

Transcript of BAC Joint Meeting.txt

SOUTH SASKATCHEWAN

RIVER BASIN

WATER MANAGEMENT PLANNING

PHASE #1

FOUR BASIN JOINT ADVISORY

COMMITTEE MEETING

HELD AT:

Executive Royal Inn, Hotel & Conference Centre
Calgary, Alberta

October 10, 2001

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APPEARANCES:

Project Coordinator - Doug Ohrn - Alberta Environment

PRESENTERS:

Alan Pentney	Alberta Environment
Dave McGee	Alberta Environment
Ernie Hui	Alberta Environment

S.J. Lea Dormer	Court Reporter
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1 Upon commencing at 9:30 a.m., October 10, 2001:

2 WELCOME AND LOGISTICS - DOUG OHRN - ALBERTA

3 ENVIRONMENT:

4 MR. OHRN: Good morning, everybody. We might as
5 well get started.

6 I would like to welcome you all to the joint
7 meeting of the Basin Advisory Committees for the
8 Red Deer River Basin. Thank you for all coming
9 out. It is nice to see a good turnout like this.

10 I would like to thank you for coming, and
11 also I know for some of you this has probably
12 meant a day off work or having to change shifts
13 around, or whatever. So thank you very much for
14 going to that trouble and making that effort to
15 stay plugged into this process.

16 My name is Doug Ohrn. I have the job of
17 being the coordinator for this work on water
18 management in the South Saskatchewan River
19 Basin. It doesn't mean I do all the work. It

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means that I'm trying to ensure that we're
21 coordinated in working together through such a
22 vast area with so many people. So that is a
23 pretty good challenge in myself.

24 My real job is that as a water resources
25 planner for the Alberta Environment in the
26 Prairie Region in Lethbridge.

27 Before we go too much further, I mention

2

1 that, in the event of an emergency, that is the
2 exit. You can either turn to your right or turn
3 to your left and get out of the building that
4 way.

5 There are washrooms in the corridor over
6 here, and I am sure you have spotted the coffee
7 and refreshments over here already.

8 We are going to stay on a pretty tight
9 schedule today. We need to cover a lot of
10 ground, and our speakers have a lot to say and
11 you may have a lot of questions. But I am going
12 to be pretty tough as far as keeping people on
13 track, or at least as tough as I can be.

14 When the various speakers speak, we will ask
15 on this occasion to hold your questions, and we
16 will have a question and answer period at the end

17 Transcript of BAC Joint Meeting.txt
of their presentation.

18 Now, the purpose of this meeting is to
19 describe the direction that is going to be taken
20 to address water management issues in the South
21 Saskatchewan River Basin, principally questions
22 of water quantity at first, but what quality is
23 of course part of the picture.

24 The other purpose of the meeting is to
25 describe how you, as Basin Advisory Committees,
26 will fit into the work that is ahead, the role
27 that you can play.

3

1 The third point of this meeting is something
2 we've been wanting to do for a while, and that is
3 to have all the Basin Advisory Committees finally
4 meet each other, to be able to put some faces to
5 names.

6 We hope you will mingle and talk amongst
7 yourselves to compare the concerns and issues you
8 may have, all in the interest of understanding
9 the issues in the rest of the basin, so we can
10 hopefully come to one overall planning product
11 that will be satisfactory to everybody.

12 What I would like to do, in the interest of
13 having the Basin Advisory Committees know who

14 Transcript of BAC Joint Meeting.txt
each other are, is I would like to identify each
15 Basin Advisory Committee. I would like you to
16 just stand right up, just bold and tall, so we
17 can really see who you are.

18 So could I ask all the members of the Red
19 Deer River Basin Advisory Committee to stand up
20 and see who you are.

21 (Applause)

22 MR. OHRN: The Bow River Basin Advisory
23 Committee.

24 (Applause)

25 MR. OHRN: Thank you. The Old Man River Basin
26 Advisory Committee.

27 (Applause)

4

1 MR. OHRN: And last but not least, the fourth
2 of the four, the South Saskatchewan Sub-Basin
3 Advisory Committee.

4 (Applause)

5 MR. OHRN: I think Floyd, who lives way out by
6 the Saskatchewan border north of the Hat,
7 probably takes the prize for the guy who drove
8 the furthest this morning. I don't know if
9 anybody wants to contest that. That is probably
10 a good three and a half hours, Floyd, or

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something like that.

12 To further help us understand who each of
13 you are, when we have those question and answer
14 moments at the end of the presentation, we would
15 ask you to stand.

16 We don't have a floor mike, but the room is
17 small enough that I am sure you will be able to
18 make yourself heard. If the question isn't
19 heard, remind me to repeat it so everybody
20 understands it before we get into the answer.

21 But we would ask you to state your name,
22 identify which Advisory Committee you're with and
23 to mention which sector you represent. Is it
24 irrigation, is it recreation, and so on.

25 In the folders you picked up, there is an
26 agenda, and I would like to just walk through the
27 day and let you know what we have in mind. There

5

1 will be coffee breaks -- one in the morning, one
2 in the afternoon -- and a one-hour lunch break.

3 Lunch will be brought into this room, but we
4 will take an hour, and hopefully you will take
5 that opportunity to get to know each other a
6 bit.

7 The first speaker will be Alan Pentney who

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is the chair of the Steering Committee that
9 exists for the work in the South Saskatchewan
10 River Basin. That consists of a number of senior
11 executives in the Department of Sustainable
12 Resource Development, which is to say Fish and
13 wildlife primarily, Alberta Environment and
14 Alberta Agriculture, Food and Rural Development,
15 particularly from the Irrigation Branch of that.
16 So Alan will be speaking about the new directions
17 that is intended for this work on the SSRB.

18 Following that, we will get into some of the
19 guys who are really, really on the front line in
20 terms of dealing with licenses and either
21 somewhere between where the rubber hits the road
22 -- between the tire and the road, and that will
23 be Dave McGee, who is the Water Administrator in
24 the Prairie Region, and he will be speaking on
25 all of those topics relating to water legislation
26 and so forth.

27 Then we also have at the head table Ernie

6

1 Hui, from Alberta Environment in Edmonton, and
2 he's basically the head man on all the matters
3 that relate to water licenses and
4 administration. So he is going to give you a lot

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5 more technical detail about what the Act has for
6 tools, for water management, and how those can
7 possibly be put into use.

8 So they will actually do a couple of
9 different presentations, Dave and Ernie, during
10 the course of the day, and there will be lots of
11 questions -- opportunities for questions and
12 answers.

13 Then later on in the afternoon, we hope to
14 start organizing the actual meetings that each
15 Basin Advisory Committee will have to get started
16 on the work that we will be doing working
17 hopefully on here, and the sooner the better --
18 that sooner that work starts the better.

19 So we would like each Advisory Committee at
20 -- the time will be 2 o'clock, to gather and
21 talk primarily about when would be a mutually
22 convenient time for their first meeting. So, as
23 long as we've got you all here, we might as well
24 try and do that.

25 Then I will speak right at the end of the
26 day about just some of the minor details about
27 how we will get input from you and how we will

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product that will come from all of this.

3 what I would like to do now is just walk you
4 through this folder that was made available when
5 you came in. That has your agenda, of course.

6 It contains just a general information piece
7 about the work that is planned. It contains the
8 actual terms of reference that are being used to
9 -- it is kind of a contract or a charter for the
10 project.

11 Then there is something that we call
12 "operating principles", which is really just
13 there for your consideration and thought. We
14 don't really want to get bogged down, as can
15 happen, with having a whole meeting on procedural
16 methods for conducting the meeting.

17 I know a lot of you are from rural -- from
18 municipal governments and have a lot of
19 experience with, you know, the exact formal way
20 to conduct a meeting. We are hoping we can just
21 proceed pretty much on courtesy and good common
22 sense. But these operating principles might be
23 something worth thinking about.

24 Then there is finally an information piece
25 on water conservation. It is just some
26 interesting reading for you.

27 we also handed out a -- there is a Basin

1 Advisory Committee and government staff
2 directory, which was handed out, and that is only
3 the first edition. If you see anything wrong
4 with it or you see anything that could be added
5 or if you don't like having your phone number in
6 there, let us know, and we will change it.

7 But you know, it will be updated, especially
8 with the election that is coming up on Monday.
9 So we will update that as it goes along; maybe
10 two or three times, we'll have to see. We also
11 handed out a list of attendees just so you know
12 who is here today.

13 I would like to mention that we are
14 recording this meeting so that we will have an
15 accurate record of it. We have a court reporter,
16 Sandy, here at the end of the table.

17 There is nothing legalistic about this
18 meeting or anything. I don't want you to be
19 concerned about that. We just want to have a
20 good paper that we can have for future
21 presentations, primarily of our own speakers, and
22 also so that BAC members that didn't make it
23 today will have something to go over to try and
24 bring themselves up to speed with what we will be
25 talking about today. So there is a video camera
26 running at the back and the court reporter is
27 here.

1 Now, with that, I would like to turn to Alan
2 Pentney who will speak to you about new
3 directions for attacking the water management
4 issues in the South Saskatchewan.

5 FUTURE PROCESS AND TASK AHEAD - ALAN PENTNEY:

6 MR. PENTNEY: Thank you very much, Doug. Can
7 you hear me at the back? Thank you.

8 we have already had an acknowledged failure
9 this morning. The presentation I am going to be
10 giving is designed to be animated and work with a
11 remote control. The remote doesn't work. So
12 Doug is going to do this, so how fast this
13 presentation occurs is all dependent on how fast
14 Doug can operate the keys over there.

15 Doug, some of these things we are going to
16 rush through fairly quickly. It is one-liners
17 going up per slide.

18 I want to say I am extremely pleased to be
19 able to address you this morning. This meeting
20 and the associated messages and the task that you
21 are about to undertake have been developed over
22 the past few months, and in some respects has
23 been in the works for years. I will make that
24 clear during my presentation.

25 Basin partnerships are extremely important
26 here. In your case, all of the water users, such
27 as the public irrigators, non-government

1 organizations, municipalities are all represented
2 here. And we are pleased that you have taken the
3 time, as Doug said, to be part of this.

4 As well, regulators are very important when
5 we get into managing water, and there is quite a
6 list of them there through provincial and
7 federal, and we are coming together as a group,
8 both in an advisory role and the public, the
9 water users, and regulators to create a water
10 management plan.

11 These partnerships, there is no two ways, we
12 have to have them in order to get our job done.
13 In the past in government, we've referred to
14 people such as yourselves as clients and
15 customers, and we've developed business plans in
16 government. Well, we've come to realize that
17 you're not a customer. You're our partner here
18 in getting the job done. We all have a voice and
19 a stake.

20 The basin planning exercises that we are
21 going to be embarking on under The Water Act,
22 they have struck that balance that we need
23 between stewardship and regulatory approaches.
24 In the past it was: The law is this and that's

25 the way it is done.

26 Now we are going to be bringing in: what do
27 we need to do to make sure that we are protecting

11

1 our environment and making sure we make the best
2 use of our resources?

3 It is all our responsibility. It is not --
4 it used to be just government and government was
5 the bad guy. Now it's all our responsibilities to
6 make sure that we manage our water.

7 We can skip through most of these fairly
8 quickly, Doug. It's fairly straightforward
9 concepts on managing water quantity, managing
10 stored water, the allocations and what is
11 available and how to move that water around and
12 provide certainty about what the regulatory
13 requirements are; very important.

14 As well, it is very important to protect the
15 environment for aquatic life, the riparian
16 habitat, the aquatic habitat, the water quality
17 and just how the screens are maintained. As
18 well, it gives us an opportunity to consider
19 cumulative effects.

20 So you are pretty familiar with the basin
21 here. This map isn't exactly correct. The map

22 that is attached to the fact sheet is more
23 correct, and Doug explains or we've explained in
24 the terms of reference that the little corner
25 down in the sub-basin, where Floyd is from, that
26 includes Pakowki Lake, and so on, we have
27 excluded from the planning area. But for the

12

1 most part, that map is very accurate.

2 So what have we been doing here in the past
3 -- well, just take your time there, Doug. In
4 1990, the South Saskatchewan Basin Water
5 Management Policy was created, after much
6 consultation, and it was recognized that there
7 were some limitations as to how much water we
8 had.

9 So it was decided we would start reviewing
10 how we were going to manage our water and in fact
11 we were going to have a review completed in and
12 around the year 2000.

13 In 1991, as you can see, the water
14 allocation regulation came out, and the reserve
15 water for specific irrigation projects and for
16 some instream water objectives and future
17 projects to be established.

18 Following that, in 1999, there were several

19 activities then where The Water Act was
20 proclaimed. The framework for water management
21 planning was drafted.

22 That framework is going to be out very
23 soon. As you know, it was -- it has been on the
24 website. The draft came out at that time. We've
25 had a lot of time to look at it, and the basis
26 for planning that we're starting now is founded
27 very solidly on that framework.

13

1 In 1999 also, the terms of reference for the
2 year 2000 review occurred, and what we've done in
3 the past four months has come up, and just signed
4 off on yesterday, are the terms of reference for
5 the South Saskatchewan Basin Water Management
6 Plan and that is in your packages. That was
7 approved by the Steering Committee.

8 What do we know as a result of all those
9 activities for the past ten years and primarily
10 in the past two years since we started off on the
11 year 2000 review?

12 Essentially the modelling that we've done
13 has shown that the water availability -- the
14 demand has reached or is near the capacity of
15 many river reaches. So, we know that there are

16 concerns and you are going to be presented with
17 that information at your respective BACs in the
18 near future and be able to use that in your
19 considerations.

20 Also, we know that the instream flow needs
21 science which is pretty well complete, they are
22 reviewing the results on a committee basis right
23 now, and that information may be available to you
24 at the end of or mid November.

25 It is telling us that there are significant
26 needs for instream requirements and that there is
27 going to have to be special consideration given

14

1 to how we are going to balance instream needs
2 versus the allocation of water that we've already
3 had.

4 What are we going to do now? We are going
5 to continue to carry out the tasks that we have
6 set out upon. We are going to be finishing the
7 IFN work, moving the IFN work into modelling.

8 We are going to be looking at consumptive
9 uses. We are going to be doing some of the
10 planning, and the approach we've decided to take
11 -- the old year 2000 review was designed such
12 that at the end of the process, you had a plan

13 that would go to Cabinet for approval.

