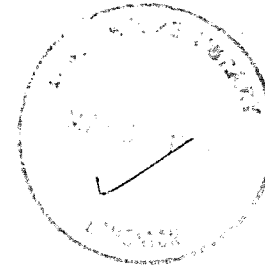


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Alberta
Legislative Assembly

COMMITTEE OF SUPPLY, SUBCOMMITTEE A
Room 312, Legislature Building

April 10, 1978
8 p.m.



Chairman: Mr. Kroeger

Department of the Environment

MR. CHAIRMAN: Gentlemen, do we have a quorum?

MR. SCHMIDT: Yes.

MR. CHAIRMAN: Dallas says we do. First of all I think, Mr. Minister, you will background us a bit on the procedure here, or at least the outline of what you have, and then I'll talk about procedure for one minute.

MR. RUSSELL: Okay, Mr. Chairman. Thanks very much. I'd like to spend a couple of quick minutes just giving an overview of the department so it will give you an idea of the kinds of issues and subjects that are in there. I have quite a few people from the department tonight. I'd like them to get exposed to this committee process; and besides, they know things I don't.

Just quickly going through the vote, the increase in manpower this year generally reflects the increase in work that we have. We are now to the point where we're administering, last year for example, in excess of 660 separate contracts, so there is a lot of paperwork involved when you put that much work out to the private sector. Ten of those people are really making former temporary people permanent by way of putting wage people onto salaries who used to handle our stock advance account. There are nine new positions being requested from the committee for our program of northwest erosion control, and a couple of other people involved in beefing up our water rights services. In a way, this reflects public reaction as a result of the dry summer in the province last month. There is a safety officer and a couple of other support people, but that generally accounts for the increase in manpower that you see there.

As far as policies are concerned, there is generally increased support for the municipal and water sewage assistance programs that have been very effective the last few years, as well as some additional funding for what we call gap funding in the northern communities trying to get water and sewer into Fort Vermilion and La Crete. There is additional money in there when we're talking about assistance to municipalities for a contribution to a relocation of a sour gas line at Crossfield. I should mention at this point, there is considerable funding in the heritage savings trust fund for capital works, and so you will not find things like the Oldman River basin management plan in this budget, although the Red Deer project is. It was under way prior to the establishment of the heritage savings trust fund. There is also an increase in funds for more activity in operation and maintenance of irrigation networks that cannot be covered by heritage savings trust fund dollars.

The Vegreville lab, of course, is well under way now and there is continuing support for it and more people coming on in order to get the thing organized. I guess the last major

policy is a slightly increased budget for the new Environment Council. You'll see, looking at the forecast, that they actually had a surplus of funds last year. But in order to give the new chief executive officer a chance to get a handle on it, we didn't propose a budget cut this year.

Just to give you some idea very quickly of what the votes are all about, Vote 1 is the responsibility of the deputy minister and it's all the traditional department support services.

MR. CHAIRMAN: Mr. Minister, may I interrupt. I wonder if you are going that route, would you mind introducing the people with you as you go through this?

MR. RUSSELL: Yes, okay. Vote 1 will be handled by the Deputy Minister of the department, Walter Solodzuk, for detailed questions, as well as Vote 5, the environmental research activities.

Vote 2, pollution prevention and control, Assistant Deputy Minister Gene Kupchanko, behind me. Gene looks after programs like the water and sewage assistance programs, emission control orders, the monitoring of water and air, and the licensing and permits that go to industry for their various polluting activities.

Vote 3, land conservation, is handled by Assistant Deputy Minister Henry Thiessen, behind me. Henry has the job of administering the restricted development areas, looking after our land reclamation regulations, and programs associated with those. We are also one of the three purchasing departments of land for government, so he has a very heavy schedule of land purchases that he makes, not only for our department but for others that may request it.

Vote 4 is dealing with water resources management. That's Peter Melnychuk, Assistant Deputy Minister. That's where most of our capital projects of interest to specific MLAs are handled -- a pretty heavy program of capital works. For instance, the Red Deer flow regulation program is in there.

Your last vote is Vote 6, overview and co-ordination of environment conservation. That is really the transfer vote that goes to the Environment Council of Alberta, and we have the new chief executive officer we recently hired, Allistair Crerar, with us. He has brought Dennis Reece, the corporate secretary of the council, with him. So, we're ready to start any time, Mr. Chairman.

MR. CHAIRMAN: All right. Thank you, Mr. Minister.

We have a little lady with us. If anyone wants coffee and doesn't want to get it, she will get it for us. The procedure you're all familiar with, if you're satisfied to go the same route; that is, a vote at a time. Are we agreed on that?

SOME HON. MEMBERS: Agreed.

MR. CHAIRMAN: Okay then we'll start with Vote 1. Mr. Notley.

MR. NOTLEY: Mr. Chairman, just before we get into the questions just so we have the rules of the game. During this first vote would we do as we did with other estimates; that is, that would be an opportunity for general questions? Or do you want the questions to relate to the specific vote? I'm easy one way or the other. It doesn't make any difference to me.

MR. CHAIRMAN: We haven't been sticking too closely. The only thing I noticed when we were with Dallas, after we finished a vote there was some return to it later on. I'm not sure

we really need to do that. But if you want to go ahead and reach forward, I see no problem.

MR. NOTLEY: Okay. Well, in that case then perhaps many of the general questions we can address now. Mr. Minister, I wonder if you would give us a summary of the water basin projects, as a start.

MR. RUSSELL: Well, the Red Deer basin of course is well known. I think there has been a lot of publicity about the hearings and proposals for flow regulation on that. We are now going into the same kind of detailed study on the Oldman River basin. We have considerable funds in here for what we call the whole South Saskatchewan basin system, and that will be the really first comprehensive major study to be undertaken whereby the policies will be developed and programs defined. The general principle we are following is to do each major river basin as an entity and work within the tributaries and streams within that basin. So, it's a long job and we are really only making a start on the river basins in the province.

MR. NOTLEY: Could I just follow that up by raising some questions with respect to the South Saskatchewan system? Could you, by way of introduction, Mr. Minister, outline the present agreements we have for sharing of water with Saskatchewan, the terms of that agreement, to what extent it is negotiable, who negotiates it, and so on?

MR. RUSSELL: I'm going to ask the deputy to follow up on details. It was negotiated not too long ago and essentially what it calls for is Alberta to pass on 50 per cent of the water at the border to Saskatchewan. But there is a minimum upset figure in there and it relates to cubic feet per second. I'll ask Walter to give me that exact figure.

