I've described for you today are important to Alberta and Albertans. They have in all cases been highly successful and exceeded their objectives. The 1993-94 fiscal year witnessed the completion of two of the three programs

with the water management improvement program also near completion. While the work on these projects continued and the desired results were achieved, I would like this committee to note that the budgets have decreased.

I want to thank you for giving me the opportunity to present the budget submissions for the '93-94 fiscal year to you and the standing committee on the heritage trust fund. So now I would be anxious to answer any questions. Of course, I haven't been involved in this that long, so I'll be relying very heavily on the folks that I brought with me. Thank you.

MR. CHAIRMAN: That's fair enough, and as this is your first time, we'll be gentle I'm sure.

Having said that, I'll now recognize Ken Nicol.

DR. NICOL: Thank you, Mr. Chairman. Mr. Minister, welcome this afternoon. We will be a little lenient in terms of the degree of difficulty in the questioning.

There still are a number of important issues that you addressed in your opening remarks and that show up in the heritage fund annual report. One of the things that you began talking about when you were dealing with the water management systems improvement project – you talked about a number of projects that have been set aside and were not going to be funded out of the heritage fund component. I ask the chairman's leeway in the sense that you brought these up, so I would like to pursue them a little bit. You spoke about the Carseland-Bow River headworks and the St. Mary spillway project. Without the heritage fund support how do you see these being funded over the next number of years, and do you have any kind of a time horizon right now when these projects might expect to be started?

MR. LUND: Mr. Chairman, the need to get on with these is quite urgent, particularly in the case of the St. Mary spillway. We haven't concluded discussions of where in fact the dollars are going to come from. It's not going to be an easy solution; however, the need to do it is so urgent that we are going to have to find the dollars. I don't know if Jake Thiessen would care to add something on the urgency of those two projects.

MR. THIESSEN: Sure. Thank you, Mr. Minister. Mr. Chairman, just to confirm, the St. Mary dam was built in the period between about 1947 and '51. So we're looking at a fairly old structure, and the standards of construction of the spillway weren't the same as what they are today. The danger, of course, is that an unusual flood event would come along and take that structure out. We've had several independent engineering analyses done of the structure and proceeded to the final design of a new spillway to be located immediately south of the existing one. That detailed design is now nearly finished with a consortium of private-sector consultants. The proposal in the department's business plan was to utilize the environmental protection and enhancement fund and proceed to construction over the next four years. So there's a process for getting approval for each project through that fund.

DR. NICOL: I take it that was the one that was going to be funded by the water user tax or the water user fee in part. Is that correct?

MR. LUND: That was only one component of the funding and only accounted for – well, the total revenue projection for that program was \$2.8 million. We're talking – the projected cost of St. Mary alone is about . . .

MR. THIESSEN: Forty-six.

MR. LUND: Forty-six. So the \$2.8 million would take us a long time.

DR. NICOL: So, in other words, some of it would have to come out of general revenue or some other source that we would have then.

The other approach that I wanted to take to it is: how much are you going to start relying now on the irrigation districts for financial support in these kinds of construction projects that are beyond the delivery system?

MR. LUND: Well, the ones that are identified here are owned by the province, so I'm not sure that we have identified that the irrigation districts would be responsible to pick up the cost of the replacement. Like I indicated in my first answer, we have not finalized where the funding is going to come from.

MR. CHAIRMAN: Okay. Thank you. [interjection] We'll get around to you.

Heather Forsyth.

MRS. FORSYTH: It's a pleasure to ask this minister a question.

MR. CHAIRMAN: Who?

MRS. FORSYTH: The new one.

I just have one question for you, Mr. Minister. Anyone who's ever been to a garbage dump or a landfill site has probably seen the large amount of discarded recyclable material which is mixed in with the piles of generally nonrecycled material or waste. When a garbage dump was reclaimed under the Alberta heritage savings trust fund land reclamation program, was there any consideration given to recycling some of the materials which have normally been buried?