14 In this case, we have looked at it six ways
15 from Sunday and said: That is nice, but it is
16 not what we want now. In order to get the job
17 done properly, we need a multi-phased water
18 management planning process in order to change
19 how we manage water here in the South
20 Saskatchewan Basin.

21 There is no real change in what the outcome
22 is going to be. It is just how we are getting
23 there that is going to be different.

24 The first phase is going to consider water
25 allocation transfers. That is an important
26 concept to get to right away, the reason being is
27 that -- well, I will get into that in another

15

1 slide; sorry, I've forgotten.

2 The other thing we want to do in the first
3 phase is identify which reaches of rivers or
4 which rivers have instream needs that need to be
5 improved through the reallocation of water or the
6 transfer of water. There are things the
7 transfers can do that will improve conditions in
8 instreams. We want to examine that at the same
9 time.

10 And lastly, in the first phase we are going
11 to identify what needs to occur in future phases
12 and what issues -- other issues there are that we
13 should address.

14 It is all going to be completed in January,
15 so a fairly tight time line for this. We want to
16 actually have the BACs' work completed by the end
17 of November, so there is going to be very few
18 meetings. They are going to be very focused and
19 on these topics.

20 And during November -- I believe it in. It
21 is in your schedule -- sorry, during December, we
22 are going to compile the information, and I think
23 we are looking at perhaps one round of public
24 consultation in each basin in early January or
25 late December in there and have the plan drafted
26 by the end of January to go to SPC and the
27 Minister and so on hopefully for approval by

16

1 April of 2002. So that will have the ability to
2 manage transfers in the next growing season.

3 why should we consider them first? why go
4 there first? First of all, in order to provide
5 water with less risk to a new location or a
6 person or use is the basis for transfer.

7 There are all kinds of nuances around that.
8 Priority is important, the volume of water that
9 can be important, the fact that we are merely
10 moving water on paper from one location to
11 another is also important.

12 For example, the Town of Coaldale has
13 recently started taking their water from the City
14 of Lethbridge through a pipeline. Their original
15 license is from the St. Mary's system. The water
16 from Lethbridge comes from the Old Man. There
17 really needs to be a transfer occur there. We
18 can make that happen.

19 If we want to have an industry locate
20 someplace in the province in the South Sas. basin
21 and have water at less risk, transfers are an
22 option.

23 It also induces efficiency. If you have
24 water that you want to sell or make available to
25 someone else, even on a temporary basis, as some
26 of you in the southern tributaries have already
27 found out, you can become more efficient with

1 your water use and allow a portion of your water
2 to be used by someone else.

3 Really the only alternative to more

4 allocations -- and allocations, as I stated
5 previously, is going to be -- if there were any
6 allocations issued in some of our reaches they
7 would be very high risk and junior licenses, of
8 course.

9 It also allows -- there is a transfer
10 holdback provision in the legislation which
11 allows for up to 10 percent of water to be
12 returned or held back from a transfer and
13 returned to the river or whatever watercourse it
14 is, and that is something else we will be asking
15 your opinion on.

16 Lastly, just as a comment, transfers need to
17 be activated by either an Order in Council
18 through the Minister taking it to Cabinet, the
19 Lieutenant Governor or by a water management
20 plan. So that is another reason why it needs to
21 be first, in order that we can manage the water
22 while we get to the next phase.

23 The next phase, which we hope to start --
24 well, we plan on starting, it's not matter of
25 hope -- in the year 2002 will be to establish
26 water conservation objectives, and we plan on
27 completing that by the end of next year.

1 The water conservation objectives are, for
2 those of you that aren't clear on it, is taking
3 the science, the instream flow needs science that
4 we have, looking at what our needs are, what the
5 allocations are, and arriving at a balance as to
6 what is the acceptable volume of water to be in a
7 river, what is the objective for water that you
8 want in a particular reach of the water.

9 The subsequent phases, we don't have a
10 timetable or identified needs yet, but there are
11 some examples up there as far as storage,
12 non-storage and water quality issues that could
13 be addressed. And they could be addressed in
14 specific sub-basin plans or specific river reach
15 plans as well. Once we get to this stage, it
16 could become more of a local water management
17 planning exercise rather than the entire basin.

18 So, to conclude, there is no doubt, I think
19 in all of our minds, that water quantity which
20 includes quality and environment needs to be
21 managed in the South Saskatchewan River Basin.

22 The vehicle that we see for doing that is
23 the multi-phased approach, and the first phase
24 will primarily be focused on the water transfers,
25 and you are going to play a very important role.

26 As I said, you are not going to have the
27 luxury of many meetings. You are going to have a

1 challenge of balancing needs, especially in the
2 second phase. That is where we expect to have a
3 lot of debate.

4 And looking around the room, I know many of
5 you, I know the talents that you have, and I
6 expect that you're up to the task.

7 So, thank you for being here.

8 (Applause)

9 MR. OHRN: We have a few minutes. Any questions
10 for Alan?

11 QUESTION AND ANSWER PERIOD:

12 MR. PENTNEY: Or Peter. Peter Watson is here
13 also from the Calgary office for Alberta
14 Environment.

15 Yes, sir.

16 MR. ECKERT: Art Eckert from the County of
17 Newell. I am with the municipal side.

18 You talk about the way to get approval is
19 through the management plan or the Order in
20 Council, and I would like to have an "and" in
21 there so that the first one couldn't do it
22 alone.

23 MR. PENTNEY: You are correct in that the water
24 management plan needs to go to Cabinet and then
25 an Order in Council is created.

26 MR. ECKERT: But you said "or" and I would like
27 an "and".

1 MR. PENTNEY: The "or" -- I think the "or" is
2 correct because the other option is that if, say,
3 you wanted to transfer some water to another part
4 of the basin, you can go -- we can take that to
5 the Minister and treat it as a special case and
6 take it to Cabinet.

7 MR. ECKERT: I guess my point is that I didn't
8 want the bureaucrats to do it on their own.

9 MR. PENTNEY: You can't avoid us. But once the
10 water management plan is in place, there is no
11 need for the "and" I guess is my point.

12 MR. ECKERT: Okay.

13 MR. PENTNEY: David...?

14 MR. HILL: Dave Hill with the EID and Bow
15 Basin. You have a mention there about cumulative
16 effects being considered. Have you given any
17 thought as to how that fits into either phase one
18 or phase two?

19 MR. PENTNEY: Perhaps I could defer to David on
20 this. My impression is that it is more of a
21 phase two, phase three. It has -- you have the
22 ability to consider cumulative effects.

23 Ernie maybe or Dave any comments?

24 MR. MCGEE: I don't see a concern there. The
25 cumulative effects have to be considered before

26 you can do any of the first steps. It is a wise
27 thing to do all the way along.

21

1 There are probably some things that you
2 might want to consider, and cumulative effects
3 are something that you should always consider in
4 everything you do. There are some stages along
5 the way, though, where we can make improvements
6 on what we administer and what we do now by
7 putting some tools in place that don't
8 necessarily have to answer the day-to-day
9 questions about how an allocation is made.

10 How an allocation is made is going to have
11 to include cumulative effects so you can provide
12 a decision-maker with some tools and instruct him
13 to then follow certain procedures when making a
14 decision which would include that.

15 MR. HILL: We are really still talking about
16 from the base case today, and then as we move
17 ahead, that is when we will figure in how we
18 manage those cumulative effects?

19 MR. PENTNEY: Maybe if I could comment. It
20 depends on the definition of cumulative effects.
21 If you are talking about the cumulative effects
22 of water allocations on other water allocations

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with your blinders on, that is one definition.

24 The other one is do we take into account
25 water quality, land use, all of those things?
26 And that's where, I think, we get into the third
27 phase.

22

1 MR. PENTNEY: Keith...?

2 MR. FRANCIS: You talked about -- Keith Francis
3 from the Old Man River Basin and Irrigation. You
4 talked about the instream flow needs science.

5 Is that completed now? Will this result in
6 any adjustments or changes in the allocation of
7 the instream flow needs to any of the rivers
8 within our system?

9 MR. PENTNEY: A good question. The instream
10 flow needs science is almost complete. I believe
11 it is essentially completed. They are checking
12 their data, they are reviewing it, and they are
13 going to be producing information for your
14 consideration by the end of this calendar year.

15 The preliminary indications are that if you
16 -- I'm not sure how much you have been briefed
17 on it, but for example, channelization or channel
18 maintenance is another consideration -- a new
19 consideration that is being brought to the

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20 forefront as far as instream needs are. And it
21 depends, how you manage that channelization can
22 use up significant volumes of water depending on
23 what time of year you want to do that.

24 So that all needs to be -- the science needs
25 to be brought to the table with what is the
26 actual amount of water we've got to use and then
27 phase two is where you, as a BAC, are going to

23

1 arrive at what is the water volume that is going
2 to be in the streams. So, it could have a
3 significant effect. It depends on the river.

4 MR. WATSON: I think you mentioned that the BACs
5 will be getting all of this information on this
6 instream flow needs science as part of the first
7 phase and that's what we will be asking you to
8 focus on for this first phase.

9 Alan is right, the second phase, Keith, is
10 where we will arrive at specific objectives, and
11 you used the word "adjustments". That is where
12 we will arrive at those figures that we are
13 wanting to manage for on a reach-by-reach basis.

14 In the first phase, because we are focusing
15 the first phase on implementing water transfers,
16 one of the key questions that the Act allows us

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18 to do, if we implement transfers, is to identify
19 areas where we might need to hold back some water
20 as part of -- as a result of a transfer
21 allocation.

22 As part of the first phase, we are not
23 asking you to arrive at the specific numbers
24 because we realize that is going to take a fair
25 bit of debate and effort to arrive at the
26 numbers. We are asking you though, however, to
27 identify areas where you feel there may be a need
for some of the holdbacks as part of implementing

24

1 transfers.

2 Are there areas where the information shows
3 that we clearly have a gap? We don't know what
4 the exact number is, but we are going to go
5 through a process in phase two to find that exact
6 number. But we clearly have a gap or a deficit.

7 Perhaps that is an area where we might want
8 to use these water conservation holdbacks that
9 the Act already allows for. That information
10 will all be available to us in the first phase,
11 but we will be asking you to focus on that
12 specific question.

13 MR. FRANCIS: What it would seem, Peter, if you

Transcript of BAC Joint Meeting.txt
14 are talking about transfers, you need to know
15 what the IFN's needs are in order to implement
16 any transfers that are going to take place.
17 MR. WATSON: That is why we are going to give
18 you that information so that we can reach some
19 conclusions on where the areas are where we have
20 a gap or a deficit, that we might need to use
21 transfers to recover some water. That will allow
22 us to implement that tool that the Act provides
23 for us.

24 In the second phase, we will -- that we are
25 starting right again early in 2002, we will focus
26 in on what is the specific number? what is the
27 numerical objective that we're shooting for here

25

1 that we are going to continue to manage and we
2 are going to have all of our processes following
3 on from.

4 MR. FRANCIS: Thank you.

5 MR. OHRN: If there are any further questions,
6 maybe you can catch Alan later on. There will be
7 future opportunities to ask questions of Alan.

8 At this point, I would like to introduce
9 Dave McGee, who I have introduced already, but
10 Dave is the Water Administrator with the Prairie

11 Transcript of BAC Joint Meeting.txt
12 Region with years and years and years of
13 experience of the actual -- we can only use
14 "years" -- of the actual issuance and approval
15 of licenses and has been involved in the creation
16 of the new Water Act, as has Ernie. So he is
17 very well familiar with that.

18 Now, you heard the talk about transfers in
19 Alan's presentation and what Peter just mentioned
20 now, and that is the tool that has been created
21 by the new Water Act, amongst a number of tools.

22 The Water Act has been in place for about
23 three years now, but those tools, as you saw, can
24 only be activated through an Order in Council or
25 through a water management plan, which is the
26 group that has been chosen to develop and
27 activate those tools with all the conditions that
are associated with them through this water

26

1 management plan.

2 But we thought it would be very useful for
3 you to have some general background on the
4 legislation of the Water Act in particular, and
5 Dave is going to start doing that now and
6 followed by Ernie.

7 WATER LEGISLATION IN ALBERTA - DAVE MCGEE:

8 MR. MCGEE: Good morning. Could we get the
9 lights back, please? Just push any of those
10 buttons and see what happens.

11 while Peter is working on the lights, thanks
12 for having me here today. Doug mentioned that I
13 come from the world where the rubber hits the
14 road. I would like to think of it rather as
15 where the water hits the intake.

16 The function that I do deals with the local
17 landowners on one side, politics on the other
18 side and tries to marry the two of these things
19 and make the world work.

20 I am not sure what my qualifications are for
21 being in front of this kind of a distinguished
22 group today except I think I have been exposed to
23 a whole bunch of things that other people find
24 intriguing and want me to share with you.

25 I am not going to do the power point thing
26 today. I want to start way back. I think this
27 morning we kicked things off a little bit in the

27

1 present, and I would like to take us to the past
2 and build forward from there. By the end of the
3 day, we should reach a point where you can all go
4 out the door with one mind and create a great

5 Transcript of BAC Joint Meeting.txt
6 thing for us all to work on.

7 When I was starting this job function, I
8 started back in '82, and I had the good fortune
9 in 1984 of going out to meet a gentleman who
10 lived on the Belly River. His name is Melvin
11 Foote.

12 He is one of my favorite characters. Mel
13 Foote bought a piece of land in the 1950s down
14 there, and he heard it had a really good water
15 right on it, and he had a copy of the original
16 license dating back to 1891 for priority.

17 He held that thing in his hand. I swear he
18 slept with it at night. He knew what he had. He
19 had a water right.

20 He was having some disagreements with the
21 administrators of the time. Actually, ever since
22 1950, he had run government people off the
23 place. He didn't tell me that when they sent me
24 out. It was sort of an initiation thing, I
25 think.

26 So I went out to see Mel Foote. He began to
27 tell me very carefully how he protected his water
right, what it meant to him and how no government

2 Transcript of BAC Joint Meeting.txt
3 some new copy of some updated, reissued written
4 kind of thing on yellow paper that he didn't
5 really need because he had his water right.

6 To deal with Mr. Foote's issues and a couple
7 of his neighbours, I had to go back in the file.
8 The file started in 1891. That forced me --
9 although I am not a real history buff, it forced
10 me to start in 1891 and work my way through about
11 four volumes.

12 Each volume of things really should be in
13 the Glenbow Institute or somewhere in a museum
14 because they are all handwritten letters from
15 people who scrawled out what they wanted the
16 government to do since 1891.