MR. SOLODZUK: Mr. Chairman, a portion of the agreement was concluded, if my memory serves me right, some place like 1969, 1970, probably in 1971. I just can't get the right date there. But it was all worked under what is known as the prairie provinces water board. The prairie provinces water board is constituted under the Canada Water Act and the apportionment of agreements are ratified by all provinces -- Alberta, Saskatchewan, and Manitoba -- and the federal government. In other words, we handle the agreement with Saskatchewan; however, that agreement is ratified by all the provinces including the federal government. So there is a clear understanding as to the apportionment of the waters between provinces -- Saskatchewan, Manitoba and Alberta. True enough, the general agreements call for a 50/50 sharing of water at certain selected points and, of course, these points are on the boundaries of the province. With the exception of the South Saskatchewan and the Red Deer, the selected point where you balance the accounting of waters is at the confluence of the South Sask and the Red Deer rivers. So we don't deal with the Red Deer and then deal with the South Saskatchewan. We have a preferential clause in our agreement due to the involvement of irrigation in Alberta. What we have is a 2.1 million acre-foot annual depletion as the first call on the South Sask. However, when we take the first 2.1 million we at all times still have to pass through 1,500 cubic feet per second. So, if you wish, we have a bit of a prior right on the South Sask due to the irrigation development in Alberta. This was recognized by all provinces, including Canada, that we are the major irrigator on that system and we should have some sort of protection. That was included in that agreement.

MR. NOTLEY: If I can follow that up then. Does that mean our 50 per cent share of the Saskatchewan is after the 2.1 million has been taken out?

MR. SOLODZUK: Well, one thing we have to recognize is that when we talk about the sharing of water, that is a net depletion of water. In other words, each province can deplete the river by 50 per cent, but they always have to push through 50 per cent of the natural flow. Therefore, the annual average -- and it's an accounting system -- on the South Sask with the Red Deer is something like about 6 to 7 million acre feet of water. This is what would pass at that point at the confluence, in the average year, one or two years on the average. Therefore, we could take off our three and the three go by and everyone is happy. It's when you hit, say, the three, as we did last year, then the accounting takes a different turn, if you wish, and we of course will get the demand, the call of the depletions of the bottom 2.1 million acre-feet of water. But again, we always have to keep that stream alive so we still have to pass 1,500 cubic feet per second.

MR. NOTLEY: So, last year which was a very dry year we did run into difficulties, not insurmountable, but we were a little worried for awhile on our sharing with Saskatchewan. Or they were worried, or there was some concern -- would that be a correct assumption?

MR. SOLODZUK: I don't think anyone was really worried but, of course, there are the records and the question was asked. If my memory serves me right, Pete, I think we were short six days, if at all.

MR. MELNYCHUK: Well, there were several days where the flow at the point where it's recorded was just under the 1,500 CFS, but it was such a small amount that it could have been an error of measurement. So in actual fact there was no problem. But the average flow last year or the yield of that basin was 4.3 million, so we still didn't have to encroach, as it were, on the 2.1. But we were very close to that. The 1977 run-off on the South Sask was a very unusual event in terms of (inaudible).

MR. NOTLEY: Just so I have this clear in my mind. In a normal year there has been no problem.

MR. MELNYCHUK: That's correct.

MR. NOTLEY: But in an extremely dry year such as last year there was a problem for several days.

Tell me, in terms of the overall management of our portion of the South Saskatchewan River basin, given the fact that we do want to expand our irrigation in southern Alberta, to what extent would it be necessary to draw from the Red Deer in order to meet the commitments to Saskatchewan?

MR. MELNYCHUK: Well the apportionment agreement does not distinguish between the three rivers that make up the South Saskatchewan basin. Insofar as Saskatchewan is concerned, and insofar as the agreement is concerned, they don't really care where the 50 per cent is made up from, whether it's 50 per cent from each river or some other arrangement. So, in actual fact, Alberta has the flexibility for managing the three rivers in whatever is in the best interests of the province.

MR. SOLODZUK: If I may, pertinent to this discussion of course one always has to consider what is the period of balancing the books. That really hasn't been settled that well, but it's not days. I would think it is something like yearly, half-yearly, or quarterly probably. But that's where they balance it off as to what the flows are. So you don't do it on specific dates.

MR. NOTLEY: So there is some ambiguity at this stage in balancing the books?

MR. SOLODZUK: That's right.

MR. NOTLEY: There would be a difference of opinion, then, or would that not be spelled out in the agreement? Because I can't imagine that a province would be willing to say, well, Alberta will tell Saskatchewan that we'll balance the books during spring run-off when that water will be running very high, and it's not going to do that much good in Saskatchewan. I can't imagine any Saskatchewan government, regardless of their complexion, you know . . . It seems to me there would have to be some sort of more regular balancing of the books, if you like.

MR. MELNYCHUK: At the present time the deficits and surpluses are balanced on an annual basis. That is the way the agreement has been administered and is being administered now. There has been some representation to the board, that is the prairie provinces water board, by Saskatchewan in recent months that the board should have another look at perhaps balancing those deficits and surpluses semi-annually or quarterly. The matter is under discussion by the board but there have been no recommendations coming to either governments from the board in that regard.

MR. NOTLEY: If that were to be undertaken, what bearing would a change from a yearly accounting to a quarterly accounting have on the need to develop a tied-in South Saskatchewan water basin management program in Alberta that would link the Red Deer project, for example, with some kind of water flow on the Oldman River? To what extent are they all tied in and to what extent is that tied into the commitment with Saskatchewan?

MR. MELNYCHUK: Well, I think if the decision was to be to make the balancing more often than it is now, it would likely require a more precise management by Alberta of the three rivers in order that most benefits would accrue. However, I conclude that Alberta's representatives on the board would ask Saskatchewan to show cause why a more frequent balancing would in fact be required, given the fact that Saskatchewan has a very massive reservoir just downstream of the border. So they don't really have a regulation problem, because they have this massive South Sask dam and Gardiner reservoir. So I really see there is no need for Saskatchewan to press the point, because they don't have the problem as a result of this massive reservoir.

MR. NOTLEY: Just flowing from that, does there have to be a link or is there a link in terms of your planning? The minister mentioned water basin planning by basin. Are we looking at the planning on the basis of the Red Deer basin, the Bow, the Oldman, separately? Or are we looking at these three rivers leading into the South Saskatchewan as an integrated management hold?

MR. MELNYCHUK: Yes, the planning for the entire South Sask which would lead toward the coordinated management of all three rivers is under way now. Decisions that have been made on the Red Deer and that may be made on the Oldman will be in tune with that. In other words, none of the decisions made on the Red Deer, for example, would be in conflict or lock us into an overall strategy for the South Sask basin. We are in the process of gathering all the information and developing a strategy for, as I say, managing all three rivers in the basin in concert with each other, keeping in mind the commitments to Saskatchewan under the agreement.