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MR. LUND: Well, I assume that you're talking about the problem that dumps had with lightning. There never has been the right to burn in the landfills. The ability to go back into a landfill and sort out would be extremely expensive. Currently, of course, the province has come out with a number of programs through Action on Waste to get people to sort at source, and we're actively pursuing that. We're anxious that if the producer of the waste can do some sorting, then in fact we can drastically reduce what has to go to the landfill. Perhaps Peter has something more to add.

MR. MELNYCHUK: I would just like to add to what the minister said. In recent times we can see that there are good prices and value for recyclable materials. More and more we're seeing municipalities and various producers of waste doing the sorting at the source because there's value in that refuse. So less and less material is going into the landfills really for that reason, and the incentive there is the price of recyclable materials.

MRS. FORSYTH: Okay. Thank you.

MR. CHAIRMAN: Thank you.

Don Massey.

DR. MASSEY: Thank you, Mr. Chairman. Mr. Minister, last year in speaking about the Pine Ridge facility, the minister indicated that "we're looking at privatization as a possibility and

probably a goal for our operation." My question is: has the government made any efforts to sell the nursery?

MR. LUND: Not that I'm aware of. Perhaps the ADM responsible for forestry could supplement my answer.

DR. HIGGINBOTHAM: There hasn't been any direct action taken in that regard at this point. What we have done is that as part of the reforestation revolving fund that was approved for the current fiscal year, the operations of the nursery are now on that fund. As the minister indicated in his opening remarks, with the transfer of seedling costs to the industry there is revenue that's allowing us to move towards a situation where it would be fully cost recovery. The opportunity has not arisen yet to talk with Mr. Lund about what his views would be in terms of privatization, but we have had some continuing interest both from the forest industry and from other private nursery operators in the province and a certain amount of interest even amongst the staff out there about the possibilities of operating on a private kind of basis. So the simple answer is that it's still under discussion.

DR. MASSEY: Would part of those discussions be to reclaim the \$23 million investment that's in the facility?

DR. HIGGINBOTHAM: I think probably the critical thing that's keeping us from moving in that direction now is that our expectation is that it probably wouldn't draw the full \$23 million recovery if it were sold outright under the current conditions.

DR. MASSEY: What proportion of the seedlings are they providing again? It was a third I think they indicated last year. Is it still a third?

DR. HIGGINBOTHAM: In the current year we are growing about 18 million trees there out of about 70 million that are being produced in the province. The Pine Ridge facility is the only place in the province that produces bare-root seedlings, which take two or three years to produce depending on the custom order, and we're also producing most of the custom container-grown trees. So the numbers that we're producing have actually decreased in response to requests for higher cost seedlings, and the remainder are being produced by the private sector within the province and still to a significant extent in British Columbia.

MR. CHAIRMAN: Okay. Thank you.

Our deputy chairman, Denis Herard.

MR. HERARD: Thank you, Mr. Chairman.

MR. LUND: I was only going to supplement and suggest that in fact through the program at Pine Ridge we've kick-started a number of projects in the private sector in Alberta.

MR. CHAIRMAN: All right. I'll try not to be so impetuous in the future, and I certainly don't want to cut off a minister.

MR. LUND: No. That's fine.

MR. CHAIRMAN: Okay. Denis Herard.

MR. HERARD: Thank you, Mr. Chairman, Mr. Minister, and staff. It looks like we've invested a little more than half a billion in the water management systems improvement program. Yet when we talk about what the hon. Member for Lethbridge-East

talked about with respect to the St. Mary dam spillway and the Carseland-Bow River headworks, we've fallen a bit short of rehabilitating and rebuilding these facilities, and the program gets terminated. Now, I don't want to prejudge what Albertans may say with respect to what the fund may be used for in the future, but I'd like to hear from the minister as to whether or not we should consider continuing this program to in fact fund those things which we couldn't get around to with the original program, whether or not you feel that because of the capital nature of the project and because it is benefiting all Albertans, it would be advisable in your estimation to continue with this program to fund those particular projects.