17 I got a really good feeling for why we are
18 where we are now. I didn't find any villains in
19 there. I found a lot of really good people
20 trying to do the right thing with what they had,
21 with the knowledge they had at the time, and to
22 deal with the situation they had.

23 Now, these things bounced back and forth to
24 Ottawa. The Department of the Interior was
25 running the show. If you wanted a license, it
26 was signed by the Clerk of the Privy Council --
27 this thing hadn't hit the federal Cabinet desk --
and then off to the Clerk for signing and then

1 back out to the Territories.

2 The Department of the Interior had a little
3 office in a little town out in the prairies in
4 the Territories called Calgary, and they
5 administered things from there. And there are
6 little telegrams back and forth and little
7 notices that, "I will go and inspect it the next
8 time the train is running because the rails are
9 out," and all of the things that got in the way
10 of actually administering things.

11 Having gone through all of that file and
12 come back up to present, and then dealt with my
13 friends in Edmonton to try and make sure that the
14 Act was going to actually do what these people on
15 the ground wanted it to do and what was right, I
16 learned a lot about the system.

17 I was able to apply that later on, and I
18 think we solved a lot of things because we've
19 gotten the skeletons out of the closet, got rid
20 of the villains.

21 When I talked to groups, public groups, who
22 haven't run into The Water Act before, some who
23 really don't care to, there is a lot of "they
24 should have done"; "if only they had"; and "I
25 don't know why".

26 One of the first things I like to do is do
27 the "in the beginning" thing. Some staff refer

1 to it now as the "in the beginning speech", and
2 many of you have probably already heard it.

3 what I like to do is start back there in
4 1891 and bring it forward and convince you that
5 the right things were done at the right time by
6 your ancestors who had some good ideas, and that
7 brings us up to where we are now.

8 Ernie is going to jump in here and tell us
9 what the Act says now and why, and then we are
10 going to talk about a few more relevant
11 day-to-day things.

12 Some of the little bits and pieces of
13 phrases that you've probably heard out there --
14 and you've probably heard a little bit from the
15 western States, as well. Sometimes we watch too
16 many movies, sometimes we read things in the
17 paper.

18 The Americans are different. They
19 approached water slightly different than what we
20 did. They relied a lot on the court system.

21 The Canadian system relied a lot more on --
22 I've forgot the phrase now -- peace, order and
23 good government. So back in the Territories,
24 when there was an interest in settling this area,
25 the British common law just didn't work. The
26 British common law deals with that word
27 "riparian".

1 It says that anybody who occupies a piece of
2 land can use whatever water occurs on that land,
3 not for domestic, just can use any water that is
4 on that land as long as they don't have any
5 significant impact on the adjacent landowners,
6 the downstream landowners. It works really well
7 when you have ten sheep and have you the Thames
8 River, who is going to notice?

9 When you apply that to a small creek in
10 western Canada and somebody has 2,000 head of
11 livestock running on a free-range system, they
12 can sort of make a dent in it and cause a problem
13 for somebody else.

14 You can try and find investors -- you are
15 trying to move people into a place -- and you
16 need security. People don't want to go where
17 there isn't some semblance of security. People
18 don't want to invest where there isn't some
19 semblance of security for their dollar.

20 Back in the 1800s, most of the money came
21 from England. They never saw the place, but they
22 wanted to know that their money was not going to
23 go somewhere where it could be disrupted.

24 One of the means of doing that was securing
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25 the water supply. Prior appropriation -- is a
26 word you'll hear a lot about -- means that the
27 water is going to be taken, separated from the

32

1 land, and then dished out in some format.

2 Now, the American system is based on prior
3 appropriation. The problem is it was also based
4 on decisions made by adjudication, and instead of
5 having me talking to you about it today, if you
6 were in the States, you would have the judge of
7 the water court. Sometimes that doesn't sound
8 like a bad idea, but it is not the way we do
9 things.

10 Some of the phrases that you will hear that
11 refer to that kind of legislation are: First in
12 time, first in right, prior appropriation, the
13 use it or lose it water rights.

14 You will hear a lot about water rights. You
15 will never find the phrase "water rights" in any
16 of our legislation.

17 Miner's inch, a way of measuring water; the
18 legal duty of water; river flow stages -- all of
19 those terms that were used a long time ago that
20 we don't use now. They mean different things
21 under different statutes.

22 In Alberta -- actually in the Northwest
23 Territories, 1894, what the first -- the first
24 legislation did was claim all of the water for
25 the Crown. It didn't matter where it is.

26 It is still that way. The water in this
27 glass does not belong to anybody but the Crown.

33

1 You cannot own water. Only the Crown can own
2 water. But it can be allocated. So first the
3 Crown claims all of it. No longer can you buy
4 land and get water with it. It is separated
5 now.

6 You've heard about domestic use from the old
7 Act. Domestic use was a way of giving back some
8 of that water so that some bureaucrat didn't have
9 to deal with it every time you needed a glass.

10 The second thing that the Act said was:
11 Anybody who occupies land may use whatever they
12 need of that water for domestic use without
13 getting a license; in other words, without asking
14 the government who owns the water.

15 So you buy a piece of land, that gives you
16 the automatic exemption that if you need a drink,
17 for household purposes, irrigation of up to one
18 acre of garden and domestic animals -- that was

19 often interpreted to be some volume around 1 or 2
20 acre a feet. It was never defined.

21 But you had to own the land. You had to
22 have a house on it. Then you could use that
23 amount of water.

24 Anything else required a license, including
25 if you wanted to change the course of the water.
26 A very simple concept; right?

27 what Canada did was require this licensing

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1 system to start with an application and a
2 consideration and a look for interference and
3 establish a number, priority number, and then
4 stick it in the file.

5 what the American system said was: If you
6 use it, then you have the first right to it,
7 prior appropriation. That's it. You sit on it.

8 If there is an argument, you go off to the
9 water judge and you make your case and you show
10 how great grandpa used it and he used this much
11 of it and therefore, I should get, and he came
12 along later so he shouldn't. And the water judge
13 will make his decision and say, okay, you can
14 have it. That is the way they set it up.

15 we set it all up on paper. It has paid off

16 in the long run because now they are trying to
17 get all their stuff on paper because it is really
18 hard to do a hydrology analysis of a basin when
19 you don't know who is going to come forward and
20 claim what water because they are just out
21 there.

22 So they set up a process where you can now
23 come in and tell the judge your story and he will
24 say, yeah, you get this much, and then it becomes
25 a right. Oregon is 10,000 files behind; some of
26 the others are a little worse off.

27 we have our file rooms. we have them all

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1 recorded. It either exists on paper or you don't
2 have it. So it has been a good system to take us
3 forward to where we are now.

4 Priorities: There was a system set in place
5 that said the first person who applies for it
6 gets it. That needed to be there. If you were
7 going to invest a whole lot of money and you are
8 going to set up on a stream and you are going to
9 show that it really works in this wild country
10 and look what I can do, and somebody else says,
11 yeah, it does work good, I am going upstream and
12 repeating the same thing, your investment is

13 gone. If somebody else uses the water and you
14 don't get it, why would you invest there?

15 So the intention in the prior appropriation
16 was to make sure that somebody who invested would
17 know that they had something in the future.
18 That's been carried forward.

19 The people who put that in place had the
20 foresight to realize that some day there may be
21 some changes. People might actually build
22 towns. The first users were not going to be
23 cities. You don't start with a city.

24 There were a series of purposes laid out in
25 the Act, and those purposes identified how water
26 could move from one license to another, generally
27 forcibly if need be. It is the only thing

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1 purposes were for in the Act.

2 There is some misconception that if you're
3 municipal, of course, you get first right to
4 water and the other guys, well, they use their
5 priorities for something else; not true, never
6 has been.

7 The rationale for the purposes in the Act
8 was if somebody was higher on the list -- and it
9 went domestic, municipal, industrial, irrigation

10 and other things; water power and other things.

11 If somebody who was higher on the list
12 needed the water and somebody who was lower on
13 the list had it tied up, you could basically
14 expropriate the other use. So a municipality who
15 had grown who wanted access to the water that an
16 irrigation user had, who are higher on the list,
17 they could inform the government that they wanted
18 that project and they wanted its priority
19 number. They needed half of it, and they wanted
20 it transferred to the town and that can be done
21 with compensation.

22 That was never actually used, but by being
23 there, it created this illusion that by having
24 some purpose you had some senior right over
25 somebody else. You don't get the senior right
26 until you have gone through the step of actually
27 acquiring it.

37

1 Those were actually the first concepts of
2 transfers. As far back as 1894, there was a
3 concept that water should be transferred, when
4 appropriate, through that mechanism.

5 In 1931, the federal government transferred
6 natural resources to the province. The province

7 took over with its own Water Resources Act and
8 pretty much mimicked the federal legislation that
9 was in place at the time.

10 It also guaranteed that anything that was
11 before that by the federal government would
12 remain in good standing as a valid license. That
13 also means that there are a lot of things that
14 were issued before 1931 by the federal government
15 that had no limits, no conditions on them that
16 are still in place today and still have status.

17 We do run into some issues when somebody who
18 received a license in 1898 with no conditions
19 runs up against some of the other federal
20 government initiatives, like the Department of
21 Fisheries and Oceans. All of those licenses
22 remain in place. The ones we have created since
23 then remain in place.

24 The only way that we were ever able to deal
25 with protection of the environment under any of
26 those acts was through conditions on licenses.
27 So there were a variety of conditions placed on

1 licenses to try and deal with it.

2 Sometimes there were minimum flow clauses;
3 flow stages where you could only take water

4 during a certain stage of flow, therefore, all
5 the rest went on downstream; minimum residual
6 flows. There were single numbers, there were
7 multiple numbers, there were all kinds of
8 things.

9 The only way we could actually deal with it
10 was within licenses. There is a whole variety of
11 those things left over out there that still apply
12 to valid licenses today that we're going to have
13 to work with.

14 Bringing all that stuff forward to the 1980s
15 when we began running into water shortages, the
16 so-called full allocation, the old acts were
17 designed to create security for development.
18 They were not designed to deal with: what do we
19 do when there isn't any more to give away?

20 Closing basins became something that was
21 done more often because the people in the field
22 were having a heck of a time dealing with the
23 situation, so basins were closed to try and
24 figure out what to do rather than some formula as
25 to when it gets to a certain point then we will.
26 It was usually a reactionary type measure.

27 There is a whole smattering of moratoriums,

1 some date back to the 1920s in the far south.
2 Those things are still lying out there, many of
3 them. We need to do something with them to go
4 forward.

5 One of the other tools that we tried using
6 from the old Act included reservations where the
7 Crown could reserve some of its water and then
8 describe how it would be used. The most recent
9 tool was the '91 regulation, the South Sas.
10 regulation, that all of you, I'm sure, are
11 familiar with, which was a stopgap measure that
12 said: Irrigation is getting away on things
13 because they use large volumes of water.

14 So we're going to reserve all the water and
15 then we are going to give it back again under
16 this regulation unless you are an irrigation, in
17 which case, we are going to cap you. If you are
18 anything else, the administrator of the day can
19 go ahead and issue whatever.

20 We have reached those caps in every basin
21 that I work with. The only way we get under them
22 is to deal with a cancellation and then reissue
23 something to somebody else.

24 Irrigation, in some ways, has been penalized
25 through that because it alone can't go forward,
26 so I have a 20-acre irrigation application that I
27 can't deal with, but I have a 2,000-acre

1 application from a potato plant that I can deal
2 with. It has created its own inequities because
3 the rest of the system has caught up in some of
4 those water-short basins.

5 To help us go forward from here and take the
6 legislation that was correct at the time for
7 where we were and adapt it so that we can now
8 deal with it under a full allocation basis, there
9 was a change to the whole structure. We did The
10 Water Act thing.

11 Ernie is going to talk a little bit about
12 the water Act and how we changed things to put
13 tools into place to take the world forward from
14 where we were. Your responsibility is going to
15 be to help the government apply those tools to
16 your own circumstances and actually make them
17 work when we take them forward.

18 I think I have about used up my time for the
19 first part of what we want to do today. What I
20 wanted to describe a little bit of -- and I know
21 some of you have heard it before, but I wanted to
22 describe a little bit about how we got to where
23 we are and try and convince you that we didn't
24 get here because somebody messed up.

25 It was a very logical and a very well-done,
26 actually, process that brought us this far. It
27 has just grown old, like some of us, and it needs

1 rejuvenation so we can step forward into the next
2 world of: How do we deal with water allocation
3 when there is more demand than there is water?
4 And that is what we are going to take on next.

5 That's all I wanted to do for this part. Do
6 you want to do questions or do you want to do
7 Ernie first?

8 MR. OHRN: We are at the risk of getting behind
9 schedule here, so maybe if there is one burning
10 question that has to be asked right now, maybe we
11 could have that one. Well, there are two over
12 here. We will just do these two questions then.

13 QUESTION AND ANSWER PERIOD:

14 MR. KURE: I am Colin Kure. I am with the
15 Alberta Fish and Game and I farm on the Red Deer
16 River.

17 I appreciated your historical background and
18 the fact that we're going to have to adjust some
19 numbers here. But I wonder if this whole review
20 shouldn't be focused a little more on watershed
21 protection rather than --

22 We are kind of getting behind things now
23 already, and I am wondering if the province,
24 after this review is finished, are going to be
25 prepared to put a little more resources into the

26 Transcript of BAC Joint Meeting.txt
watershed in the line of protection and
27 dedication? -- because as we all know, the

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1 Department of Environment has been downsized
2 considerably over the last few years.

3 So my question is: Is juggling numbers
4 going to alleviate the problem that we've got in
5 central and southern Alberta?

6 MR. MCGEE: Obviously, there isn't one answer
7 that is going to solve everything. I think part
8 of the point here is that it is a very complex
9 issue, aside from dragging a hundred years of
10 history along with you while you make the next
11 decisions.

12 I think your point is well taken that the
13 environmental issues have fallen behind the
14 allocation issues and they need to catch up. I
15 think that is a lot of what has generated these
16 kinds of issues that have brought you here
17 actually today to help solve.

18 The allocation -- the constant allocation
19 until there is nothing left brings resistance
20 from those who would prefer to see something left
21 in the river. The lack of a consensus on how
22 much that should be is a lot of why we're here

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23 today.

24 If it was easy to say: This much should be
25 in the river, this much should be allocated, we
26 know there is this much, we would just go and do
27 it and cut everything off and say: That is the

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1 end of economic development. Now what's next?