MR. CHAIRMAN: Mr. Thompson.

MR. THOMPSON: Thank you, Mr. Chairman. I would guess down in my constituency, at least, probably the biggest problem with the department is sanitary landfills. I wonder if someone here could give the position of the department. Are they aware of the problems that these small towns do have with conforming to the regulations and planning sites for landfills and this type of thing?

MR. RUSSELL: We've been working for a few years now on a solid-waste management program that I'd like, I hope in my time, to present to the Legislature for approval that would involve legislation and budgeting. But it's not ready for presentation yet. Right now we try and prohibit burning at municipal dumps and we're trying to encourage regional use of these rather than the old fashioned individual town dump. With the funds available, we've been able to only really get one regional site under way. By regional site I mean whereby the province provides the land, the improvements to it, and the equipment to operate it, and then turns it over to a board of co-operating agencies to run. We have one under way now in the Crowsnest region. Otherwise, we merely go out and acquire the site for them and turn it over to a municipality without the other things I mentioned. It's a part of it, John, that we're trying to give added emphasis to.

MR. THOMPSON: I'd like to just give you an example of what's happening. Cardston got their present sanitary landfill filled. Now it's pretty hard to acquire a site, but they have found five different sites and each time, for one reason or another, the department has found them unacceptable. It's getting really serious now in that area.

MR. RUSSELL: Yes. There are a number of minimum requirements they have to meet; not only ours, but also the Department of Health regulations, transfer of possible pollutants through ground water sources, et cetera. You're right, it's not easy.

DR. WALKER: On that same subject, Mr. Minister. The concern in my constituency is not finding sites, but financing of suitable trucks and so on to take it to those sites. Is there anything in the Environment budget to allow for purchase of trucks by the municipalities?

MR. RUSSELL: No, not this year. We're still going to have to get along with . . . Until I present the program I mentioned, we don't have the funds in the budget to repeat the Crowsnest experiment, if I can call it that.

DR. WALKER: Then if you haven't funds for that and the municipality hasn't funds for it, how can it ever work?

MR. RUSSELL: Well, I think getting rid of garbage is a municipal responsibility.

DR. WALKER: But if they haven't got the funds to do it, as you say you haven't the funds to do it, how can you simply slough it off this way?

MR. RUSSELL: Well, who's going to pay for garbage if it's not paid for by the . . .

DR. WALKER: But they already have the facilities to dispose of it without the landfill. Now if you put in new landfill regulations that require them to have different trucks that

squish it up, I understand, into compact masses, if they haven't got the finances to acquire these trucks, how can you possibly enforce the landfill regulations?

MR. RUSSELL: Well, two things. Number one, they're not forced to go to landfill although that's generally the best method for these smaller municipalities, especially if they're able to do something on a regional basis. We'd look at another system like incineration, but in most cases it wouldn't be probably economically attractive. Many municipalities, as you know, contract out the trucking and the compacting and all that equipment stuff, so they're not forced into laying out those capital funds. What I'd like to see us do is provide that to the municipalities if we can, and that's what we did at Crowsnest.

DR. WALKER: I was hoping maybe you could look into it for the other municipalities because this is a big concern.

MR. RUSSELL: Yes, that would be our objective.

MR. CHAIRMAN: Mr. Planche.

MR. PLANCHE: Thanks, Mr. Chairman. Mr. Minister, in the business community there seems to be a growing concern about the increasingly high profile of your department. I'd like to ask you a couple of questions, more or less philosophically. The first one is in terms of your engineering staff. I'm wondering if you can give me some kind of an undertaking that to the best of your ability their planning and setting out parameters that the private sector can handle is their responsibility, rather than getting involved directly in the implementation and completion of the project.

Secondly, I know it's a very worthwhile thing to . . . For instance, if a major pipeline is going through, there's a lot of care required in the planning of the rights of way and whatnot. But if you extend that down to a simple gas well in a simple area that's been going on for a long, long while, it seems to be more of an impediment to progress in terms of the economics of implementing a plan than anything else. I'm wondering if you're making some efforts toward a window approach with the ERCB, for instance, so that all things could be done at the same time without some of the smaller companies having to spend days and days pencil-coloring maps and charts and everything else.

MR. RUSSELL: Well, many of our approvals that are attached to ERCB approval simply are that -- they're merely an attachment to it. Throughout the year we get a continuous flow of paper signed by the ERCB with the environmental attachment to it which is signed. It's processed that way, as one document, for the applicant. That would apply to anything involved in gas, oil, pipeline, or coal development.

I would debate your proposition that industry is concerned about the high profile. I've been encouraged by the good co-operation we're getting from industry. We've developed a set of environmental impact assessment guidelines in conjunction with industry and got those out, and now people know how to prepare those when they're necessary. I think our system of issuing permits and licences under The Clean Air Act and The Clean Water Act is pretty good. The coal industry reacted very quickly, as you know, to the new Alberta coal policy and it's got a high level of environmental input into it. The deposits, the financial or monetary assurances we're taking under some of our regulations under The Land Conservation Reclamation Act, are working very well and very soon I'll table the first annual report of how that fund is being administered. I'm encouraged by the response I'm getting from Alberta industry. They'll grumble about the rules, but once they know what they are they seem to adapt very quickly to them.

MR. PLANCHE: How about the first part, about the engineers. Are you undertaking much for them?

MR. RUSSELL: Yes. I mentioned, earlier in the meeting, that last year we administered over 660 contracts with the private sector and we're trying to get out as much as we can to them, because I think they can do it very well. There are some things where we have to have engineers on the house staff for processing of permits and licences. There is a certain degree of lab testing and stuff that's going on that is done by our own engineers, but other than that we try and farm it all out.

MR. CHAIRMAN: Okay? Mr. Horsman.

MR. HORSMAN: I wanted to follow up on the question of water resource management. In particular, I see that of your departmental staff increase of 29, 24 would be included in Vote 4, which is water resource management. You mentioned in your opening remarks that a study of the South Saskatchewan River basin would be undertaken. I assume that would be under Vote 4.6. Is that the correct place?

MR. RUSSELL: Yes.

MR. HORSMAN: I would like you or somebody in your department to outline just how you propose to deal with that South Saskatchewan River study in terms of the method and, secondly, whether or not the study will result in an increase in staff. If so, how many?

MR. RUSSELL: Yes. The staff breakdown, actually those people going from the stock advance funds on wages into salary are included in there. There are nine or 10 people who were temporary who are made permanent under that vote. That's not really a net increase in manpower; it's really more classification. There are nine, I believe, off the northwest erosion control program that we are initiating this year. Then there are two in the technical division. Peter, you'd better give additional details for those 24 people, and perhaps explain for the committee the outline of the South Saskatchewan study.