MR. LUND: Well, Mr. Chairman, I'm not anxious to prejudge what Albertans might say that the Alberta heritage savings trust fund should be used for, but clearly those two projects that I identified – and Carseland I think is estimated at about \$70 million. So you can see we're up in excess of \$110 million, which is quite a sum of money, and to attempt to find that in our current budget or even out of general revenue is going to be very, very difficult. Quite frankly, I personally have some difficulty with suggesting that all the funding should come totally out of the environmental enhancement emergency fund program to rehabilitate these projects. I would be extremely anxious that members could give me some suggestions of other ways. Whether there's some opportunity to get the private sector involved on an investment basis I'm not sure, but I think we have to explore all avenues.

MR. HERARD: Thank you, Mr. Chairman. While I heard a number of things, I really didn't get an answer to my question. I guess I'll rephrase it, perhaps by saying that if a recommendation came from this committee to continue with the water management systems improvement program to fund those particular projects that are urgently in need, would the minister support such a motion?

MR. LUND: Yes.

MR. HERARD: Thank you.

MR. WHITE: I'll try not to ask you whether you want to spend more money or not.

In the land reclamation areas there are some 350 sites. Some of those sites are industrial sites. A great number of them of course were garbage sites. What standard has been used and applied to the reclamation of these sites? The standard that I'm interested in most is the egress of leachates. What is the standard applied to these sites?

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MR. LUND: I'll have to ask one of my officials to answer that one. Peter?

MR. MELNYCHUK: Perhaps I could start first. In terms of the standard for the topsoil that's finally put on there, it's to try to bring the land back to the kind of productive level that existed prior to the disturbance. That's a general standard for the surface.

In the matter of drainage, the configuration of the restoration is such that we try to ensure that the drainage is away from the site so that a minimum amount of water percolates through it and therefore would minimize the amount of possible contamination with our groundwater. Perhaps Mr. Thiessen might want to supplement that.

MR. THIESSEN: Only in terms of saying, in addition to what Peter has already said, that these reclamation sites were done on a fairly minimal-cost basis; in other words, using the local materials wherever possible. There were some exceptions; for example, slag coal piles and so on in the Crowsnest Pass area where there wasn't local topsoil available, so we hauled it from the Oldman reservoir. There was topsoil hauled and used to reclaim this site. But in terms of being able to ensure that there's zero leachate from an old abandoned site, it would be very costly. You'd have to put drainage facilities in, and we haven't done that.

MR. WHITE: So the answer is that there really wasn't a subsurface standard because it's too expensive.

The minister – correct me if I'm wrong – said that this program has aided most municipalities in the province. The exceptions, I understand it, are the cities, which have to pay their own. My question is this. Why would the province go in and do these reclamations, particularly in not so much the industrial sites but the municipal sites, sites that were garbage sites, were sites in a municipality that could and should be able to take care of these? Why would the province do it, I guess, as opposed to the municipality?

MR. LUND: Well, Mr. Chairman, I'm not sure if the hon. member was singling out the two major cities.

MR. WHITE: No. Red Deer, Lethbridge, Leduc.

MR. LUND: Well, the fact is that like Medicine Hat, which I know for sure got it, I suspect that if there had been sites that needed reclamation within those urban municipalities, they would have been eligible like anybody else. I don't think there was any choosing based on whether you're a city or not. Major centres got assistance under the program.

MR. WHITE: But why wouldn't the municipalities pay for it, when the distinction of where they are is not the question? Why wouldn't the municipalities pay for the reclamation?

MR. LUND: Well, this program was set up to assist municipalities in cleaning up abandoned garbage dumps, as they were called back in those days. I'm not aware of any guideline which said that if you're a city, you do not qualify, because the cities did qualify.

MR. WHITE: No. The question wasn't really a rural/urban question. What it was is a question of: why wouldn't the municipalities do this cleanup if it was necessary? Presumably, they're the ones that allowed the dumps in the first place.

MR. LUND: Well, you'd have to ask the folks who set it up that question, but the program was set up to assist municipalities in the future. You know, this program has ended, and in the future the municipalities will be responsible. I can't answer for the folks that set up the program.

MR. CHAIRMAN: Okay. Thank you, Ty.
Howard Sapers.