2 It is not that cut and dried. I think your
3 point is very well taken, that that is part of
4 the issues that you need to work into everything
5 else that you do.

6 I am going to come back to your question a
7 little later on when we talk about full
8 allocation in basins and how go to forward from
9 there. If you could give me the time to do that
10 presentation, and then bring your question up
11 again, maybe we can answer it a little bit
12 better.

13 MR. WATSON: Can I add to that? There are
14 probably three -- a few other things we need to
15 say. We are going through a process right now in
16 our department in looking at our business plan
17 and how we spend our resources; a hundred million
18 dollar budget for environment. If we're lucky,
19 we will maintain a hundred million dollar budget.

20 The question is: Are we making the best use
21 at that at protecting the environment today? I
22 think that is a fair question. We are reviewing
23 that question and we are trying to figure out how
24 we can make the best use of the resources that
25 we've got and that we expect to go forward with
26 in the future.
27 we are going to put a lot more effort on

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1 stewardship approaches, watershed approaches,
2 watershed protection initiatives. And Dave is
3 right, we need to kind of catch up to where we
4 are in the allocation stuff.

5 The second phase of the plan I think will be
6 extremely helpful for basins, sub-basins and
7 local communities to get their heads around
8 watershed approaches and where do we need to be.
9 what are some of the indicators that we need to
10 be at.

11 So when we talk about water conservation
12 objectives and some of these tradeoffs between
13 protection and demand, those will hopefully give
14 us, at the end of that phase, the performance
15 indicators for reaches of rivers and for our
16 watersheds.

17 Then we intend to move forward and work with
18 local communities on: Okay, we've got these
19 performance indicators, now what do we need to be
20 doing within a watershed collectively? -- because
21 we don't do it all.

22 Environment doesn't do it all. The local
23 municipalities play a large role; industry, the
24 community, the individual landowners. Everybody
25 has a stake in this, but I think at the end of
26 that second phase, which will at least have these
27 performance indicators, that will allow us to

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1 move forward much more effectively with the
2 watershed approach and say: We are making
3 improvements. We are actually seeing
4 improvements or we are still approaching these
5 objectives that we have.

6 So, will there be more resources? I doubt
7 it. Can we use our resources more effectively?
8 I believe so. Are we promoting watershed
9 approaches? Absolutely.

10 And you are going to see more of that as we
11 move forward, and the first two phases of that
12 plan are going to help us do that even better.

13 MR. MCGEE: That is what I meant.

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MR. OHRN: In the white shirt, had you a question?

MR. CONN: Yes, Greg Conn, Red Deer Basin Agriculture. This may found a little facetious, but it's not meant to be.

Mr. Foote -- you never quite finished his story -- when he held up his piece of paper saying that he had water rights, was it worth anything at that time and is it worth anything today? And when we are done with that process, will it be worth anything?

MR. MCGEE: Yes.

MR. SHAW: A quick clarification. I need examples so some times -- Bill Shaw, City of Red

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Deer.

The availability of water licenses from, let's say, the 1900s, are they for a specific use and if this specific use is no longer in place, are they still valid?

I guess the example of the train companies using water for steam engines, is that still a valid water right? Do they still have a valid license so that they can transfer that water?

MR. MCGEE: That is the meat of some of the

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11 things that I am going to talk about a little bit
12 little later. The language we use on that now
13 is: Is it in good standing?

14 There has always been a provision in the
15 acts right from 1894 forward; that is the use it
16 or lose it. If you're not using it, it is
17 cancelled.

18 Some of those haven't been cancelled because
19 we didn't get through the files and do it. I
20 cancel between 20 and 30 licenses a year; not
21 everybody is really happy with that.

22 Some of them are abandoned and it is just a
23 paper exercise. Some of them people object to,
24 but they are not are using them, haven't used
25 them. And the CPR has a number of licenses left
26 over from old steam engine filling days. They
27 haven't been used, we cancel them.

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1 We often get somebody coming in saying: I
2 bought this place. I heard there was a license
3 here 50 years ago, now I'm going to use it. They
4 can only use it if they use it exactly the same
5 way it was licensed for and the plans that were
6 tied to the license are actually used or
7 something reasonably similar.

8 If you want to get rid of the log crib and
9 put in concrete, that's fine, but if it is for
10 filling steam engines, go ahead and fill your
11 steam engines. I guess if we didn't get around
12 to cancelling it, then go ahead. And if you
13 don't, I am going to cancel it now that I know
14 about it. We do that on a routine basis.

15 The purpose that each license was issued for
16 has to remain the purpose that the water is used
17 for, primarily because the things that were
18 considered when that license was approved had to
19 do with its purpose.

20 Obviously if something was issued for
21 irrigation, it was intended that the water be
22 taken during the open water season, not in
23 January. Nobody ever considered the impact of
24 that project in January. It was considered in
25 the open water season.

26 So if you are just going to switch it and
27 use it in a different way and take water out from

1 under the ice, it will create a different
2 condition, and it will impose on somebody who is
3 downstream who normally took water in January who
4 never had any idea you were ever going to go out

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there in January because you were an irrigation
6 license.

7 So we would hold you to the purpose of that
8 license; the same rate of diversion, the same
9 volume, the same time periods. All of those
10 conditions have to apply in order to keep the
11 water license going through time.

12 MR. OHRN: With that, if you have any other
13 questions, maybe you can talk to Dave during the
14 coffee break, and there will be another question
15 and answer session with Dave before we break for
16 lunch.

17 So let's take a 15-minute coffee break and I
18 would invite you to -- encourage you to be back in
19 your seats at five to 11, please.

20 (BRIEF ADJOURNMENT)

21 MR. OHRN: Let's get going again. The next
22 speaker is Ernie Hui. Ernie is the head of the
23 Licensing Branch with Alberta Environment in
24 Edmonton, so he deals with policies on a
25 provincial level concerning the practices of
26 licensing and water allocation and other matters
27 concerning water management.

1 Ernie has years and years of experience also

2 Transcript of BAC Joint Meeting.txt
with the department in the water management field
3 and was, as I said earlier, involved in the
4 drafting of the Water Act that is currently in
5 force.

6 Ernie...?

7 THE WATER ACT AND NEW DIRECTIONS - ERNIE HUI:

8 MR. HUI: Thank you, Doug. Can everyone hear?
9 I really want to say that I really appreciate
10 this opportunity. It is sort -- it is like old
11 times because I've got my irrigation friends on
12 the left, I've got stakeholders on the right,
13 I've got the government staff in the back hoping
14 that I don't screw up by saying something wrong.
15 So this really brings back the memories of the
16 water Act process and just hoping that we got
17 through the public consultation phase.

18 Dave has done a excellent job in setting up,
19 I guess, the history of the water Act and its
20 predecessor types in the previous acts. What
21 Dave said was that I was going to take you
22 through the new Act clause by clause and I don't
23 want to do that because my job is to inform you,
24 it's not to put you to sleep.

25 I helped write the thing, and you can trust
26 me, it is not light reading. It is not really
27 exciting prose to sort of pick up and just read.

1 So what I'm going to sort of take you
2 through is sort of where we are at now. The Act
3 has been in operation for the past two and a half
4 years. How has it been working? Where do we see
5 the future with this Act? So I am to going to
6 try and give you some sort of setup there and we
7 will go from there.

8 I want to start by putting up this slide.
9 It is just a number of quotes from various
10 sources. I will just give you a chance to read
11 it, but I think the important thing to say is
12 that water is always a topical type of issue. It
13 never goes away.

14 These quotes, even though this comes from
15 the Edmonton Journal, I think from August of this
16 year, were probably equally appropriate ten years
17 ago and probably likely in the future these will
18 roughly be the same.

19 I also want to put up this map. This is
20 something that our staff has been sort of working
21 on. This overhead is a depiction of the surface
22 water availability in this province. It is
23 shaded in different colours with the blue colour
24 representing those areas of the province that
25 have a very small risk of having a water
26 shortage, to the red here which indicates a very
27 significant risk of having water shortages take

1 place.

2 So you can see, if you were to look at the
3 province of Alberta, north of Edmonton, nice and
4 blue, okay? South of Edmonton, particularly in
5 the South Saskatchewan River Basin, varying
6 shades of red to pink. That just gives you an
7 idea that in terms of your basin, there are some
8 water concerns.

9 I have gone through this slide. This is
10 what I intend to cover over the next 20 minutes
11 or so. As I said, The Water Act has been in
12 place for a number of years now, I am going to be
13 talking about how it has worked and what is
14 expected in the future.

15 For those of you who are busy writing, I
16 apologize. I should have brought some copies of
17 this presentation, but I will certainly ask Doug
18 if he can make it available to you as part of a
19 follow-up package.

20 Dave talked about the first principles of
21 the previous pieces that dealt with the water
22 management in this province. I think my first
23 key point is: Life just carries on right now
24 under the new Act.

25 The principle of first in time, first in
26 right was continued. The Crown ownership of
27 water was put into the new Act, and as a result

1 life just carries on.

2 One of the things Dave talked about was the
3 licenses that had been issued under the old acts,
4 and I know that Stan Klassen is in the crowd, and
5 one of the things that he kept hounding me on for
6 I think two and half years was that existing
7 licenses must be protected, respected, whatever
8 word you want to throw in there. So all those
9 license carry on.

10 UNIDENTIFIED SPEAKER: Protected.

11 MR. HUI: Protected. One of the things that I
12 wanted to talk about was one of the new
13 directions that the Act contained was a set of
14 provisions that dealt with water that was
15 currently being used for traditional agricultural
16 types of uses.

17 This was one of the, I think, key points in
18 terms of convincing rural Alberta that The Water
19 Act was a piece of legislation that needed to be
20 put into place and was a piece of legislation
21 that would help protect their existing uses of
22 water.

23 So, in the new Water Act, in addition to the
24 rights that have been provided for household uses

25 of water, there is a specific set of provisions
26 that have dealt with this traditional
27 agricultural type of use.

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1 It was a three-year program whereby existing
2 users could register their volume of use up to a
3 volume of 6,250 cubic metres per year. That
4 program ends December 31st of this year, and to
5 date, we've received roughly about 6,000
6 applications in response to this program.

7 This program was mainly targeted towards
8 rural Alberta, and I'm happy to report that there
9 has been a pretty good response to the program.

10 For those of you in the crowd who are -- who
11 have farms and who wish to take advantage of this
12 and have not done so to date, I would suggest
13 that you contact your local Alberta Environment
14 office or contact your local district Alberta
15 Agriculture office and you can get whatever
16 information you require to make the
17 applications.

18 In terms of licenses and approvals under The
19 Water Act, as I said, there has been nothing
20 significant that has changed. Industry from all
21 sectors have responded quite well to the fact

22 that we have a brand new Act. It places some, I
23 guess, requirements on those sectors to make
24 application for their water, and any type of
25 activity that they conduct in a water body. That
26 has not changed.

27 How has industry reacted? Quite well I

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1 think. I don't think I've heard any sort of
2 outcry from the public that says: Boy, your
3 process sucks, and you need to make
4 improvements.

5 The next step is a concerted effort by
6 Alberta Environment to look at the regulatory
7 process itself, look at are there ways of
8 improving streamlining the regulatory process
9 that we have in place right now and to ensure
10 that there is significant, quicker response times
11 to the applications that have been put in.

12 Part of this regulatory streamlining will
13 include setting out clear expectations of
14 information requirements, and informing the
15 public of what our expectations are and what the
16 expected response times will be.

17 This is quite significant because with The
18 Water Act, we tried to set out very much of the

19 process. We are looking at ways now to improve
20 that process. We are looking at ways to
21 streamline it. I think that you will see quite a
22 bit of change over the next year or so with
23 respect to the licensing process.

24 One of the, I guess, big points that we
25 heard during the development of The Water Act was
26 that the public needs to be involved in any type
27 of decision making and The Water Act has given a

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1 lot of that.

2 There are opportunities for the public to
3 provide the input during the application stage,
4 and there is the opportunity for the public to
5 appeal a decision under The Water Act.

6 These appeals that I've talked about are
7 made to the Environmental Appeal Board; and as I
8 indicated, they can be made on virtually any
9 decision that is made by a director under this
10 Act.

11 The key point here is that the number of
12 appeals are growing. We have -- in the two and a
13 half years that the Act has come into place, we
14 are at about 20 appeals to the Environmental
15 Appeal Board under this Act, and they are

16 growing.

17 Only about three or I think it is three to
18 five have actually made it all the way to a
19 hearing process. But I think the key point here
20 is that these appeals are growing, and what this
21 indicates is that there are issues surrounding
22 water management in this province that are
23 growing and the increased conflicts are growing.

24 The other point to make here is that the
25 appeal process is somewhat sticky because only
26 some of the appeals that I've heard about are
27 directly related to water. I would say that

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1 about 80 percent of the appeals that we have had
2 over the past two and a half years, only about 20
3 percent of the appeals that have been launched
4 have an actual direct connection to the water
5 issue. 80 percent have been launched on things
6 that I would term to be outside of the
7 jurisdiction of the Water Act.

8 But the point here is that The Water Act has
9 made public consultation, public input, a very
10 key point in the decisions that are made under
11 this particular Act, and I think the public has
12 responded quite well.

13 I think that Dave would agree with me that
14 every time that there is a public notice on an
15 application, in his basins particularly, Dave is
16 not running short of statements of concern being
17 submitted.

18 I can also safely say that in other parts of
19 the province, the appeals are a big issue, and
20 one of the things that I want to leave with you
21 today is that in terms of the next steps,
22 industry and the public alike need to be aware
23 that appeals do exist and that they should
24 include the possibility of appeals in their
25 planning process.

26 I think if you go back to the development of
27 the water Act and what it contains, this is

1 probably one of the key things that previous
2 pieces of legislation did not have which is an
3 appeal route to a decision.

4 Previously, if Dave made a decision, really
5 the only way that you could challenge it was to
6 go to the courts. This is another way to
7 challenge Dave's decisions.

8 I think one of the key comments that was put
9 forward at the time that the Act was being put

10 into effect was that: You know, geez, you guys
11 regulate a heck of a lot. Why can't your Act
12 give you some flexibility? Do you need to
13 regulate everything?

14 So, what The Water Act contains are various
15 provisions that give us some regulatory
16 flexibility, okay? It gives us the chance to
17 look at alternate approaches and to put them into
18 effect.