MR. MELNYCHUK: The study itself, none of the 24 positions are for that purpose. As the minister indicated, 10 of the 24 are replacement positions (inaudible) advance; nine are for the northwest erosion programs which, no doubt, we'll discuss later. Two are in our water rights section. This is as a result, mainly, because of the drought conditions in 1977. There is a tremendous increase of workload where people in southern Alberta are attempting to either secure or update their water rights and water permits and licences. Where am I at now? That's 21. Two are for our operation and maintenance section, wherein we are taking over additional irrigation headworks. This represents an additional workload. The last one is for our regional services in the Peace River area. So in actual fact none of those positions are for the planning division which is responsible for the study that you had referred to.

As to the methodology on the South Saskatchewan study, it's not any different in process than any other river basin study that we have under way. The first step will be to determine the water requirements for all uses within the three river basins that constitute the South Sask, attempt to place some projections on those uses, and then look at the various alternatives that may be possible to develop the resources to meet those long-term requirements. I will say this, though, that we are involved in other departments, particularly Recreation, Parks and Wildlife. We feel that the instream use, not only for recreation but to protect our fish resources, is an important use of water

and must be considered in the overall. Certainly irrigation is a major user in that basin, and reasonable projections have to be made along those lines as well as industrial use, and municipal. That basically is, very briefly, the way we would approach it to, as I say, project the requirements and then look at ways and means of trying to meet those in the long term.

MR. HORSMAN: Can I follow up with a supplementary on that? The minister indicated in his opening remarks that there was extra money or some specially designated money set aside within this vote for that particular study. Are you going to expend any of those funds in outside studies, consultants reports, and that type of input to your decision making, or at least, rather than your decision making, your inquiries as to the water requirements? That would be the first step that you're going to take?

MR. MELNYCHUK: We've designated in the sub-program called planning, \$200,000 specifically earmarked for the South Saskatchewan study and, in the main, that will go to the private sector for consultants' manpower to do this work.

MR. HORSMAN: Are you contemplating in this budget the empanelling of a management committee similar to that presently working on the Oldman River; that is to say, comprising people outside the department and consultants of independent people who might be knowledgeable and anxious to get involved in this decision-making process?

MR. MELNYCHUK: Inasmuch as the first steps would be mainly in the area of data gathering and the compilation of existing information from various places, we hadn't contemplated setting up a management committee of the type that we have on the Oldman. We felt that on the Oldman we are in a second phase of the operation where much of the data is available and it's a matter of putting together recommendations. I think we're some distance from that point on the South Sask. Perhaps that might be a second phase operation. But, in direct reply to that question, we haven't set up a management committee of that nature.

MR. HORSMAN: So it will be internal departmental consideration based upon some external opinions that you will be seeking in the private sector?

MR. MELNYCHUK: That is correct, but involving the other departments that have an interest -- a very legitimate interest -- in water management such as the one I mentioned, and to some degree business and tourism.

MR. HORSMAN: Will you be consulting with the irrigation districts which are directly involved?

MR. MELNYCHUK: Oh, most definitely. We'll be consulting with all water users, including the irrigation districts.

MR. HORSMAN: And the city of Medicine Hat and other communities which draw their water supplies from the river would be consulted, I trust.

MR. MELNYCHUK: I can assure you that they will be.

MR. CHAIRMAN: Mr. Kidd.

MR. KIDD: I'm a little curious about the concern of the Saskatchewan government to regulate the flow. On the one hand they entrap the water in the Diefenbaker dam, so that I can't quite see why the regulation of flow is necessary; it's going to be trapped there. On the other hand, if they're concerned about regulating the flow, have they been approached to put up their fair share of building the dams that would be necessary to do that?

MR. RUSSELL: Well, when I say "their fair share", they can do with it what they want to after it gets across the border, I guess. Regulating the flow, whatever province it's done in, has got to be beneficial to the residents of the basin, because you see all that water rush out in the spring and early summer and the low flows in the winter. So flow regulation helps everybody. The apportionment agreement deals with volumes of water so that we can't just pass a trickle on to them in dry times.

I should mention that when Mr. Notley asked his first questions, I may have left the impression that all we're working on is the South Saskatchewan basin. Last year we signed an operating agreement, or a memorandum of understanding, with the federal government, British Columbia, and Saskatchewan, covering work on the Mackenzie River basin. There is a lot of joint work going forward on that basin that ordinarily would be covered by a . . . But because of its interprovincial nature, we're working on that combined basis. So that's going forward as well.

MR. CHAIRMAN: Mr. Wolstenholme.

MR. WOLSTENHOLME: Thank you. We've been hearing quite a bit about the large basins and so on. This is a small project and it means a lot to some small towns. What about the Squaw Coulee diversion? Is it still under review?

MR. RUSSELL: Yes, I think it's going ahead.

MR. WOLSTENHOLME: As a dam or just to upgrade the (inaudible).

MR. RUSSELL: There's funds in here for construction. What's going ahead?

MR. MELNYCHUK: Yes, we have allocated \$150,000 for the Squaw Coulee project in what we're calling phase one. What that will accomplish is essentially rebuild the diversion structure, rebuild and relocate the diversion structure on the Highwood River. That is really the first step, since without that structure nothing else works downstream. That is our plan for '78, to get that one done and then proceed with other developments downstream, mainly on the canal firstly. In terms of the overall long-term picture, there are still negotiations and planning going on between the department and the local authorities, so it will depend what the long-term picture on that will be. Or it remains to be seen what it will be.

MR. WOLSTENHOLME: When you say long term, is that five years, 10 years, or like the answer the other day: five to 25?

MR. MELNYCHUK: I don't think I can be specific.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Mr. Chairman, I'd like to jump about 700 or 800 miles north in a moment, but there is one question before I do that I'd like to put to the minister, particularly as Mr. Melnychuk and Mr. Crerar are here. Mr. Minister, on page 61 of the Environment Council of Alberta report there is a reference to the hearings on the Oldman, and I just quote: The nature of the terms of reference will have particular significance for the future role and function of the council. If they are narrowly defined, involving essentially the choice between different dam sites, the role of the council will be similarly prescribed. If they are broad, they could include a consideration of the relations between land use and water use, and thus enable the public in the Oldman River basin to address such concerns as the appropriate relationship between dry-land irrigation farming and the future of industrial and community development in the basin. End of quote. Are you in a position, Mr. Minister, just to bring us up to date on where things stand on that?