MR. SAPERS: Thank you, Mr. Chairman. Mr. Minister, gentlemen, welcome. I want to ask a question first of all about the notion of this funding coming from other sources to complete some of the unfinished business under the water management systems improvement program. Clearly the St. Mary spillway replacement and the Carseland-Bow River headworks projects are

priorities for your department. Why would the completion of these programs be put at risk by allowing this program to lapse at the end of this fiscal year if they continue to be priorities of your department? Wouldn't it have made more sense to guarantee their completion through accessing heritage savings trust fund dollars and then once they were finalized allow the program to lapse?

MR. LUND: Well, Mr. Chairman, I have never had the opportunity to sit on the heritage savings trust fund. You would have to ask the people who made the decision that they were going to discontinue the funding of this program through the heritage savings trust fund. That was not my decision. So I'm today before the very committee that would have the opportunity to change that.

MR. MELNYCHUK: I just perhaps could supplement that. When the program was first announced by government in 1980, it was announced as a 15-year program ending in 1995, and everything followed from that. These particular projects in 1980, 15 years ago, weren't seen as the highest priority on the whole list of projects that were completed. We see now that they should be in the total program, but the program as announced is ended in '95.

MR. SAPERS: Thanks. It seems, though, that these programs have emerged as the priorities they're recognized as today. Regardless of whether you were part of the decision-making in the past or not, Mr. Minister, I take it, by virtue of the fact that you're now in cabinet, you're also on the investment committee for the fund, and I would have assumed that you would have been brought up to date and up to speed on the issue.

That being said, a similar question, and I hope I don't get the same answer. When it comes to the 350-odd sites that have been identified under the land reclamation project but not reclaimed, I'm wondering whether these sites that are now being abandoned will now be left to the municipalities. Have the municipalities been told that they will now be responsible entirely for the reclamation of these sites? Will there be any ongoing funding or assistance to municipalities? How can Albertans be guaranteed that all the municipalities will treat them with the same priority that obviously your department did when they were originally identified as being in need of reclamation?

MR. CHAIRMAN: I would just point out to the minister in answering that there are multiple questions in there, so Mr. Sapers has used up his second and third points as we proceed.

MR. LUND: Thank you, Mr. Chairman. This is another one of those issues that really concerns me as well. For many of these sites it is extremely important that they be reclaimed, and under the current situation the sites that the municipalities didn't create, had nothing to do with, could in fact end up in their hands. That to me is very bothersome. We, and I know some of your colleagues that have been on municipal council, know how the Tax Recovery Act works and how, through that, a municipality could in fact end up with a site. We're looking at that. It's one that as a matter of fact we even touched on at the Canadian council of environment ministers, because there is a move the federal government currently is looking at: removing responsibility under the bankruptcy Act of financial institutions. I find that very bothersome because municipalities in fact could end up with more of these, and I find that very disturbing.

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MR. CHAIRMAN: Okay. Thank you.

MR. SAPERS: The fact that he only answered one of my multiple questions . . .

MR. CHAIRMAN: That's right. I was just going to make that point. He answered the one, so now you get your sup back.

MR. LUND: Oh, I thought I got them all.

MR. SAPERS: I think it should be noted: the most evenhanded chair of any of the committees. [interjection] Uncalled for.

Mr. Minister, I'd appreciate it if you would review the transcript, and perhaps you can get back in writing to the other parts of that multiple single question.

I would like to ask my final question in this round about the Pine Ridge nursery. I'd just like to remind you of some comments made by then Minister Evans last year before this committee. In part, in answer to a question about the nursery, he said:

I don't think the value of that [nursery] will [ever] diminish. But by virtue of the size of it today, it would take a very considerable amount of money to be able to purchase that and then to run it on a continuing basis.

In supplementary response Mr. Melnychuk then said:

The reason the Pine Ridge nursery is there is because the tree seedling nursery in Alberta isn't able today to produce the number of seedlings.

He concluded that particular statement by saying:

As soon as our nursery industry gets going and becomes competitive, then less and less seedlings will need to be produced at Pine Ridge.