19 One of the first tools that we have in the
20 Act is to say: We won't regulate. These are the
21 exemptions that I am referring to here. We can
22 set out some type of exemption to say: well,
23 this type of activity does not require an
24 approval.

25 We can also say: This type of diversion or
26 this volume of diversion is exempt and that you
27 don't require a license for that type of use.

1 There are currently two schedules of
2 exemptions in the regulations. If you're
3 interested, I think they are Schedules 1 and 3 in
4 The Water Act. If you need those, let me know
5 and I can direct you as to where you can have a
6 look at those.

7 The Act also gives rise to us implementing a
8 code of practice rather than issuing an approval
9 or a license. Codes of practice are an alternate
10 form of regulation. It replaces the approval or
11 the license that you need to obtain, and we
12 currently have three codes of practice in
13 effect.

14 Just so that we're clear what they are,
15 these are the three that are currently in place.
16 There is a code of practice for the temporary
17 diversion of water for hydrostatic testing of
18 pipelines. There is a code of practice in place
19 for the installation or removal of a pipeline
20 crossing, and there is a code of practice in
21 place for the installation or removal of a
22 watercourse crossing.

23 These three codes are the wave of the future
24 I think is the message that I can leave with
25 you. This is part of the overall regulatory
26 streamlining types of efforts.

27 we think that in the next year, there will

1 be one additional code of practice put into
2 place, and that one additional code of practice
3 will likely be with respect to exploration of

4 groundwater.

5 There are some chuckles in the crowd, but
6 those are past histories; right?

7 UNIDENTIFIED SPEAKER: We hope.

8 MR. HUI: We hope. As I said, the next steps in
9 terms of alternate regulatory approaches are that
10 there are going to be some additional codes of
11 practice put into place.

12 I think one of the key challenges that will
13 be facing us will be to ensure that the codes are
14 integrated with other regulatory processes and
15 authorizations, including harmonization with
16 federal types of authorities.

17 Just so that you're aware, we've already
18 begun this process. We have been having some
19 talks with the Department of Fisheries and Oceans
20 on the suitability, acceptability, whatever term
21 you want to put in there, of our codes of
22 practice with the federal requirements under the
23 federal Fisheries Act.

24 So, we're well into that process of making
25 sure that if we do put into place future codes of
26 practice that what a proponent in Alberta will
27 hope to get is a one-window process where you

1 come to one place and you get the full window
2 shopping, so to speak, that you don't have to go
3 to the federal government as well.

4 But that is a challenge for us to sort of
5 sort through, and right now we're having those
6 talks with the federal government.

7 I think one of the other significant parts
8 of the Act that you will -- if you read it -- you
9 will see that in the previous Water Resources
10 Act, we had probably two provisions that dealt
11 with compliance and enforcement.

12 If you go through The Water Act, you will
13 see that we have one whole part with a number of
14 sections devoted to compliance and the
15 enforcement side of things. So I think that
16 there was a significant shift to providing as
17 many tools as possible to deal with
18 contraventions of The Water Act. It is a
19 substantial change from the previous pieces of
20 legislation.

21 Where are we in terms of the use of these
22 enforcement tools? Well, we're sort of getting
23 our feet wet, and we don't have a lot of
24 experience at this time for me to come up here
25 and say that: Yeah, you know, all the tools
26 work. We know exactly how they work, and they
27 are being used quite effectively. We're not at

1 that stage yet.

2 we have had some limited exposure to using
3 some of those provisions. We've had sort of, not
4 a difficult time, but we've had some I guess
5 growing pains in terms of getting our compliance
6 program out there. And hopefully, our approaches
7 and the experiences that we get will result in
8 some improvement of the approach.

9 In terms of a next step, we are hoping to
10 complete, by the end of March of next year, an
11 overall compliance assurance program for The
12 Water Act, and hopefully that will help
13 crystallize the expectations of what we are
14 looking for in terms of complying with the
15 provisions of the Act and will also set out the
16 range of the expected compliance and enforcement
17 types of responses.

18 The fourth major, I guess, area of the Act
19 that I want to talk about is up-front planning,
20 and in the past, we've never had any type of
21 formal provisions that say that water management
22 planning must be done.

23 What The Water Act has put into place, and
24 as Alan has said this morning, is that The Water
25 Act requires that a water management planning
26 framework be in place within three years. As
27 Alan has said this morning, that draft has been

1 in circulation for the past, I think, year and a
2 half, perhaps two, and will be finalized sometime
3 this year.

4 what that water Act framework will set up is
5 that it facilitates the development of formal
6 water management plans for the major river
7 basins; and hence, this is why you guys were
8 formed; and hence, this is what I believe you
9 guys are being challenged to help provide some
10 actions to.

11 water management plans are important because
12 they allow for the stage to be set, context to be
13 provided, and allows proponents, such as
14 yourselves, to understand and plan proposals
15 accordingly.

16 One of the biggest complaints that we've
17 heard in the past is that: well, you know, I
18 submitted this application to Dave, but boy if I
19 knew -- if I knew -- that I had no chance in heck
20 to get water every year, I wouldn't have even
21 made that application to Dave.

22 This is what these water management plans
23 will help us to do, and it is not just for this
24 basin, but it is to all the other basins that we
25 have in this province.

26 So, as I said, the water management planning
27 framework is to be completed by the end of this

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1 year. Water management plans, such as the ones
2 that you're working on, will set the stage and
3 provide the proper context.

4 So, I know that there are a lot of questions
5 on specifics. I am more than happy to answer the
6 questions on specifics, but I want to just make
7 sure that in terms of next steps for The Water
8 Act itself, this is where we are heading.

9 I think that we can group them in the four
10 broad types of categories that I have just talked
11 about. First is we have a regulatory process
12 that is in place. It is very similar to the
13 process that we've had in place for the past 100
14 years. We don't see that changing very much, but
15 part of our sort of -- will be to look at the
16 regulatory process, look at streamlining the
17 process, and looking to improve the response
18 times to the public.

19 We continue to use provisions of the Act
20 where it is appropriate to develop alternate
21 regulatory approaches. So, you can look forward
22 to perhaps more exemptions. You can also look

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23 forward to perhaps more codes of practice.

24 We have significant improvements in the
25 compliance provisions of the Act, and what we
26 will be looking to do is identify and implement a
27 compliance assurance program for The Water Act.

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1 And finally, big efforts are going into
2 making sure that we set the stage through
3 pre-planning types of efforts to make
4 expectations and, importantly, any types of
5 limitations put forward.

6 So with that -- hopefully I didn't take over
7 my allotted time -- if you have any questions on
8 specifics -- I know Stan you've got one away, so
9 I will just answer it right now.

10 QUESTION AND ANSWER PERIOD:

11 MR. KLASSEN: Good show. First of all, let me
12 compliment the Alberta government and yourself on
13 what I think is leading edge in legislation, not
14 that I had a great deal to do with it myself.

15 But I think The Water Act and certainly --
16 and when I look at what is happening in the other
17 provinces, Alberta is certainly being looked at
18 somewhat enviably given where we are at today.

19 One of the comments that you made is with

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21 respect to watercourse crossings and the
22 regulations and that is just one of many. To
23 date, it would appear that DFO has been a bit
24 schizophrenic on this issue of codes of practice
25 -- and there may be better ways of describing
their positions.

26 Can you give us some assurance as to where
27 your department is at with them with respect to

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1 the codes of practice and carrying out of the
2 Water Act that we know today?

3 MR. HUI: I don't think, Stan, that I can give
4 you the assurance that you probably want. I think
5 schizophrenic might be the most appropriate word
6 at this point in time.

7 We have at least, I think, the agreement
8 from Fisheries and Oceans that they will look at
9 our codes of practice, that they will look at
10 whether the codes of practice and the
11 requirements under those codes do meet some of
12 their requirements under the federal Fisheries
13 Act.

14 They have committed to respond -- I think if
15 I recall correctly from our last get-together,
16 they are committed to respond to us on the codes

17 Transcript of BAC Joint Meeting.txt
of practice by the end of November. I could be
18 off by two or three weeks there, Stan.

19 But that is the commitment that they have
20 given to us in terms of looking at the codes of
21 practice and giving us some answer as to: Is
22 there a snowball's chance in hell? Yes.

23 Or, you know, the other answer, but at least
24 we've got that from them, so if their answer is
25 yes, then we will continue to work with them to
26 make these things, you know, as harmonized as we
27 can. And if their answer is no, we'll have to

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1 take a different tack with them I guess.

2 MR. KLASSEN: Supplementary to that, does that
3 come out off the Calgary office or does that come
4 out of Winnipeg or Ottawa that --

5 MR. HUI: That has come out of Calgary at this
6 point in time. I think that is safe to say. I
7 know that there is some meetings that are taking
8 place either today or this week with people from
9 the Winnipeg and east side, so hopefully we will
10 get that same commitment out of them.

11 MR. OHRN: Did you have a question?

12 MR. FABIAN: Hi, Ernie.

13 MR. HUI: Hi!

14 MR. FABIAN: Vincent Fabian from the County of
15 Newell. I would like a clarification on that
16 first bullet over there. But the reason I am
17 asking for it is we are just going through a
18 process of assessment, or there is a deal going
19 on that some of us are paranoid about: The value
20 added aspect of and non-recognition of a farmer.

21 what does that actually mean?

22 MR. HUI: I think what this really means is when
23 an application comes in to Alberta Environment,
24 what we are trying to look at is: where does our
25 staff provide value to the review of that
26 application?

27 Are we just following processes for the sake

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1 of following processes, or are we actually adding
2 some value to looking at the application, looking
3 at the assessment, looking at the impact. What
4 is our value in reviewing that application that
5 has come forth?

6 what I am talking about here is we are going
7 to make sure that the things that we do actually
8 add value to the process, that we're simply not
9 just following a process for the sake of saying:
10 Hey, this is my job. This is the process that

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11 I've always known, we should always follow it.

12 So, it is not meant to sort of take away
13 anything that any other type of government or any
14 type of agency is doing right now. This is just
15 looking at --

16 MR. FABIAN: By virtue of that, it is not going
17 to have any effect on assessment?

18 MR. HUI: It is not going to have any type of
19 impact on that, but we are just sort of looking
20 at, you know, some of our bureaucratic processes,
21 if you want to call it that. Do those add
22 value.

23 MR. FABIAN: One more high hypothetical deal:
24 Okay, in the irrigated area, there is one permit
25 for the whole district. There has been talk
26 about should individual people get a permit, you
27 know -- a license, rather, say they want to drill

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1 a well or whatever.

2 Can you touch on that a little bit? There
3 is a blanket deal picked up --

4 MR. HUI: There is a blanket deal that if you
5 are within the irrigation boundary, the area of
6 -- and if you're using water for irrigation from
7 the surface sources that is licensed to the

8 Transcript of BAC Joint Meeting.txt
board, right, then you don't need anything from
9 Alberta Environment; irrigation using the
10 district's water, nothing from us.

11 If, however, you are going to be drilling a
12 well and using that well for whether it is
13 irrigation, industrial purposes, whatever, you're
14 not covered by the irrigation district; right?

15 Then you must come forward, you must apply
16 to Dave, or whoever is in your area. You must
17 apply for the license at that time.

18 There are other examples of industries that
19 use the irrigation, their water that has
20 allocated to them, but we have to keep in mind
21 that those industries are over and above the
22 volumes that have been given to the boards for
23 their irrigation uses.

24 So if I'm going to set up a potato chip
25 factory in Brooks -- Right, Dave? -- and if I say
26 that I want to use the EID's water, the EID does
27 not have water allocated to them for my potato

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1 chip factory. They have water allocated to them
2 for their irrigation needs.

3 I would have to apply to Dave and say: I
4 need a license. I'm taking water, but it is

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5 going through the works of the EID.

6 MR. FABIAN: One more little thing and I quit.
7 Also a feedlot, for instance, setting up, that
8 would also be a requirement?

9 MR. HUI: Exactly.

10 MS. STEWART: I am Judy Stewart. I am with the
11 Bow River Advisory Committee and I am
12 representing urban municipalities.

13 Ernie, I just want to know how long these
14 registrations for traditional use are taking, and
15 if there is a process that you could take just to
16 fire off a letter, as soon as you get an
17 application, to let the people know that you have
18 received it.

19 Because I have heard from a lot of people
20 saying they don't know the stage it is at and
21 they have been waiting a long time.

22 MR. HUI: That is a very fair question. I know
23 that some people took advantage of it right away,
24 and they applied, like the day after the Act came
25 into effect.

26 Part of our difficulty has been sort of
27 trying to amass the resources that is required to

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2 that we've probably processed about a thousand of
3 the 6,000 that we've gotten to date.

4 We are looking at ways to make sure that we
5 let people know that their application is in the
6 queue, it has been received, it is just a matter
7 of getting to it.

8 One point that I do want to make, though, is
9 that there is no advantage gained, whether, you
10 know, it is in the queue or it's not in the
11 queue. If it is in the queue, it is likely going
12 to get addressed. There is no advantage being
13 gained just because it is sort of sitting on our
14 desks, so to speak, right now.

15 But we are hoping that we're going to get
16 some additional resources -- knock on wood -- and
17 we'll hope to get the majority of them processed
18 through hopefully by March of this year.

19 MS. STEWART: The reason I am asking is because
20 people know the deadline is December 2001, and
21 they're saying: well, I sent it in but I don't
22 know if they got it; just a little process as
23 soon as it hits the desk a little letter and then
24 they know --

25 MR. HUI: If you have clients that are asking
26 that, I think the easiest thing for them to do is
27 just to call us and we can give them an

1 indication as to where it is.

2 MS. STEWART: Thank you very much.

3 MR. OHRN: Thank you very much, Ernie.

4 (Applause)

5 MR. OHRN: We'll take a couple of minutes for
6 the mike switchover here. Dave will be now
7 speaking about the challenges of water management
8 in fully allocated basins.

9 WATER MANAGEMENT IN FULLY ALLOCATED BASINS - DAVE
10 MCGEE:

11 MR. MCGEE: Good morning again. Can we do the
12 light thing again, please, so I can see their
13 faces.

14 There are two little things before I get
15 right into the water management thing. I
16 appreciate Ernie personifying things a little bit
17 and referring to applying to Dave. That might be
18 physically correct.

19 What you're actually doing is you are
20 applying to the people of Alberta to ask them if
21 they will give up some of their water resource
22 for you to use personally. So what you're doing
23 is you're asking me to make a decision on their
24 behalf as to whether or not that right is going
25 to be granted.