MR. RUSSELL: Yes, the consulting studies that are getting the information assembled for the public, so that the public hearings can be held, are nearly finished. I think there are 14 different reports. I mentioned earlier that's not covered in a capital sense in the budget, but nevertheless there's some administrative time going to it. We've been working with a local management committee made up of some senior civil servants, but more than half of the committee is local residents of the region trying to represent a wide variety of interests. It's our intention, certainly, to hold the hearings on a river basin management approach rather than on a specific project approach. As a matter of fact, we're in the process of writing terms of reference, now because we want to get those hearings set up in advance as soon as we can. The letters have gone out to a variety of groups, asking for suitable nominees to serve on the panel. People on my staff in the department, as well as Mr. Crerar from the ECA, have been asked to suggest terms of reference. I think it will be a very short time before those are put out by order in council.

MR. NOTLEY: Those terms of reference will be broad enough to meet the concern in the report?

MR. RUSSELL: Yes.

MR. NOTLEY: In other words almost everything that is at all relevant -- irrigation versus dry-land farming, the whole shebang -- will be . . .

MR. RUSSELL: We share the same concern that it's better if the region can collectively come together on a solution rather than getting into a fight over a specific project.

MR. NOTLEY: Okay, let me if I may, Mr. Chairman, move up to something that the minister mentioned before: could you bring us up to date on where things stand on two possible river management projects. One would be the Dunvegan dam, which will be mainly a power project; the other would be the Slave River, again mainly a power project. The Dunvegan report made as its recommendation that we explore the feasibility of the Slave River project. I realize in a sense, Mr. Chairman, this is getting into, in a way, the responsibility of the Minister of Utilities and Telephones. Because the two really blend together and the Department of the Environment has to be involved, I think it would be appropriate to put it to the minister.

MR. RUSSELL: That's quite right. It was Bill Yurko who actually arranged for the Alberta portion of the Dunvegan studies to go ahead. They were pretty extensive; the Alberta share was nearly \$2 million. B.C. did similar studies on their side of the border. Then we prepared a joint report based on the studies each province had done, trying to avoid a repeat of the Bennett dam. Just to quickly review, there were three possible proposals at Dunvegan: low, medium, and high heads. It appeared at the time that looking at what was acceptable to both provinces, recognizing the specific interests of each province, only the low head one might be considered realistic at the present time, notwithstanding the fact that the economics of that were not the most attractive. Since the publishing of those reports and the reaching of those interim conclusions by the two governments, nothing further has happened. In other words, they have found out what it is they want to. My understanding is that B.C.'s conditions may have changed on their side of the border, insofar as reaction to a higher head dam might be. So that's where that stands; it's just in a state of hiatus.

On the Mountain Rapids site on the Slave River -- that's the one last big site left for a hydro-electric development in the province. Calgary Power has shown a fair amount of interest. Because of the lead time that's involved, they estimate 14 years at least from the time they undertake the preliminary studies to when construction might finish. They're concerned about meeting the expanding demands of their customers, and have been working with our department insofar as getting preliminary exploratory water permits for some minimal studies to be undertaken. I think they've probably spent in the neighborhood of \$100,000 to date. I know they are arranging this summer to carry out some aerial photography work and reconnaissance work of that type. They've done a little bit of work on snow melt and ice cover in the winter at that site. But that's where that stands.

MR. NOTLEY: Does the government see the two sites as being mutually exclusive, or two sites that could go ahead both at the same time?

MR. RUSSELL: I can't answer that. I can't see them both going ahead at the same time, because there's the thermal electric sites that would also have to be considered at the same time. It's probably a balanced program that would want to be proceeded with. They're both massive projects, insofar as capital requirements are concerned. I doubt if one developer could handle both at the same time.

MR. NOTLEY: You mentioned, Mr. Minister, that there was some change in the attitude of the government of British Columbia.

MR. RUSSELL: Possible.

MR. NOTLEY: I know it may be difficult for you to answer this, but I wonder if I could draw you out a little more, because clearly the high dam would be a much more feasible proposition. If you're going to spend a billion dollars building a dam you want to be able to get the maximum amount of power out of it. But on the other hand, as I understand it that would involve substantial flooding in British Columbia right along the Peace valley. I would be surprised if the government of British Columbia, given the tremendous hubbub that has been created over the second dam adjoining the Bennett dam, that they would be changing their attitude.

MR. RUSSELL: I don't believe that the high dam would ever be acceptable, and I have nothing to base this on. I just discern perhaps a softening of attitude in approach towards the medium-head dam. That's only a personal opinion and it may be completely

wrong. But we've had no communication with B.C. on the matter since the reports first come out.

MR. NOTLEY: Are we looking at any sort of timetable with respect to another major hydro-electric facility in the province? For example, Calgary Power are looking at 14 years on the Slave, but Dunvegan is being held in abeyance until these studies are done on the Slave. What I'm trying to ascertain is what sort of time frame are we looking at in this province for another major hydro, as opposed to a thermal, power project.

MR. RUSSELL: I can't answer that. The companies, the utilities themselves, are all members of the Electric Utility Planning Council. They're looking at thermal as well as hydro. There doesn't seem to be a great deal of interest in Dunvegan at the present time, because of the economics. So they're looking at other alternatives, primarily thermal sites. Each of the major utility companies of course is involved in new projects now, or possible new projects, as well as the city of Edmonton. Except that I think Calgary Power perceives Mountain Rapids to be possibly fairly attractive and they're willing to put some preliminary reconnaissance funding into it. But they're concerned about the early '90s for that project, and we're into the late '80s now. With the time I mentioned, that's why they're anxious to get going.

MR. NOTLEY: Has there ever been any timetable considered for Dunvegan project by Calgary Power, for example, as to what it would take there -- 10, 12 years?

MR. RUSSELL: I don't know if that was estimated. Was it in the reports we received?

MR. SOLODZUK: I can't recall any.

MR. CHAIRMAN: Mr. Minister, without wanting to lead the questions, if we are moving into another department in this, I would suggest you make the judgment. I'm not being critical of the line of questioning, but you're better able to judge.

MR. RUSSELL: No, these things are covered by our department. We have an involvement in both the thermal and the hydro sites.

MR. CHAIRMAN: As long as you're comfortable.

MR. NOTLEY: The only other question I'd ask, Mr. Chairman, on the Slave project. I have only been to Fort Smith once so I don't know the area very well. There is, I gather, a pelican nesting ground. Is there any specific study being done on that question?

MR. RUSSELL: Well, as Al Adair said in the House one day, he is trying to work with the birds. Yes, we've both been up and looked at it and visited with the officials of the community of Fort Smith. There is that aspect to it. I understand it's a pretty unique site and it may or may not be that the best construction site is found too close to the particular island where they nest. That's going to be a difficult problem to deal with. I don't know if the birds can be moved and coaxed to another nesting site or not. But these giant white pelicans traditionally nest there.

MR. NOTLEY: Are there any other sites on the Slave River in Alberta that would be potential power sites, or within the Northwest Territories where some sort of territorial/provincial agreement could be worked out on?