I find those two comments somewhat contradictory and particularly contradictory in light of the response today about the potential for selling the nursery. It occurs to me that as less and less seedlings are needed, the value of the nursery will be somewhat reduced. If we don't need the product, we don't need the nursery. My question is: given that the value is in question, what specific recommendations, if any, have you given the Treasurer in regard to the book value of this particular investment, and are we going to see, perhaps next year, a total write-down of this some \$23 million?

MR. LUND: Thank you. Mr. Chairman, I guess this will take away the need for us to respond in writing since in fact we now have another supplementary.

You made an assumption in your preamble that I don't think is accurate. You said that there's going to be decreased demand, and in fact the demand is going to be going up for seedlings in Alberta. We will be needing at least 110 million very shortly. So to assume that there's going to be a decreased demand, I'm not sure where that came from.

MR. SAPERS: Just to correct that piece, because I want to make sure you heard me correctly. I was quoting Peter Melnychuk, who at page 97 of last year's transcript in part said:

As soon as our nursery industry gets going and becomes competitive, then less and less seedlings will need to be produced at Pine Ridge.

So it wasn't my assumption; it was the assumption of the Department of Environmental Protection.

MR. CHAIRMAN: Okay. However, I believe that in today's terms the minister has received a question and has answered it.

Okay. Ken Nicol.

DR. NICOL: Thank you, Mr. Chairman. Just another follow-up on the questions I was asking at the start. You were addressing the issue of management of the headworks and the directions some of these aspects may go. I was just wondering if you had any

thoughts toward privatizing the management of these headworks. They're now done through the government, and they can be done there kind of in the best interests of all publics involved. Has privatization been considered?

MR. LUND: Mr. Chairman, I hadn't got to that degree of involvement. If you as a representative of an area that is very heavily involved in irrigation have some ideas as to how we might do that, I would be anxious to entertain those.

DR. NICOL: From my perspective we won't be getting any ideas on privatization, because I think the public sector is doing a very good job of it.

MR. MELNYCHUK: I would just add this comment to the minister's comment, and that is that insofar as the rehabilitation of all of those headworks, that's all been done by the private sector, both the engineering and the construction. The operation and maintenance of the system to a large degree is being done by the private sector. What is not being done by the private sector at this time is the overall management of those systems because those systems, of course, support so many water users and there's such a wide range of interests that depend on those systems.

DR. NICOL: It was the latter aspect that I was referring to, the management of them as opposed to the day-to-day water flow that's run by the irrigation districts that are done that way.

Thank you, Mr. Chairman.

DR. MASSEY: Just a brief one to the minister, Mr. Chairman. You mentioned the sites in urban areas and your concern about them. Have you done any further thinking on how they might be handled and how they might finance the cleanup of the sites in the cities?

MR. LUND: Well, this is another one. I guess we're getting completely off the '93-94 budget. The only thing I can say is that it is a major concern to me how these are going to be handled in the future, and I'll throw out an idea. What would people think of a surcharge on every land transaction that would go into a revolving fund that would be used to clean up abandoned sites or orphaned sites? That's something I'm throwing on the table. We don't have an answer at this point. It's a major concern and especially if the federal government goes forward with their plan under the bankruptcy Act.

MR. CHAIRMAN: Just so the chair is understanding your response. We recognize that we've gone beyond the parameters of this particular report, and in your answer you're just a person interested in this subject so you are providing us with one possible idea amongst many and still seeking input.

MR. LUND: Right.

MR. CHAIRMAN: Fair enough?

MR. LUND: Yeah.

MR. CHAIRMAN: Okay.
A supplemental?

DR. MASSEY: I just want to thank him for his concern and suggestion.

MR. CHAIRMAN: Bonnie Laing.

MRS. LAING: Thank you, Mr. Chairman. Mr. Minister and officials, it's nice to see you here today. I was going to ask you about, under the water management system improvement, seepage from the canals and the soil salinity, which has been a major concern in irrigated areas before. What's been done under this program to control this problem?

MR. LUND: That's fairly technical, so I'll ask Jake to respond to that.

