

South Saskatchewan River Basin Water Management Review – Phase #1 Red Deer Basin Advisory Committee Meeting Draft Meeting Minutes

Location: Jurassic Inn, Drumheller, AB
Time and Date: 9:00 AM – 3:00 PM, Friday, November 30, 2001
Meeting Facilitator: Terry Krause

Attendees:

Vincent Fabian	County of Newell	John Rusling	Mountain View County
Maurice Lewis	Red Deer & Kneehill Counties	Colin Kure	AB. Fish & Game
Doug Thruswell	Alberta Environment	Art Grenville	Starland County
Ian McFarlane	Ducks Unlimited	Al Kennedy	Nova Chemicals
Dug Major	Special Areas Board	Jill Dyck	AB. Fish & Game

Guest:

Larry Williams Alberta Environment

- | | |
|---------|---|
| 9:00 AM | <p>Introductions</p> <ul style="list-style-type: none"> • Terry Krause Introduces Guests: <ul style="list-style-type: none"> • Larry Williams, Approvals Manager, Parkland Region, Alberta Environment |
| 9:05 AM | <p>Review of Proposed Agenda</p> <ul style="list-style-type: none"> • 1/. Update of Phase I of South Saskatchewan River Basin: Water Management Plan (SSRB: WMP) • 2/. Review and finalize RDR BAC's Phase I submission • 3/. Future Phases recommendations <ul style="list-style-type: none"> • BAC accepted the Agenda as is |
| 9:15 AM | <p>Updates</p> <ul style="list-style-type: none"> • RDR BAC members were informed of the other basin's BAC progress • Handouts of the other BAC's meeting minutes were passed out <ul style="list-style-type: none"> • ACTION: Doug Thruswell to provide copies of other BAC minutes as they become available • Doug Ohrn's, (Project Co-ordinator of the SSRB: WMP) unofficial responses to the questions regarding Moratoria were presented to the BAC. <ul style="list-style-type: none"> • ACTION: Doug Thruswell to provide copies of official Department responses to moratoria questions, and other questions, the RDR BAC when available |
| 9:40 AM | <p>Review/Final Edit of RDR BAC Submission (</p> <ul style="list-style-type: none"> • RDR BAC reviewed the complete document making changes on Table of matters and factors • Statements were reviewed for wording and discussion as to whether they should be presented as consensus • See attached submission for first draft of the submission <ul style="list-style-type: none"> • ACTION: Terry Krause and Doug Thruswell to finalize the submission and submit to BAC and Doug Ohrn for inclusion in the Phase I SSRB Management Plan. • Note: the attached submission is the BAC's working copy |
| 2:30 PM | <p>Future Phases Recommendations</p> <ul style="list-style-type: none"> • The RDR BAC agreed on the following items as recommended items to be included |

in future phases of the SSRB: WMP

- The Province should look at and discuss with the general public holdbacks of greater than 10% in highly allocated with compensation at current market value.
- The Province should explore all options to increase available/useable water within the SSRB. This should include increased security of supply for current users/uses

2:50 PM

The next steps in Phase II and the final steps in Phase I were explained. The preliminary schedule of Public Open Houses to gather public input on Phase I were discussed.

- Several BAC members asked that a third Open House be held in January, ideally in Bindloss.
 - ACTION: Doug Thrussell to co-ordinate the request for a third Open House in the Red Deer basin.
 - ACTION: Dug Major to contact Doug Ohrn and present the BAC's reasons for this request

3:00 PM

Meeting Adjourned

**South Saskatchewan River Basin
Water Management Plan: Phase I**

**The Red Deer River Basin Advisory Committee's
Submission to Alberta Environment**

November 30, 2001 DRAFT

Introduction

This is the submission of the Red Deer River Basin Advisory Committee (RDR BAC) regarding the first phase of the multi-phase water management planning process for the South Saskatchewan River Basin (SSRB).