MR. RUSSELL: I don't know about the Territories. There were other sites examined further down below Fort McMurray. There was one other one examined there in a very preliminary way. It was abandoned because it was not suitable. But that was back down on the Athabasca really. Is there any in the Northwest Territories?

MR. SOLODZUK: Well, there is one just across the boundary and that's incorporated in whatever the number of rapid is, right in the town. So there is that last one where you could put it over there, of course, and then take the water by canal and dump it. So you gain a little more head by an extra 25 feet, 22, whatever. Because there are three rapids times 25 in order to get a 75-foot head as you go all the way down. That's the only one that I'm aware of in the Territories which would be, you know, considered as part of the project.

MR. NOTLEY: Do we have any sort of policy on something like that? If a site like that were found to be the best site, would there be impossible impediments -- the fact that it's in the Territories -- to overcome, or could there be a joint arrangement worked out between the province and the Territories?

MR. RUSSELL: I'm confident there would be a joint arrangement wherever it is, whether it's on the Alberta side or the Territories. We have met with the northwest power commission and they're just as anxious to get a site developed as Alberta is to see additional power supply. In any forecasts I've seen, customers in the Territories as well as customers in Alberta are just deemed to be part of the total package.

MR. KIDD: Supplementary. It seems to me what you're saying on the timing of power plants states the actualities of the situation. The actualities are: the megawatts per dollar of capital investment in the short term are much higher in a coal-fired plant than they are in a hydro venture. That's in the short term. I think that's what is being reflected and what is happening in the putting off of these darn things.

MR. RUSSELL: Well, hydro is attractive because it's a renewable resource.

MR. KIDD: I know. But hydro, you know, is a beautiful thing; you get it done and it runs along fine. But if you take Brazeau for instance, what have you got there -- 250 megawatts? What have we got at Sundance and Wabamun combined? What's it coming up to, 2,500 or something like that? In the short term, the relative capital investment return in megawatts of power for coal-fired is considerably greater than it is for hydro investment. That's why these things are put off.

MR. CHAIRMAN: Mr. Mandeville.

MR. MANDEVILLE: Mr. Minister, you've had many submissions from my area in the Bow River basin there. That's in regard to the repair of the Bassano Dam or (inaudible) in relation to the building of the Eyremore Dam. You have indicated in the House that you were going to meet with some of these people who sent submissions to you. Have you any indication or any time line when you're going to meet with each irrigation district board?

MR. RUSSELL: Yes, I'm looking at early May. I'm ready to meet with them now. But as soon as I get my estimates through the House and can get away, I'm prepared to go down and meet with them. We're ready.

MR. MANDEVILLE: On the meetings, Mr. Chairman. I understand there is some consideration for the province taking over the headworks of the Bassano Dam. These details, have you worked them out with the Eastern Irrigation District or had any discussions in this area?

MR. RUSSELL: Well, there are two things involved. When the agreement was made in 1973 between Alberta and Canada, that was the year in which the rehabilitation and repair of the irrigation structures that were the responsibility of Canada, the cash transfers, et cetera, and everything, were put into the package. There was not a bad agreement for Alberta worked out at that time. That's been carried out. Things have been transferred over, and some of the work done; some is still to be done. Following that, in 1975 the province announced its irrigation policy, if I can call it that, whereby the districts would turn over all headworks to the ownership of the government, who would then be completely responsible for the maintenance and operation of them. We're waiting to get the final decision made with respect to the Bassano structure, and then have the board transfer the title. Because there is a transfer of funds involved and conditions to be met on either side. We're anxious to see it concluded. The bone of contention as you know, Fred, is the alternative of doing a new structure at Eyremore rather than the Bassano repair.

MR. CHAIRMAN: Agreed on Vote 1?

MR. MANDEVILLE: Mr. Chairman, I'm sorry. We're on Vote 4 here. But since we're on water policy, as far as the federal government have agreed on this program and they have agreed to put in so many dollars. But will anyone from your department, or will anybody from the provincial government, be meeting with the federal government to see if they would be looking at putting more money in? I'm not only looking at the development of the Eyremore Dam, but as you say we're were controlling our water. I think it's a federal responsibility. Are we making any representation? I talked to the minister of trade and commerce, and he said we haven't had any submissions from the province in this area. I was wondering if you are anticipating meeting with the federal government to see if we can get them involved in putting . . .

MR. RUSSELL: Well, certainly a meeting may be productive; I can't say at this time. I noted the federal minister's comments with interest and we've since written the federal government to see if they have the dollars to stand behind those suggestions.

AN HON. MEMBER: I'd just say, Mr. Chairman, this is an opportune time to approach them.

MR. MANDEVILLE: Is there any time line as far as starting the construction or the rehabilitation of the Bassano Dam, or are you going to wait, Mr. Minister, until you meet with interested parties now before you'll be making a decision on that?

MR. RUSSELL: No, I'm committed to meeting with the board and I want to have that meeting within the next month.

MR. MANDEVILLE: You have this vote in here for water resource planning and co-ordination. Is there a possibility that there could be some cost/benefit studies done in this area as well as the rest of the basin, before construction starts? Would that be a possibility?

MR. RUSSELL: Well, those are done. We hired PFRA to do those and we have submitted those studies to the board of the district. Their response, of course, was to get their own study which commented on our study. So that's what we're going to talk about next month.

MR. CHAIRMAN: Mr. Notley.

MR. NOTLEY: Mr. Minister, at what stage is the evaluation process of the ECA recommendation on water resource capital funding, I believe from 50/50 to 75/25?

MR. RUSSELL: We're going to react positively to their recommendation.

MR. NOTLEY: Is that a decision that will be made in capital budget this year? In other words, in the next day or two are we going to hear a ministerial statement -- I hope?

MR. RUSSELL: Yes you are.

MR. NOTLEY: It'll be 75/25. I assume that's one of the reasons why we have an increase in the staff in the northwestern region of the province. Because if we didn't make that change, we would have the problem of many of these worthwhile projects that would just be backlogged because of the local share. Is it the assessment of the department that the 75/25 is in fact going far enough? There have been several other proposals made. Improvement Districts there recommended . . . I think almost everybody thinks that 75/25 would be a great leap forward. But there have been a number of others. I know the president of the provincial association of improvement districts has mentioned that there should be a set levy that everybody pays, and then the rest of it would come from the province.

MR. RUSSELL: For now we're prepared to go ahead with the 75/25 and on certain maintenance there will be 100 per cent funding. So I think they're going to have a substantially improved package this year.

DR. WALKER: When does the present agreement run out?