MR. THIESSEN: Thank you very much, Mr. Minister. As was mentioned in the minister's opening remarks, we've rebuilt about 500 kilometres of the largest canals in the province, and some of these are quite massive when you look at them in terms of width and depth and so on. When we started, we had to do a significant amount of research and standard setting together with the private sector. The end result is that about a third of those canals required some form of seepage control. The remainder were in soil conditions where we felt it was not necessary; that is, the native soil conditions, and after compaction and reworking the banks we wouldn't need any additional seepage control methods. For the remainder there were a number of solutions. Probably the most positive one was a PVC liner, a heavy plastic material that went into the shaped canal cross section and was covered with a layer of gravel about a foot thick. Then there were other methods such as interceptor drainage. There were some cutoff curtains used and even tile drainage in the field in some cases. All of those were used to some extent, but to summarize, I would say that about a third of the total length of rehabilitated system has some form of seepage control.

MRS. LAING: Good. Thank you. That's all.

MR. CHAIRMAN: Okay.
Howard Sapers.

3:50

MR. SAPERS: Thank you, Mr. Chairman. According to page 38 of the '93-94 annual report, some \$2.4 million were spent on land reclamation and in total that program has spent about \$44 million. I'd like to know what proportion of the funds in the last fiscal year and over the life of the program were spent on research projects. At the risk of asking a multiple question, I'll hold there for your answer.

MR. LUND: There's about \$500,000 spent on research.

MR. SAPERS: In total?

MR. LUND: Total. I'm talking about the last fiscal year. Oh, you mean over the whole life of the program.

MR. MELNYCHUK: Approximately half a million dollars per year over the life of the program has been spent on research projects.

MR. SAPERS: Could you tell me how those programs came to be funded? How was priority attached to the various programs? I'm assuming that there was more than \$500,000 worth in any given year that came to your attention.

MR. MELNYCHUK: I'm sorry; I'm not clear on what the question specifically is.

MR. CHAIRMAN: Well, if you had \$1.2 million worth of project proposals and you settled on \$500,000, how did you make that determination?

MR. MELNYCHUK: A committee was in place that reviewed all of the projects and applied criteria to those submissions for funding for research, and the criteria were specifically based on ensuring that the research dealt with land and how to reclaim land. I would have to provide for the committee through the chairman the membership on the committee and the criteria that were used to make those determinations.

MR. SAPERS: I would certainly appreciate seeing that, and we'll look forward to it. Thank you.

My last question then. I'll make an assumption that in any one given year there was more research need identified than was funded. Given that this program is now expiring and that, at least in the past, \$500,000 was annually spent on land reclamation research, I'm wondering what the department's plans are to continue to fund that unmet research need in the future.

MR. MELNYCHUK: As the member will know, the government is in the process of rationalizing its entire science and research budget and programs, and we would anticipate that any further research required for land reclamation would be considered in that overall restructuring of research funding.

MR. CHAIRMAN: Okay. Thank you.

DR. NICOL: Mr. Chairman, I move to beg your indulgence to allow me to ask two questions that are totally unrelated to each other. Call one a sup and the other one a primary question.

MR. CHAIRMAN: You're from Lethbridge, and anybody from Lethbridge can do whatever they want.

DR. NICOL: Mr. Chairman, would you pass that on to the Premier, please?

MR. CHAIRMAN: He's probably listening right now.

DR. NICOL: Mr. Minister, this is a question that probably would be best passed along to Mr. Thiessen. During last year's discussions in front of this committee there was reference to the priority given to capital projects that were going to be funded. There was a statement made that the Carseland and St. Mary spillway would not be funded, that that would be delayed and there would be two other projects. I have been searching my memory trying to think of all the discussions I've been involved in. Could the deputy minister please refresh my mind as to what those two projects might have been?

MR. THIESSEN: Yes, I'd like to do that, Mr. Minister. There were two other projects, both of which were within the irrigation districts themselves. One of those was the Snake Lake reservoir, which is a proposed new storage reservoir in the Eastern irrigation district immediately adjacent to their main canal. That project was dropped from the program a year ago. The other one that we were looking at last year was the secondary A canal in the Western irrigation district, again owned and operated by the board of directors of the irrigation district, but they were requesting the

province to expand the scope of its program to take those in. Of course, with the program winding down, we were not able to do that.