26 What I'm doing, as an administrator, is I am
27 looking for guidance from the people of Alberta

1 so I can represent them properly when making a
2 decision on their resource to grant the license
3 to someone. Please look at it in that
4 perspective.

5 Part of the reason you're here today is
6 administrators, like myself and the others in the
7 other regions, are looking for guidance to make
8 the decisions that you, the people of Alberta,
9 want made with your water. Part of what you're
10 doing is giving us guidance, okay?

11 The other thing I would like you to do for a
12 little bit of homework is the next time you use
13 some water, whether you pour it in a glass --
14 pouring it in a glass, where does it come from?
15 who is it licensed to? what priority is there on
16 it, and is that the right thing? Just think
17 about it.

18 The City of Calgary, I think, is licensed
19 for this one. I'm not sure which river it comes
20 from, whether it is the Elbow or some other one.
21 I'm not sure what the priority is. It is
22 probably a good thing because we need it today.
23 The next time you're in a farmhouse, the next
24 time you're at a water co-op, the next time
25 you're at a restaurant, think about it.

26 water management in fully allocated basins:
27 There is no such thing. There is no such thing

1 as a fully allocated basin. It is not possible.

2 The only way you could fully allocate a
3 basin in the Old Man River is to allocate the
4 volume of water that came down the river during
5 the 1995 flood because that's the biggest number
6 I know of so far. If you allocate that, you're
7 fully allocated.

8 Anything less than that is not fully
9 allocated. There is still more water that is
10 going to go by that somebody is not going to use;
11 right? So why do we call it fully allocated?
12 where did the term come from?

13 we hear over-allocated. I'm not sure that
14 we could ever allocate more than what came down
15 the river in the '95 flood. That would be an
16 awful lot of paper. So where did we get
17 over-allocated from? Who came up with it?

18 I think all that whoever coined those
19 phrases was trying to say is at some point, most
20 of us perceive that the risk to a new application
21 is too high.

22 So, does everybody agree on risk? In every
23 crowd there are going to be enough pessimists and
24 optimists that you are never going to agree on

25 risk. There are people with gray hair who say
26 they have lots of experience and they can
27 remember when and, therefore, you should.

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1 And there are the young and ambitious ones
2 that figure: we'll make it somehow, go for it.
3 And you're also going to get them in the same
4 room, and you are never going to decide what is
5 fully allocated, when it is enough, and when
6 there is too much risk.

7 So who is going to decide when the risk is
8 too high? Should we decide when the risk is too
9 high? Should we just keep allocating?

10 I can keep just sending the paper out. If
11 you want a 2001 priority, fine. Just remember
12 when we get short of water, Mel Foote is out
13 there and he has his license in his fist that
14 says 1891, and if there is a last drop, he is
15 taking it and you're not going to get it.

16 If you're on the Peace River, it is probably
17 not a big deal. For small agricultural users
18 along a river the size of the Peace River, why
19 bother with these acts? Why bother with all
20 this paper? They are only civil servants
21 running around soaking up money, sending out

22 paper that the cows are going to drink. Who is
23 going to stop them?

24 Milk River ran dry last week. There is no
25 longer any water flowing from Canada into
26 Montana. The Milk River I guess it's fully
27 allocated.

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1 Obviously the risk there is pretty high.
2 You know that we are going to repeat this kind of
3 a runoff season again next year, you know that,
4 and you look at the result in the river, the Milk
5 River this year, then you know we're way
6 over-allocated because some folks didn't get
7 water.

8 I shut down a PanCanadian operation that was
9 supposedly using their water for drilling wells,
10 and they were using it for watering the roads
11 because every time they took the rigs past a
12 farmhouse, they covered it with dust and they guy
13 came running out so they were watering the roads
14 with it.

15 It was some of the last drops of water in
16 the Milk River before it got to Milk River -- the
17 Town of Milk River and the Town of Coutts which
18 supply Sweetgrass in Montana.

19 There is nothing like having Sweetgrass,
20 Montana talking to governor who talks to Ralph
21 who asks me what in the hell we're doing now,
22 because some guy is watering the road.

23 Those kinds of situations keep bringing up
24 this: what do we do? when do we stop? we hear
25 talk that perhaps 50 percent of the median flow
26 is where we should stop. Sometimes we use 75
27 percent of the median flow; good numbers.

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1 what do you do when you introduce storage?
2 Once you add storage, then perhaps only
3 allocating the median flow doesn't make any sense
4 because there is lots of water that goes by in a
5 short period of time. You can put that in
6 storage and then you can allocate more.

7 The St. Mary River has been allocated to 127
8 percent to the median flow. Now, without
9 storage, intuitively everybody says (inaudible)
10 so half the time you get the median flow. So
11 more than half the time the new water right won't
12 get any water. Yeah, that's about the way it is
13 working out.

14 we hear David Percy and his expert try and
15 tell us that if we're not careful pretty soon

16 we're going to have to start using this priority
17 system. I guess I made a bit of a career out of
18 using the priority system and cutting guys off of
19 water, and we've been at it pretty hot and heavy
20 since 1984; a few smatterings before that, but
21 pretty steady since 1984.

22 You never get over the feeling of standing
23 in a guy's field and telling a 60-year-old man
24 who is done for the season and watching the tears
25 on his cheeks when he says, "If you do this to me
26 I'm going to lose the place. My grandfather
27 homesteaded this. If you do this, I am going to

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1 lose the place."

2 "Yes, sir, but if I don't, the guy
3 downstream is going to lose his place."

4 The very next day, a young guy comes into
5 the office and wants to know how he gets a
6 license. He wants to irrigate; the same river.
7 And you know when you give him a new priority,
8 you know you are going to be seeing him next year
9 when his bank loans are the highest, he's got the
10 most at stake, he's put everything into it and
11 grandpa has given him some money, and he is going
12 to be first guy that you're going to come see and

13 you're going to take out.

14 He will immediately point to the guy
15 upstream who doesn't have any payments anymore,
16 got the place paid off, he's doing not bad and
17 say, "Can't we do something with him? Can't he
18 share?"

19 "No, he doesn't have to. The priority
20 system says..."

21 Then we get into it with the
22 municipalities. "Of course, you can't cut people
23 off in town, Dave."

24 "Really," right? Sure you can. They have
25 a priority like anybody else. Why should they
26 keep watering lawns when the guy upstream is
27 losing his livelihood, and it gets more

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1 complicated after that.

2 I have shut down water co-operatives. I did
3 one last week. We figured some things out, the
4 community got together, and we got them back on
5 after two days. But that's what happens when you
6 allocate water and you get a priority number and
7 you run out of water.

8 We've already been there. We've got 15, 20
9 years' worth of experience in running these

10 things. It is painful, and we need more guidance
11 as to what to do next to avoid these painful
12 situations.

13 The past reaction to these kinds of problems
14 has been to build storage; sometimes government,
15 sometimes private. The biggest ones are
16 government, and if it is just not working, build
17 storage.

18 St. Mary and Waterton were pretty good steps
19 in internal storage. There is some discussion
20 over off-stream storage, on-stream storage.

21 When you ran out of all of that, the Old Man
22 Dam was the next solution, build the Old Man
23 Dam. The Dickson Dam was another solution to a
24 problem.

25 We have always built storage, but it reaches
26 a certain point. Now that we have computers, we
27 can figure all that stuff out and realize if we

1 build another storage, it might be dry for three
2 years and then sit full for ten. It may not be
3 as efficient as the ones we've already done.

4 How do you know when you have perhaps
5 allocated your way into a problem? The first
6 thing that happens is friction between the

7 consumptive users and the non-consumptive users,
8 the recreational use when the flow gets low, and
9 the fish issues when the flow gets low.

10 That is usually the first point where you
11 start to see it repeated. The Highwood is a good
12 example of that; starting to impose priority
13 cutoffs when you get that phone call, "I'm not
14 getting enough water. You've got to do
15 something."

16 when you start doing that on a regular basis
17 so that all your staff is tied up in the
18 summertime and you're running overtime, and the
19 director says, "You've got to stop paying out all
20 this overtime."

21 "But I need more resources to deal with
22 this," then you know you're starting to run into
23 a problem.

24 when the data guys predict that the flow is
25 still okay and you should be able to still
26 continue issuing more licenses, but your field
27 staff are telling you that it is killing them out

1 there because people are throwing things at them,
2 you know that something is out of whack. There
3 is a problem.

4 Usually the pressure to close basins has
5 come from government staff, not from the
6 modelers. In every case I can think of where we
7 closed basins in the south, we closed them
8 because of this awful feeling that everybody had
9 that something wasn't right.

10 It wasn't from some scientific analysis or
11 great modelling that said it was the friction,
12 the problem's with the public, the staff that
13 weren't able to handle the issues. Those are the
14 things that ended up closing the basins.

15 So we closed basins. We closed them to
16 study the issue. Okay. Now, we're studying the
17 issue. We're going to do some hydrology. We're
18 going to add up everything that we have issued.
19 We're going to compare that to how much flow
20 there's been.

21 We are going to reconstitute the natural
22 flows and compare them to the regulated, and
23 change operation plans. Do you know how many of
24 those have gone on for 15, 20 years? The bottom
25 line said: Yup, you've got a problem.

26 Quite often we reopen some of these
27 moratoriums and we say: well, there is a little

1 bit of water available right about in here,
2 somewhere between April and the end of July, so
3 you guys go on out there and allocate that.

4 Okay. We give them a July 31st cutoff.
5 Guess what happens on August 1st? "There is lots
6 of water. Come on, we can do this a little
7 longer. I just need five more days."

8 You do that for three years, then you get a
9 dry one and you come off in July sometime. But
10 he says, "But I thought my license says I can go
11 to July 31st?"

12 "No, priority time." People get used to it
13 during the wet years because there is always
14 pressure to extend, and then you get the dry ones
15 and it is, "I'm not ready for this."

16 The South Sas. reg -- and we mentioned that
17 before -- made a decision to close irrigation
18 because it seemed to be consuming or were the
19 largest users of waters, but it left the other
20 uses out there.

21 That places all the other users at some
22 risk. They come in the door and they say, "Look,
23 your government put a regulation in place. They
24 capped irrigation. They didn't cap feedlots.
25 They must have meant for you to continue.

26 They didn't cap municipalities. They didn't
27 cap water co-ops. They must have meant for you

1 to continue. I want a license."

2 "Sir, what I give you is worthless. I'll
3 probably cut it off in three out of five years.
4 Maybe even the first two years you'll operate
5 with an empty pipe."

6 "Yeah, yeah, it's okay, but we've got to
7 get the money. Then we'll think about that."

8 So who should decide on the risk for these
9 guys? They are coming to the government and
10 saying, "We want water," and we're giving them a
11 piece of paper that says they get water.

12 It is a lot more complicated than that but
13 not to the average person that is out there. To
14 them they went to the government. They give them
15 a piece of paper that says they can have water.

16 Some of the water co-ops we've had problems
17 with this year as reservoirs have gone down. And
18 we get hysterical phone calls saying, "You can't
19 do this. I bought this place. They said we have
20 water. We've got a license."

21 They weren't on the board when the board
22 decided to accept the risk. "We bought the place
23 five years ago, things have been fine and now
24 you're telling me I don't have any water." For
25 some reason, the board members didn't keep
26 passing on what you've got to watch out for.

27 So complacency tends to take over, and I

1 don't blame people for not worrying about the
2 water when everything is fine. But we end up
3 putting people in a position where they and their
4 families are at risk, their livelihoods are at
5 risk. And even though we tell them in the
6 beginning that they are putting themselves at
7 risk, that doesn't do us any good ten years later
8 when we actually have to do something with it.

9 Now, we've tried risk statements. We have a
10 little statement saying, "I, Bob Smith, have seen
11 all the hydrology, and I understand that it only
12 happens this much time and my likelihood of
13 getting is this. I have seen the list of prior
14 rights that are above me, and I know this is
15 going to happen. I know what the minimum flow
16 is, and I am going to respect all of these things
17 and where do I sign?"

18 They never read them. They come in, "yeah,
19 yeah," across the bottom. We attach it to the
20 license and we say, "We did the right thing.
21 We're great administrators. We put it down.
22 Legally we're covered. The lawyers can't get
23 us."

24 And three years later you shut them down and
25 his son was operating it. He didn't know dad

26 Transcript of BAC Joint Meeting.txt
signed that, and he has a loan on the tractor
27 and, "How can you do this to me?"

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1 Did we do the right thing? We protected
2 ourselves from the lawyers. He should have
3 known. He's on his own, and the bank is going to
4 take him down. And it is all legal, but is it
5 the right thing?

6 We need a pressure relief system in some of
7 these basins that are fully allocated -- there I
8 go -- that have lots of allocations and so many
9 that cause us problems quite often.

10 We need to put some tools in place so that
11 we can do more than just warn people and then
12 whack them when there is no water. They tend to
13 resist it.

14 The greatest problems usually come up
15 between municipalities and rural users. I think
16 the irrigation districts in the St. Mary project
17 this year did a wonderful thing when they decided
18 to share this year instead of impose priorities.

19 But you've got to realize that one of the
20 first things that the potato farmers, who've got
21 one of the first rights to the water, are looking
22 at is Lamb Weston has who one of the newest

23 Transcript of BAC Joint Meeting.txt
priorities there are, and they process potatoes.

24 And what point is there to get a great
25 potato crop, hauling them down to Lamb Weston and
26 he says, "Dave cut me off a month ago. We can't
27 process anything." It doesn't work.

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1 Many of those farmers live in town. "Oh,
2 good, they get to water the crop but things are a
3 little dry at home because Dave cut off the Town
4 of Taber because they've got a junior right."

5 You can imagine all the other possibilities
6 where there is interaction between. So, it
7 appears to me that society itself wants more than
8 just a list that everybody is going to have to
9 live with. We need to put some things in place
10 so that people can react, and the pessimists can
11 react sooner and the optimists, they can react
12 later, but they are making their choices.

13 Fairness in the systems is on top of the
14 list. It is not only fair, but it has got to be
15 seen to be fair, and it is amazing how well
16 people cooperate when they believe that what is
17 actually happening to them, as ugly as it is, if
18 it is fair, they go along with it.

19 One fellow up in the Red Deer area was

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20 telling us one at one of these Water Act sessions
21 he said, "You just make sure that you do the
22 right thing."
23 "well, we intend to. So what do you want
24 us to put in this piece of legislation that deals
25 with your farm and what do we write down here?"
26 He said, "I don't know what to write, but
27 you guys do the right thing."