Background

As part of Phase I, the four Basin Advisory Committees involved in the SSRB Water Management Review were asked to provide advice to Alberta Environment (AENV) for its review of applications for water allocation transfers within the SSRB¹. To help the BACs develop their ideas and views, a workbook was created that covered the main issues related to water allocation transfers. The questions that the RDR BAC answered in regards to this were:

- 1) *“What matters or factors should be included in the South Saskatchewan River Basin Water Management Plan for consideration in making a decision on a transfer of an allocation of water under a licence?”*
- 2) *“What factors should be included when considering the withholding of water to protect the aquatic environment or implement a water conservation objective?”*
 - a. *Only withhold water for reaches of rivers that are currently stressed.*
 - b. *Withhold water for all reaches of rivers.*
 - c. *Other*

“Should a fixed percentage of water be withheld or should the percentage be left to the discretion of Alberta Environment?”
- 3) *“What matters or factors should Alberta Environment be tracking concerning water transfers?”*

¹ See the Basin Advisory Committees’ Phase I Terms of Reference for more detail on their mandate and scope.

Results

1.0 Water Allocation Transfers - Workbook Question #1

“What matters or factors should be included in the South Saskatchewan River Basin Water Management Plan for consideration in making a decision on a transfer of an allocation of water under a licence?”

Workbook Discussion Synopsis

Must a matter or factor be considered when making a decision on an application for transfer of an allocation under licence?			
Matter or Factors Discussed		Yes	No
1	<u>Rate</u> (including diversion, consumption, return flow, environmental effects, allocation of water historically used)	•	
2	<u>Timing</u> (including diversion, consumption, return flow, environmental effects, allocation of water historically used)	•	
3	<u>Location</u>	•	
4	Change in <u>water quality</u> due to assimilative capacity issues (consider quality of return flows that are not regulated under AEPEA)	•	
5	Existing, potential or cumulative effects on the aquatic environment (including riparian areas)	•	
6	Existing, potential or cumulative effects on any applicable water conservation objective	•	
7	Existing, potential or cumulative hydraulic, hydrological, and hydrogeological effects (including the linkages between surface and ground water)	•	
8	Existing, potential or cumulative effects on household users, traditional agriculture users and other licensees	•	
9	Effects on <u>public health</u>	•	
10	Effects on <u>public safety</u>	•	
11	Other matters that the Director considers relevant	•	
12	Whether or not the transferred water allocation is determined to be “excess” (if the “excess” water results from a legitimate lack of projected population/ economic growth, plant closure/downsizing, or conservation measures).		•
13	That the transferee demonstrate efficient use of water (i.e. conservation)	•	
14	Impact on Apportionment (i.e. ensure it is equally shared among sub-basins)	•	

2.0 Holdbacks - Workbook Question #2

“What factors should be included when considering the withholding of water to protect the aquatic environment or implement a water conservation objective?”

- a. *Only withhold water for reaches of rivers that are currently stressed.*
- b. *Withhold water for all reaches of rivers.*
- d. *Other*

“Should a fixed percentage of water be withheld or should the percentage be left to the discretion of Alberta Environment?”

Until WCOs are Determined:

AENV should not miss an opportunity to withhold a full 10% of a water allocation transfer to meet any anticipated IN/WCO deficits. Once WCOs and INs are established in Phase II, AENV should have a mechanism to return to the transferee any withheld water that, in hindsight, was not a necessary holdback.

If AENV cannot return “excess” holdbacks under the *Water Act*, consider approving a transfer with a “subject to” clause that may result in the withholding of up to 10% to meet an IN/WCO once established (similar to the current practice of issuing water licences in the Red Deer basin where they are subject to a yet to be determined instream objective.)

Location of Holdbacks Within the Basin:

Holdbacks should occur on the identified river reach with an IN/WCO deficit *and* anywhere upstream that would also reduce the instream deficit. The general principle to follow is to exercise the holdback option when and where it would result in the reduction of an existing IN/WCO deficit.

3.0 Transfer Tracking - Workbook Question #3

“What matters or factors should Alberta Environment be tracking concerning water transfers?”

Track utilization of water allocations to monitor for any speculation.

Track the matters and factors that were deemed to be important in the Director’s original consideration of the transfer (see matters and factors listed in table for Workbook Question #1).