MR. RUSSELL: Well, it's not an agreement; it's just that it's a policy that each of these projects throughout the province goes ahead on that basis. But for all these northwestern districts we're going to 75/25 this year.

DR. WALKER: What about the southeasterners?

MR. RUSSELL: No, they're still 50/50.

MR. CHAIRMAN: I have no more names on the list. Are we agreed on Vote 1? We've been into other votes, but are we finished with 1?

HON. MEMBERS: Yes, agreed.

MR. CHAIRMAN: Vote 2?

MR. HORSMAN: I have a question on Vote 2, Mr. Chairman.

MR. CHAIRMAN: Mr. Horsman.

MR. HORSMAN: On Vote 2, water quality management, there was a study conducted in 1976 on the algae situation in the Oldman River, and I think one in 1977 on the Bow River. I'm wondering if we can be advised as to when we might expect to receive the Bow River study and what recommendations the department might have towards improving the control of algae on the South Saskatchewan River, which arises somewhere between the mountains and the Saskatchewan border but certainly affects the downstream users.

MR. KUPCHANKO: There's a substantial sum of money included in 2.3 to cover an additional assessment of the causes of this algae. Specifically we're going to look at some of the non-point sources, and also the Calgary Sewage Treatment Plant.

MR. HORSMAN: When you say "non-point" sources . . .

MR. KUPCHANKO: Irrigation plants and other sources.

MR. HORSMAN: What about that study on the Bow? Is that completed? My understanding is that it was being conducted last year.

MR. KUPCHANKO: Yes, this is now complete.

MR. HORSMAN: When will it be made public or available?

MR. KUPCHANKO: It's available right now. Would you like a copy?

MR. HORSMAN: Yes, indeed. It will be useful.

So there are additional funds then to study the problem in this year's budget. Can you identify in terms of dollars?

MR. KUPCHANKO: Fifty thousand dollars. It's not a very large sum but one of the problems that we face is, okay, if we ask, for example, the city of Calgary to expend substantial sums of money to remove phosphorous, is that really going to solve the algae problem or do we have a residual base line of phosphorous in the Bow?

MR. HORSMAN: Yes, that what you're going to be trying to assess this current year.

MR. KUPCHANKO: Yes.

MR. HORSMAN: I take it, then, what we're really looking at is a combination of the studies that have been undertaken and a further assessment to try and pinpoint the actual cause of this before we ask the city of Calgary to expend \$50 million or whatever it is to upgrade their sewage treatment plant.

MR. KUPCHANKO: Correct. We want to be very sure that we know exactly what the cause is.

MR. MANDEVILLE: Mr. Chairman, it's in regard to sulphur emissions from the gas plants in the province. At most of the gas plants now, have they got sulphur extraction facilities for taking care of the sulphur emissions?

MR. RUSSELL: It depends on the load.

MR. KUPCHANKO: It depends on the amount of sulphur in the gas. But certainly -- and this is of course controlled by the ERCB -- to all greatest extent, they have sulphur removal facilities. In fact, the latest percentage removal that I have seen for all of the sulphur plants in the province is now up to 97 per cent removal.

DR. WALKER: Is that worked on a monthly basis?

MR. KUPCHANKO: Correct. Monthly.

DR. WALKER: How can you work it on a monthly basis? You know, if I have an ounce of whiskey every night it won't do me much harm, but if I have the whole 30 ounces all in one day I'm liable to (inaudible)

MR. KUPCHANKO: Yes. The ERCB, from a conservation point of view, work on a monthly basis. Now, ourselves, on a pollution point of view, we work on an hourly basis, or it could be a daily basis. There are two time frames stipulated in the approvals for us. Because you know, the piece of grass or the bird flying doesn't care what happens during the month. He might get a slug in him during . . .

DR. WALKER: Yes, that's what I was saying. You work on that on a day-to-day basis.

MR. KUPCHANKO: Yes, from a pollution point of view.

MR. MANDEVILLE: Supplementary question, Mr. Chairman. Are most of the plants monitoring or does the province have facilities to monitor the emission of all the plants (inaudible)?

MR. KUPCHANKO: Both. We require the plants to provide both continuous and static monitors, and of course we have some six trailers roving around the province also checking (inaudible)

MR. MANDEVILLE: Do you ever lay any prosecutions under The Clean Air Act as far as . . .

MR. KUPCHANKO: There have been. They're not particularly frequent.

MR. NOTLEY: Could we have a report on where things stand on the problems with the Peace River plants where there was a soil acidity problem exacerbated by sour gas extraction?

MR. RUSSELL: There are two plants proposed. One is under way and it's got a (inaudible) sulphur recovery facilities within two years. The other one is a proposal by AMOCO, who presently have a number of separate wells, all of which are producing below the permitted level of sulphur emissions. What they want to do is gather them all into one. The total amount of sulphur emissions wouldn't exceed what it is now, except that we have asked them, if they do this, to put in a sulphur recovery plant because of what we're learning and hearing from the local residents up there. They're balking at this and using the argument that they shouldn't because they are not increasing what's there at the present time. But, I guess we're at a Mexican stand-off sort of situation right now. There's also a joint study by the ERCB and Alberta Environment with respect to that soil acidity and sulphur emission problem, as a result really of what we're hearing and learning from that region.

MR. NOTLEY: This one particular plant, they haven't begun the construction? Or have they begun the construction of it?

MR. RUSSELL: Are you talking about the first or the second one?

MR. NOTLEY: The second.

MR. RUSSELL: No, the second one hasn't.

MR. KUPCHANKO: Our position is, to be on the safe side we want sulphur removal. I think that's the only wise position.

MR. NOTLEY: And that would be: no sulphur emission at this stage, no permit to build, essentially?

MR. RUSSELL: Yes, the irony is they don't have to build them. They could just leave the existing disperse wells there. So I don't know if they'll go ahead with it or not.

MR. NOTLEY: The only other thing. What is the price of sulphur? Is there any economic benefit in sulphur recovery these days, or is it essentially a cost factor to the industry.

MR. KUPCHANKO: I think the economic benefit is in the large plants, but plants of this size that we're talking of -- ten tons -- there is no economic benefit. It's a only pollution control measure.

MR. CHAIRMAN: Agreed on Vote 2?

MR. MANDEVILLE: Just one more question on Vote 2, Mr. Chairman. That's in regard to grants. I see there is a large sum of money. Could the minister briefly outline what the grants are for?

MR. RUSSELL: Which number are you looking at?

MR. MANDEVILLE: I'm just looking down in the summary.

MR. RUSSELL: That covers the debenture shielding payments in both the municipal water and municipal sewage programs.

MR. CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Vote 3.