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1 He repeated that several times, and I
2 scratched my head all the way home thinking, do
3 the right thing, okay. How do we do the right
4 thing for everybody and get it right if we don't
5 write it down so they know what the right thing
6 is?
7 what we need to do is put a system in place
8 that everybody can access. They know the rules
9 up front, they know what's going on going in, and
10 they can adjust themselves.
11 One of the things we need to do is hang in
12 with this use it or lose it. what it does is it
13 prevents speculation.
14 Most municipalities and others will come up
15 and say, "Okay, we know we're going to grow, and
16 we know you're going to allocate all this water

Transcript of BAC Joint Meeting.txt
17 so we want a big chunk so we can grow for a long
18 time, 20, 30, 40 years because people want that."
19 That's speculation. It is one of the things
20 the Act tries to prevent. You either use it or
21 you lose it. It goes to the next person in
22 line.
23 If we tie it up so that one person can hang
24 on to it because they might need it in 20 years,
25 then the water is going by. It is going to
26 Saskatchewan, which might be a good thing for
27 some of your relatives. If people keep seeing

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1 the water go by, they say, "There is lots of
2 water. What do you mean there is no more water
3 for me?"
4 "Well, it is tied up because somebody wants
5 to use it in 20 years."
6 "Oh, really? I want to use it now, give it
7 to me for 19. I will make a buck off of it for
8 19. I'll give it back to them in 20 years."
9 Okay, now what do I do with this? Tying
10 water up because somebody might want to do
11 something, if we allow that, whoever is upstream
12 from you tomorrow will come in and file an
13 application that is bigger than yours, and they

14 Transcript of BAC Joint Meeting.txt
will have priority over you. But it is tied up
15 so I can't give it to you. Then what?

16 So, allowing applications to speculate or to
17 tie up water is not something that I should be
18 doing as an administrator. It is something that
19 the government can do by reserving water and
20 identifying the purpose that it should be used
21 under. They can do it. We're not going to do it
22 through applications.

23 we talked before a little bit about
24 cancelling unused applications or unused water
25 rights, so we can get that water back in the
26 system for free instead of somebody hanging on to
27 it saying, "I haven't used it for 20 years. I

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1 think I'd like to transfer it and sell it to
2 somebody else."

3 No, if you haven't used it, then we cancel
4 it. It goes back in the system for free to the
5 next person. So it is very important to make
6 sure that if you're not using it and you don't
7 need it, you give it back to the people of
8 Alberta and let them use it in some other way;
9 not hanging on to it.

10 water sharing and assignments and shortages

11 Transcript of BAC Joint Meeting.txt
12 is something that we've implemented now. There
13 were some concerns that it wasn't going to work,
14 but maybe we could make it work. There were 60
15 guys on Willow Creek for a number of years, and
16 now that it's in the Act that is great.

17 But you'll never get people over a large
18 area to do it because they don't have the sense
19 of community spread over 200 miles. It has
20 worked very well.

21 I think Keith Francis here can speak to how
22 well we shared about 600,000 acre feet of water
23 amongst about 14 communities, 500,000 acres of
24 irrigation, I don't know how many water co-ops,
25 and I think it represented something like 660
26 licenses, all in one big sharing group, who all
27 took a 40 percent cut in the water that they had
this year out of the St. Mary, Waterton, Belly

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1 Rivers and operated with less.

2 It is something that we were able to do
3 because of the way it was set up. It didn't
4 interfere with any user. As long as it doesn't
5 interfere with anyone else, why shouldn't two
6 people be able to share their priorities?

7 We need to do more to promote conservation.

8 Transcript of BAC Joint Meeting.txt
9 when conservation is entered into voluntarily, it
10 ends up producing more water in the stream that
11 goes to the next priority, the next licensee.

12 There is not a lot of incentive in spending
13 money to save water so that it stays in the
14 river so somebody else can use it and perhaps not
15 conserve as well as you are. People get a little
16 annoyed when they see water laying in the stream
17 and somebody else wastes it.

18 One of the ways to promote conservation is
19 to allow people to make their own decisions and
20 allow them to transfer the water. One of the
21 ways of being able to afford the equipment to
22 conserve water is to be able to ask for a couple
23 of dollars or a favour of some sort when you
24 transfer the water you will conserve to someone
25 else.

26 If you can save 20 percent of your water but
27 it is going to cost you \$30,000, maybe you can
transfer that water to somebody else for \$31,000,

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1 put a little in your pocket pay for the water
2 conservation. That generates water more cheaply,
3 more freely than building another dam, than
4 creating more storage.

5 It is many small decisions spread all over
6 the basin from people who actually know their own
7 systems, voluntarily making decisions because
8 they can get some compensation for what they are
9 doing. That is how transfers feed water
10 conservation.

11 Transfers themselves -- I have a water
12 cooperative that desperately wants a whole big
13 pile of water. They don't think they can rustle
14 up all of the water they need for the whole
15 system, but in breaking it down, they have a real
16 low tolerance for the water that they are going
17 to use in their houses for risk -- for the water
18 they are going to use in their houses.

19 They have a higher tolerance for the water
20 they are going to use on their livestock. It is
21 tough to sell cows, but you can sell them and buy
22 them back. It's harder to send the kids to the
23 neighbour's place.

24 And they have an even higher tolerance for
25 watering the lawn and some of those other odds
26 and ends that are nice but you don't absolutely
27 have to do.

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2 existing water right with the risk that matches
3 their need for household use. So if they can
4 find somebody who got something older than 1950
5 would be pretty safe in the Old Man Basin and get
6 just enough to cover their household use, then
7 maybe they can find something that is in the
8 1970-'80 range for their livestock and, oh, maybe
9 a 1999 would do good enough for that just side
10 use.

11 They can pick up licenses from here and
12 there from willing sellers, people who are ready
13 to trade in their life-style for something else.
14 Instead of us building another storage, instead
15 of me trying to find it, instead of me trying to
16 cancel it out from under somebody who thinks he
17 might want to use it, let those people go and
18 access the kinds of risks that they want to deal
19 with.

20 You don't have to have a basin that is in
21 trouble to make use out of transfers. The
22 municipality wants water for the future. Do you
23 really want 2001 priority for the future?

24 Are you going to attract industry by saying,
25 "If you come here, we have a 2001 license, no
26 problem." It will be -- another community that
27 hasn't used all of its 1950 license is going to

1 say, "Yeah, but over here you have security."

2 So pushing the administrator to give you a
3 new license in a fully allocated basin doesn't
4 give you anything. It gives you a high-risk
5 license.

6 If you were able to access transfers, you
7 could move water that has a more senior right to
8 your own operation and be able to promote it as
9 something that has some value. Maybe the guy who
10 gives up the water will come in and get the 2001
11 water right because alfalfa grows not too bad
12 anyway, he just wanted a little extra water.

13 That exchange will happen. I don't have to
14 get involved. That exchange will happen between
15 people who want something, some people who are
16 willing to give it up, and all of us can stay out
17 of the decision. All we need to do is make sure
18 that no third party is injured, somebody else
19 isn't going to go without because two people
20 changed things and it gets complicated.

21 Something else we can do to try and deal
22 with the issues in these basins is to license the
23 minimum flows. We call them water conservation
24 objectives in this Act, but a lot of them are
25 just conditions on licenses. You have to stop
26 diverting when the flow hits this number.

27 So then where does it go? It goes

1 downstream, it goes into the next basin, somebody
2 else uses it.

3 Instead of imposing new limits on licenses,
4 if we had licenses for the water conservation
5 objective, they would have a priority for today.
6 Anyone could acquire an older license and attach
7 it to it. You could begin to acquire senior
8 rights for your water conservation objective as
9 willing sellers gave up water to be attached to
10 that water conservation objective.

11 Right now, if I cancel a 1910 license for
12 non-use, the license is cancelled, but where is
13 the water? It is flowing down the stream. So
14 where does it get tied up? In a 2001 water
15 conservation objective? Does it get tied up in a
16 2001 license that has a restriction that you
17 can't take the water out when it's down to this
18 level?

19 Or we could just attach it to a water
20 conservation objective and it will sit there, and
21 it will go right past all the other junior
22 licenses and stay in the stream. It's very
23 obvious to see it. On any list you can see it
24 there. Anybody acquiring new water can see that
25 that water is going to go by into that senior
26 right. It's a way of tracking that.

27 We need to measure more water. We measure a
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1 lot of flows. we don't measure nearly enough
2 diversions. we have some trouble auditing water
3 use because we don't measure nearly enough of the
4 diversions to know exactly what is being taken.

5 It very hard to manage that. It is very
6 hard to deal with should we cancel part of a
7 license because somebody isn't using it when
8 nobody knows how much they actually were or
9 weren't or at what times the water was being
10 used?

11 A lot of the -- we have recreated natural
12 flows by putting numbers back into the model. A
13 lot of those are estimations of how much water
14 has been used. In the future, we will have to
15 measure that so we can see how much water is
16 being used under which priorities and whether or
17 not somebody has exceeded the volume of a
18 license.

19 That happens a lot during water-short years
20 as you can run out of water because you used your
21 entire volume early in the year. we have to do a
22 better job of putting meters on things.

23 The other thing we can do to deal with full
24 allocation is information, information about

25 runoff predictions so that decisions can be made
26 in January or February instead of halfway through
27 July.

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1 we have to get rid of a lot of the rumours
2 that are out there, the rumours about what they
3 are going to do when the stream goes dry. Many
4 people have a lot of misinformation about who can
5 get water, who can't get water, and that comes
6 back to, "The municipalities get it first, so
7 don't worry about us, but those guys will
8 probably have to shut down when it is dry."

9 There are some municipalities with some very
10 junior rights. It will happen. We need to get
11 those people participating in the conservation
12 for their own safety as well.

13 I mentioned six or seven tools here that
14 need to go into place. They've got to be used
15 together, through a package, and only when the
16 whole package is used does the public actually
17 perceive that it is fair.

18 One of the things that we get the most
19 criticism about is: "So and so has a license and
20 they haven't used it since something or other.
21 How come they have started to use it now?"

Transcript of BAC Joint Meeting.txt

22 I want to share with that person who hasn't
23 used a license for a long time, and now I get his
24 water and the guy downstream says that he never
25 has used it. You should have cancelled it. If
26 you had cancelled it, he wouldn't be transferring
27 it to somebody else, and there would be free

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1 water in the stream.

2 My priority is next, and I would be using it
3 so why didn't you do that?"

4 He is right, we should have. We should have
5 been more strict about making sure that people
6 are either using it or it goes back in the
7 system.

8 There have been some discussions about
9 putting some of these tools in place, maybe
10 waiting till later to try out some of the
11 others. My position is: You've got to have a
12 whole package. You don't buy a car now and get
13 the wheels next year. It is not of much value to
14 you.

15 You don't just try out the seat and next
16 year we'll get the wheels and put that on and
17 then we'll try running it. It is a waste of
18 money until you put the whole thing together.

19 Until all the pieces fit together, you will
20 have inequities, and the first thing other people
21 will pick out are those inequities. When you
22 have a water shortage tempers are high and they
23 start picking up on the inequities, they lose
24 sight of solving the problem.

25 The only thing they can see are the ones
26 that they think caused their problem, and we have
27 some difficulty getting to the next step.

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1 I think the most limiting factor we have
2 today in dealing with water shortages is not
3 having access to the transfers at this point and
4 not having water conservation objective
5 licenses. Those, to me, are the greatest tools
6 that we could put in place to deal with some of
7 the problems that we've had.

8 I think I am way out of time, so that is my
9 pitch for today. Did you want to do questions,
10 or do these folks look hungry and they want to
11 eat?

12 MR. OHRN: I will give you a choice. You can
13 decide how badly you want your questions
14 answered. Lunch has been ready for about 10
15 minutes.

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16 MR. PENTNEY: Let's do lunch.
17 MR. OHRN: Let's do lunch. Lunch it is. Catch
18 Dave at any time during the lunch break or later
19 on. If you can be back here at 1 o'clock. Thank
20 you very much.
21 (LUNCHEON ADJOURNMENT)
22 INTRODUCTION OF PROVINCIAL STAFF - MR. PENTNEY:
23 MR. PENTNEY: Prior to this presentation, I
24 would like to make mention of a couple of names
25 of provincial staff that are here.
26 I would like to recognize Alberta
27 Agricultural, Food and Rural Development's

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1 representative Rod Bennett. If Rod could stand
2 up.
3 And also we have a representative from the
4 Sustainable Resource Development, Fish and
5 wildlife Division, Doug Clark.
6 From the Red Deer Basin area, in the
7 Parkland Region, the Regional Director is David
8 Lloyd at the back of the room, and with David are
9 people I will be working with, the BAC out
10 there.
11 The people from Red Deer are familiar with
12 them I'm sure. It is Peter Stevens, Terry
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13 Krause. There is Terry over there by the door,
14 and Doug Thrussell in the centre, and also Larry
15 Williams is here who does a similar job that
16 David does in the Lethbridge Region. Larry
17 administers The Water Act for the Red Deer
18 Basin.

19 In the Bow Basin, we have Robert Morrison,
20 commonly known as Bob, right? And also Rob
21 Wolfe. Where is Rob? There he is. And Rob can
22 be credited with the arrangements today and the
23 fine food and the setup we have here. So thanks,
24 Rob.

25 (Applause)

26 MR. PENTNEY: Within the South Sas. and within
27 the Old Man Basins, we have Cheryl Dash, at the

1 back of the room. She has been also credited
2 with arranging for all the material you've had
3 handed out today, and of course, Doug Ohrn.
4 Thank you, Doug, for coordinating everything
5 today.

6 with no further ado, we will move on, and
7 I think Ernie is up next with a presentation.

8 SPECIFICS ON WATER ALLOCATION TRANSFERS - ERNIE
9 HUI:

10 MR. HUI: I have the dubious challenge of trying
11 to not put you to sleep after lunch, too. So
12 good luck. Well, thank you. I will accept that
13 as a challenge.

14 I guess what I have been asked to speak
15 about in the afternoon is some specifics on
16 transfers. While Doug is trying to find my
17 presentation on the power point, let me just say
18 that during the development of the Water Act, I
19 think transfers of allocations was probably a
20 very controversial type of topic.

21 But I think at the same time what I can also
22 say is that it was also one of the most -- it was
23 an issue that was not very well understood by the
24 public, and I think that is -- and I think that
25 probably added to the, I guess, the furor that
26 was resulting around The Water Act when it was
27 put into place.