4.0 General Statements of Concern for Further Consideration

Many additional ideas and issues were raised by BAC members and these are summarized below (note: these were expressed by one or several individuals and do not necessarily reflect consensus):

- 1) Although water transfers will address some short to mid-term needs, we should be cognizant of the necessity for longer-term solutions as we move through this process (i.e. do not rely on transfers to solve all the problems associated with the effective allocation of water).
- 2) AENV should know, or should determine, what level of water needs/demands will trigger the requirement for significant water resource infrastructure undertakings (i.e., look at longer-term supply issues and the possibility of building more storage and/or implementing inter-basin transfers).
- 3) AENV needs to increase the water supply in the South Saskatchewan Basin through the development of storage options and inter-basin transfers (increase security of future supply).

Conversely, inter-basin transfers should not be considered.

- 4) There is a fundamental philosophical objection to the commodification of the water resource where the wealthiest project proponents can get water while equally deserving people/projects cannot afford it.

As a result, the Province should get involved in the evaluation of different uses of water and prioritize them to offset unfettered market forces when not in the interest of the “public good”.

- 5) Uncontrolled market forces should not be the sole determinant of the cost of water allocation transfers.
- 6) The Government should not interfere in the free market trading of water rights (transfers) through the selective funding, or partial funding, of specific projects.
- 7) The Department should revisit the public notification requirements in light of water allocation transfers. Advertising should be over the entire SSRB if a particular transfer(s) is significant enough.
- 8) The department should ensure that a licence holder does not unfairly or unjustly lose water under the “use it or lose it” principle (i.e. don’t take away market incentives that encourage conservation).
- 9) There was discussion of reserving allocations of water for agricultural purposes to avoid the sterilization of tracts of agricultural land due to a lack of available allocable water.
- 10) There should be a mechanism in place to safeguard agricultural water needs. Some form of no-net-loss mechanism is suggested to protect sector allocations as a proportion of total available water. *[However, once this suggestion was made, other sectors also wanted the same assurance that their sector interests would be protected and assured a fair share of the available water.]*

- 11) Irrigation expansion should not be on the basis of “conserved” water, but on making “new” water available through on-stream storage and/or inter-basin transfer (increase the security of existing supplies).
- 12) The department should ensure equity between the sub-basins with respect to the setting of WCOs as a portion of INs (i.e. no sub-basin should be able to apply different (lower) instream standards to gain an economic advantage over another basin that strives to protect the aquatic environment to a greater degree.)
- 13) Instead of using holdbacks through water allocation transfers, perhaps it is fairer to have a pro-rata reduction across the board on current licence holders to address large instream deficits.

5.0 Other Questions for Follow-Up

- What is a licence in “good standing”?
- What are the NAFTA implications for water allocation transfers?
- Transfers between sub-basins, are they possible? Will they be permitted?
- How much of a licence’s total volume can you transfer if the historical use has been less than the total volume?
- How much of a licence’s total volume can you transfer if the net diversion has been much less than the gross diversion?
- What are the FOIP issues surrounding licences and transfers (e.g. what information is available for public scrutiny?)
- Can a conservation organization hold a licence for contributing to an IN or WCO flow?

6.0 Other

Should Alberta Environment stop issuing new licences (i.e. impose moratoria) in highly allocated basins?

or conversely

Should Alberta Environment continue to issue new licences in highly allocated basins even though these licenses will be high risk?

- The BAC would like more background information on the questions and why they are being asked.
- What exactly is meant by a “highly allocated basin”?
- Don’t increase the risk for current licences by issuing unlimited high risk licences.
- Do not encourage high risk ventures by giving high risk licences (avoid situations of government bail out).

- If moratorium is used, need to define the cut-off point (e.g. a 1:10 or 1:20 year risk factor?)

Phase II Considerations

Central to Phase II will be the setting of WCOs for the four reaches of the Red Deer River. This will involve an analysis of modeling results, public participation, and the development of a BAC recommendation report. The BAC will receive technical advice and guidance from Alberta Environment with respect to the possible flexibility and/or limitations in setting WCOs.

SSRB policy issues (e.g. apportionment sharing, consistency in water management decisions etc.) will also be dealt with in addition to long-term supply issues.