MR. COOKSON: On Vote 3, Mr. Minister. I've had some concern expressed to me that municipal governments are in fact not requiring permits for private landowners to develop gravel recovery sites, clay pits, and so forth. I presume it comes under this estimate. I wonder if you could maybe indicate to me what is the situation across the province. Are we enforcing our own legislation on our own property but are municipal governments not carrying out the responsibility?

MR. RUSSELL: That's true to a degree that in some cases the municipal by-laws with respect to, say, topsoil stripping within a municipal district, are not being enforced.

MR. COOKSON: Is there provision under the legislation for a penalty?

MR. RUSSELL: Under our legislation?

MR. COOKSON: Yes.

MR. THIESSEN: Right at the present time under the act there are no provisions which require the province to approve sand and gravel operations on patented lands. At the present time the only control on patented lands would be under municipal government by-law regulations, or if it was adjacent to a water body.

MR. RUSSELL: Or in an RDA.

MR. THIESSEN: Or in a restricted development area, yes. But we are working on regulations which would designate sand and gravel operations as a regulated surface stripping operation somewhat similar to coal mining operations. Our response from the sand and gravel association in that regard is quite favorable. They would actually like to see the province regulate that in order that there aren't a multitude of municipal regulations.

MR. MANDEVILLE: Mr. Minister, the program that was started last year, that was reclamation of gravel pits and coal mines for \$1 million, how extensively is that used by municipalities?

MR. RUSSELL: Oh, really well. It's in the heritage savings trust fund.

MR. MANDEVILLE: Yes, I appreciate that.

MR. RUSSELL: The response was really good.

MR. MANDEVILLE: You haven't given any consideration to expanding this to reclaiming, say, land as far as -- especially in irrigation districts.

MR. RUSSELL: The only condition of that program is that the land should be publicly owned. We obviously don't want to spend a lot of public funds reclaiming privately owned land. But there are any number of kinds of sites that have been reclaimed: old lagoons, abandoned coal tunnels, pits, or slag heaps, gravel pits.

MR. CHAIRMAN: Are we agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Vote 4.

MR. HORSMAN: Just one question to follow up on my questions under Vote 1. The Saskatchewan/Nelson River basin study which was carried out some years ago -- not that long ago, really -- covered the whole basin. I'm just wondering if the department doesn't feel that that study is sufficiently detailed to provide the basic information they're looking for in the Saskatchewan River basin study.

MR. MELNYCHUK: We certainly would use all of the information that was compiled under those things, but there are two problems there. One is that they are not sufficiently detailed as far as Alberta is concerned; and secondly, with respect to the requirements and demand they are somewhat outdated.

MR. HORSMAN: So, those are the two factors that require the detailed study of the Saskatchewan River basin within the province.

MR. MELNYCHUK: Yes.

MR. CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Vote 5. Oh, I'm sorry. Mr. Mandeville.

MR. MANDEVILLE: Mr. Chairman, on Site 6 on the Red Deer Dam. Have you acquired any land there yet, Mr. Minister?

MR. RUSSELL: We've started to, yes. The land purchase program is just under way and there are . . . It's hard to estimate because you don't know how many agreements you're going to be able to come to. There's \$1.35 million in this budget for land assembly for that project.

MR. MANDEVILLE: Have you started to purchase land from farmers down there?

MR. RUSSELL: Yes.

MR. MANDEVILLE: Do you have any target date when the completion of the dam will be?

MR. RUSSELL: '83 -- the completion of the filling of the reservoir. So the dam will probably be finished a year or two prior to then.

MR. MANDEVILLE: Just one other question, Mr. Chairman, on Vote 4. That's a question I directed to the Minister of Agriculture, and he suggested that I direct it to the Minister of Environment; that's in regard to the irrigation districts. They've got an irrigation right; they pay \$10 or \$20 for a right to irrigate. It's been getting quite expensive, as you can appreciate. There are farmers who are downstream from an irrigation district, or upstream, and they'll be pumping water out of the river but they don't have . . . It's all by permit. They don't have any water right. Have you had any submissions or any concerns from irrigation districts in this regard?

MR. RUSSELL: Yes, I think there is a fair amount of concern, and it was accented by last year's dry season. That's why we have two additional people strictly for the water licensing division this year to try and catch up on straightening out these water rights that have been given out by way of licence. We're also trying to encourage people who are within a district to join a district and, you know, pay their dues to the district rather than directly to the department.

MR. MANDEVILLE: In most cases, Mr. Minister, on the permits that are issued is it PFRA that issues the permits, as far as pumping right is concerned, out of the river?

MR. RUSSELL: Is that correct?

MR. SOLODZUK: You're speaking, Mr. Mandeville, to the BIRD or the Carseland development district?

MR. MANDEVILLE: I'm thinking of any farmer that is pumping. For example, in Taber there are a lot of farmers who are irrigating right out of the river, and it's nothing to do with the district. On the Red Deer River there are permits for 9,500 acres issued. I was wondering what authority or what input the province has as far as issuing these permits.

MR. SOLODZUK: We issue it. The ones that we don't issue are the ones that are within an irrigation district; that is, you're taking water out of some artificial canal. So long as the water is in a natural water course, be it river or whatever, every person who wants to pump out for whatever use has to get a water right. They would be the purpose that we issue it for.

MR. MANDEVILLE: I think the contention that I hear so much is that when people are paying a water right in irrigation districts, they pay so much for the use of that water, and when you're pumping out of the river you don't pay anything for the right. I mean you don't pay so much an acre for a water right.

MR. SOLODZUK: That is true. An individual will get the right to irrigate X number of acres and he will have a limit of X number of acres (inaudible). However, he has to provide all of the capital equipment -- his own pumps, lifts, the whole thing -- while when you are in an irrigation district the water sort of runs right past your gate, you see. It's right there and you can pump it. So, it's really the service the district provides to the person on the payroll of an irrigation district, and he has to pay for it. So, if you're outside you're on your own.

MR. MANDEVILLE: What happens then if you're within the boundaries of an irrigation district, if you're pumping in an irrigation district you get a second water right.

MR. SOLODZUK: Oh, yes.

MR. MANDEVILLE: And when there's a shortage of water, you don't get water. That's the second water right. But if you're on a river and got a permit to pump, you're never stopped from pumping.

MR. SOLODZUK: No, it's yours. I think that really we're getting into a discussion on the operation of some irrigation districts, you see, where there is a first water right and a secondary, and it's really seepage water that may be going by, and you can pump this thing out. So in an area of shortage that's the first one to go, but if you have a number one water right . . . But it's the way the irrigation districts operate.

MR. CHAIRMAN: Agreed?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Vote 5.

HON. MEMBERS: Agreed.

MR. CHAIRMAN: Vote 6.

HON. MEMBERS: Agreed.

(The meeting adjourned at 9:25 p.m.)