DR. NICOL: That was the secondary A canal in . . .

MR. THIESSEN: In the Western irrigation district, immediately east of Calgary.

DR. NICOL: Thank you.

My other question now. There was a reference made just a minute ago to kind of the rationalization of science and research. Does that mean that Environmental Protection would not be responsible now for the research that goes on? All of the research that's going to go on sponsored by the government is going to be drawn under the one minister of science and research, so that would be taken away from the respective departments?

MR. CHAIRMAN: To rule on the question, I guess in fairness to the member of our committee, you did raise the point in answer to another question, so I would respectfully request that you give it some consideration.

MR. LUND: Okay. I'll keep my answer very short. No.

MR. CHAIRMAN: All right.
Howard Sapers.

MR. SAPERS: Thank you, Mr. Chairman. I want to pursue that last point just a little bit as well. [interjection] There's a tremendous distraction coming from directly behind me, Mr. Chairman.

I take it from your earlier comments that land reclamation priorities will now largely be left to the municipalities and that's something you regret, that the funding for the completion of the waterworks projects will have to come from other sources – and it's not clear where those sources are – and that the unfunded research priorities that have been previously identified by the department are also now going to be thrown into a hopper with a whole number of other research needs that will somehow either be the exclusive jurisdiction or at least partial jurisdiction of the new minister responsible for science and technology and research, whatever that title is. So environmental research will be in a competitive environment with agriculture, with health, with all of the other research needs of the province. If all of that fairly summarizes your responses, then my direct question is: do you not think that environmental protection is an important enough priority that it should still be part of the heritage savings trust fund? It seems to me that the heritage savings trust fund and Environmental Protection are having a parting of the ways here.

MR. CHAIRMAN: The question again is clearly beyond the scope, but it is falling within some of the guidelines. It's almost hypothetical. You're being asked a hypothetical question. If you prefer not to answer that, then that'll be fine.

MR. LUND: Well, Mr. Chairman, I did answer the last question in what I thought was a very concise, short manner, and somehow that got missed. So at a little more length, to make sure that it isn't missed, I will suggest that not all environmental research is going to be conducted under the one ministry.

MR. SAPERS: Okay. I'll try to ask the question in a way that's very direct and I believe within the mandate of this committee. This year's annual report talks about millions of dollars spent in

various areas that are really within the jurisdiction of your department, and that's why you're here today. We've been told that over the life of the land reclamation program, for example, a half million dollars a year has been spent on research. I would like to know what it is specifically that was important enough in the past to demand the attention of the heritage savings trust fund that has ceased to be important. What has changed? Why are these issues no longer seen with the same degree of priority as they were in years past?

4:00

MR. CHAIRMAN: If I might interject once again, we've had the testimony, and it is in front of us. The fact is that the program terminated on March 31 of '94. You know, everything just ground to a halt, which included the approach that you're after, Howard. I don't know if there's a further answer to that.

MR. LUND: Only to say that all through the programs there's a prioritization and a lot of research has been done. Of course, whenever there are dollars, somebody can find a reason to do some research and probably come up with some good results, but unfortunately we have to face reality. I don't think it's a case of saying that all of a sudden it's not important. We do have to prioritize. Over time we have gained a lot of knowledge when you look at the research that has been done, and it will be very valuable as we move forward.

MR. SAPERS: Thank you, Mr. Chairman. Thank you, Mr. Minister.

MR. CHAIRMAN: Okay. Not seeing anyone's hand for any other questions, does any member wish to read a recommendation into the record at this time? Seeing none, okay.

I would like to thank the minister and his staff. You've done quite well. This is a new record, at least for this particular session, and one that I hope will be broken soon in the future. So thank you very much for coming.

I'll now entertain a motion for adjournment. I have it. All in favour? Carried.

[The committee adjourned at 4:03 p.m.]