1 Alan this morning shared with you a couple
2 of points as to why transfers could help,
3 particularly in the South Saskatchewan River
4 Basin. Let me just add that in most other
5 jurisdictions, particularly in Australia and in
6 the northwestern States, water transfers are a

7 common approach, and that it is an approach that
8 I think that if you ask people in those
9 jurisdictions, they would say to you that
10 transfers is a very viable tool in addressing
11 some of the issues that Dave talked about earlier
12 dealing with basins that are conceptually at a
13 full allocation stage.

14 I have always found it to be more useful
15 that I give you some broad sort of background
16 information, and I note that on the agenda there
17 is time for questions. And I think that that is
18 where most of the effective information that I
19 can provide you will come out because I can't
20 read your mind in terms of what specifics that
21 you do or you don't know.

22 So what I am going to run through here is
23 basically some of the general things or specifics
24 about transfers that the Act provides for.

25 Does everyone understand what a transfer
26 is? Is there a show of hands? Generally
27 speaking? Okay.

1 I think for those that aren't fully versed
2 in this particular topic, I think the easiest way
3 that I can say it is that the provisions in the

4 water Act dealing with transfer really allows for
5 a license to be separated from the land without a
6 transfer of the ownership of that land.

7 Under the current regime that we operate
8 now, once you get a water license, it is tied to
9 that land or to that undertaking that you got the
10 license for, and it cannot be separated from
11 that.

12 So if Dave Hill got a license for his
13 irrigation project, right now without the water
14 management plan in place or without transfers in
15 place, once he sells me that land, I get that
16 license.

17 what transfers will allow to happen is that
18 Dave could say to me, "well, you can acquire my
19 water right," without having to sell his land.
20 Maybe that's the best plain language terms that I
21 can put it in at this point in time.

22 There was a comment this morning -- I don't
23 know who made the comment, but there was a
24 comment suggesting that decisions such as
25 implementing transfers should not be put into
26 hands such as Dave and me because you don't want
27 it in the bureaucrats hands -- I think that was

1 the comment that was made this morning.

2 I think that that is an important point, and
3 I think it is a point that The Water Act
4 recognizes because I think time and time when we
5 were developing the Act, that is what we heard
6 from the public.

7 "This is very controversial. Government
8 should not move very quickly on transfers.
9 Government needs to make sure that there are
10 sufficient safeguards in place before you turn on
11 transfers."

12 One of the, I guess, checks and balances
13 that was put in place was the requirement for
14 either a water management plan or an order from
15 Cabinet to be in place to allow transfers to take
16 place.

17 Doug has got this thing up and running. So
18 a very important point here is that your first
19 phase of developing the overall water management
20 plan for this basin --

21 Alan talked about phase one being looking at
22 the issue of water transfers, and we cannot
23 implement water transfers without either the
24 water management plan being in place saying that
25 the transfers can take place or we're going to
26 have to go to the Cabinet itself to authorize
27 transfers taking place.

1 One of the other things that we heard -- one
2 of the other things that we heard from the public
3 during the Act was that if you have transfers,
4 who is going to be the check and balance?

5 Are you going to just allow the free -- the
6 market to take its course and there is no review
7 of these transfers, or what process are you going
8 to put in place?

9 What the Act provides for is that the Crown
10 must approve the transfer. There is an
11 application and review process, and the Crown
12 must give its approval prior to that transfer
13 taking place. One thing that the Crown made very
14 clear, though, was that the government will not
15 involve itself in regulating the price of
16 transfers.

17 So what type of consideration do you want to
18 provide as part of that transaction on the
19 transfer is up to the two parties involved. If
20 you want to trade your truck for it, great.

21 As I said, an application must be made. We
22 believe that at this point in time that the
23 review and the application will be very similar
24 to the process that we follow when somebody wants
25 a brand new allocation of water. We see the same
26 type of process. We see the same type of
27 information requirements being required as part

1 of the supporting package.

2 I probably went ahead of myself. But right
3 now, what we generally need are plans,
4 information on what impact you're going to have
5 on the water body; and as Dave said this morning,
6 one of the criteria that we will be looking at
7 when an application comes in is basically ask the
8 question: Is anyone being harmed as a result of
9 this application for transfer?

10 That will be one of the key criteria that
11 likely a decision-maker, such as Dave, will look
12 at when those applications do begin to come in.

13 Let's talk about the elements of what a
14 transfer is. As many of you are aware, every
15 license has an indication of what volume of water
16 that you can take. It will also specify the
17 source of water supply and a particular rate at
18 which you may take that volume of water.

19 In terms of a transfer, if you want to
20 transfer an allocation, you can transfer part of
21 it or all of it. So if you originally got 100
22 acre feet of water as part of your allocation,
23 you can transfer 100 acre feet, or you can
24 suggest that you want to transfer 50.

25 Dave talked this morning about priority. He

26 Transcript of BAC Joint Meeting.txt
talked about the first in time, first in right
27 principle and that all applications receive

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1 priority, and the license that is issued contains
2 that priority.

3 when we are talking about a transfer of an
4 allocation, once you transfer it away, the
5 priority goes with that transfer. Now, this is
6 very important because one of the, I think,
7 overheads that Alan put up was dealing with the
8 level of risk in a basin.

9 Transfers go beyond just a fully allocated
10 basin. You can implement transfers in any basin
11 because you can say: well, geez, you know, if Jim
12 weber decides that his junior priority is not
13 good enough, he has an opportunity to use
14 transfers as a means to ensure his level of
15 risk.

16 MR. HARVIE: Is there any liability with that?

17 MR. HUI: Pardon me?

18 MR. HARVIE: Is there any liability with that?

19 MR. HUI: Let's go back to first principles.

20 when you get a license from the government, the
21 government does not guarantee that that water is
22 there.

23 Transcript of BAC Joint Meeting.txt
24 The government says that: Here is a license
25 that allows you to use that volume of water when
26 it is available and you must use it in the
27 priority that has been assigned to that
 particular --

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1 MR. HARVIE: The reference was more between
2 second and third parties.

3 MR. HUI: Not to my understanding. That is like
4 the caveat emptor rule. If you choose to begin a
5 transaction and acquire a water allocation, the
6 liability issue is between you and the second
7 party that purchased it.

8 I think the other key thing here is that
9 transfers can be a temporary thing or a permanent
10 type of transfer.

11 What's the benefit of going to a temporary?
12 The best example that I like to use is the EID
13 saying that: You know what? Our water, we have
14 too much of it -- Dave will hit me for that, but
15 that's okay -- and that we think that over the
16 next ten years we don't require 20,000 acre feet
17 of water.

18 And geez, Bob, if you're willing, if you
19 want to take it for 20 years, let's talk

Transcript of BAC Joint Meeting.txt
20 transfer.

21 At the end of 20 years, that volume of water
22 that was transferred goes back to the EID. So,
23 there is some benefit in looking at temporary
24 transfers.

25 UNIDENTIFIED SPEAKER: Will you ever get it
26 back?

27 MR. HUI: It depends on the deal, right. These

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1 are what I would term to be the three key parts
2 of a transfer. You deal with volume, you deal
3 with priority and you deal with time.

4 A question there?

5 MR. BENNETT: Mark Bennett with the Bow. Can
6 you transfer out of the original use category?

7 MR. HUI: Do you mean going from irrigation, per
8 se, to some industrial type use?

9 MR. BENNETT: Yes.

10 MR. HUI: Yes, we do not see a sort of a
11 restriction on that. Of course, it is going to
12 be dealt with in the whole review of that
13 application, but we're not going to come out and
14 say that you can't transfer part of your
15 allocation and that part can only be used for
16 agriculture, or something of that nature.

17 I have already talked a little bit about
18 this, but the review criteria that we're going to
19 use, once an application comes in, as I said, is
20 very much similar to the review criteria that we
21 use when we're dealing with a brand new
22 allocation of water.

23 So, we're going to be looking at volume. Is
24 it there? Is it available?

25 Secondly, we're going to ask the question:
26 what impact does that transfer have on the water
27 body? what impact does that transfer have on the

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1 aquatic environment? And as I said at the very
2 outset, who is being harmed by this transfer?

3 It will take all those factors into
4 consideration when we're dealing with an
5 application for a transfer, very much in the same
6 way when a new allocation is being requested.

7 Our review, and what the Act says, is that
8 there is a requirement for a public review of the
9 application, and keeping in mind how we deal with
10 brand new applications, this form of public
11 review will likely be through the public type of
12 notice requirements that we have right now.

13 So, our current process is an application

14 Transcript of BAC Joint Meeting.txt
comes in, the proponent has to place a notice,
15 and the public has an opportunity to provide
16 input statements of concern.

17 MR. DUNCAN LLOYD: Duncan Lloyd from the Old
18 Man. How long does the average application take,
19 like say I made an application today, and you go
20 through that whole public review process? would
21 it be six months, or two months or a month? --
22 because you've to advertise it for 14 days or
23 something.

24 MR. HUI: I think that is an excellent
25 question. The question was: How long does our
26 process take?

27 In terms of an application that comes in,

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1 gets advertised, and there are no statements of
2 concern, at best I think that it would take us
3 somewhere between eight weeks to 12 weeks to
4 process through from once we get it to the end.

5 And that includes the requirement for the
6 public advertising period which is a 30-day
7 period, okay? That is a general time line.

8 Once we get into the process where there are
9 statements of concerns that are raised, I think
10 the time frame cannot be stated with a sort of a,

11 Transcript of BAC Joint Meeting.txt
yes, it is going to take 16 weeks. I think it
12 sort of at that point really depends on the level
13 of the statements that have come in, the number
14 that have come in, and the issues that they
15 raise.

16 I think, Dave, we can say that there are
17 some that take over a year --

18 MR. MCGEE: Oh, yeah.

19 MR. HUI: -- at times, and there are some that,
20 even with the statements of concern, we still
21 meet the eight- to 12-week general time period.
22 So it just depends on what the issues are, and
23 the numbers of people that are making those type
24 of issues.

25 MR. OHRN: Can I just ask people -- Ernie, you
26 have until 1:40 to cover your topic. Are you
27 okay with handling the questions during?

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1 MR. HUI: If you're fine with it, I'm okay with
2 it.

3 MR. OHRN: I want to make sure you're going to
4 have enough time to cover your material.

5 MR. HUI: Yeah, I'm good. Okay. Al, I think
6 you were first.

7 MR. KENNEDY: My name is Al Kennedy. I'm with

8 Transcript of BAC Joint Meeting.txt
the Red Deer River Basin.

9 Ernie, you're saying there is going to be a
10 public review, statements of concern. Are you
11 indicating to us that the Environmental Appeal
12 Board may be involved in transfers?

13 MR. HUI: Yes, absolutely.

14 MR. KENNEDY: Even though there is a water
15 management plan endorsed by Cabinet?

16 MR. HUI: Yes, because remember what I said in
17 my first topic there which was: Public
18 consultation was a integral component of The
19 water Act and every opportunity was to be given
20 for the public to have that type of interaction
21 with the Crown.

22 So Al has raised a good point that even if
23 there is a water management plan that says, "Yes,
24 you have transfers," and even if Dave McGee gets
25 an application and sees that and says, "Okay, I
26 will make a decision, and my decision is either
27 yes or no," someone who has submitted a statement

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1 of concern in this process can say, "I don't
2 agree with that decision," and that I take it to
3 the appeal board.

4 Remember what I put up there, new

5 Transcript of BAC Joint Meeting.txt
directions, proponents must take into
6 consideration the appeal board and include it as
7 part of their planning of their proposal.

8 There was another question, another hand up,
9 or was there? No?

10 The next element here is that if a decision
11 is rendered and the decision is that a transfer
12 can take place, people have got to be aware here,
13 too, that new conditions may be placed on the
14 transferred license to put that transferred
15 authority into effect.

16 I'm sure that my good friends in the
17 irrigation sector are already asking themselves a
18 question: what does new conditions mean? Can I
19 go back there and impose conditions that they
20 never had on their license?

21 The answer there is "maybe", because I don't
22 know, because you don't know where the
23 transferred license is going to. You don't know
24 what the use of that transferred license might
25 be. It is going to have to look at that specific
26 application and a director will have to make that
27 call.

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1 so, all I'm raising the flag for here is

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2 that there need to be conditions put into these
3 transferred authorities to put that license in to
4 play. And at the same time, you might need
5 conditions in order for you to meet what is the
6 "who am I harming" test.

7 If you're changing from irrigation, as Dave
8 said, where you took the water strictly in the
9 April to October period, and you're switching
10 that to a golf course or a ski hill or whatever,
11 you might have to have some conditions to make
12 sure that no one is being harmed as a result of
13 that change in purpose of use.

14 So that's all I'm raising here. I am not
15 trying to make this sinister because, Jim, I know
16 you don't like that type of implication.

17 UNIDENTIFIED SPEAKER: Trust me, we're from
18 government, right.

19 MR. HUI: No, I don't want to say that either.
20 I'm just saying that you should be aware that
21 conditions can be placed on that transferred
22 license to make it viable.

23 MS. STEWART: I'm just wondering, if it's a
24 temporary transfer --

25 MR. HUI: Can you state your name.

26 MS. STEWART: Judy Stewart, Bow River Advisory
27 Committee. If it is a temporary transfer, when

1 you say it is for 20 years, at the end of 20
2 years, whenever it reverts back, would the new
3 conditions revert back as well?

4 MR. HUI: Excellent question. I don't have an
5 answer for that, Judy. I am being quite honest
6 in that. I think we'll have to flag that and ask
7 that.

8 MR. MCGEE: I'll answer that.

9 MR. HUI: You can answer that.

10 MR. MCGEE: Probably not; probably even no.
11 We're assuming, as Ernie described, that the
12 reason for the new conditions is to deal with
13 interference with a third party. So if you're
14 reverting back to the original place, then you're
15 no longer interfering with the third party so
16 those conditions become irrelevant.

17 So I would assume that when you went back,
18 there wouldn't likely be any bringing back of
19 additional conditions. You would go back to the
20 original license as it was then.

21 MS. STEWART: Okay.

22 MR. HUI: Do you have an addition to that
23 question?

24 MS. KILBORN: Tish Kilborn with the Bow River.
25 So with that opening up of a license and it
26 reverts back, does that still open up the
27 original licensee with conditions that could be

1 imposed on their original license?

2 MR. HUI: No.

3 MR. MCGEE: No, there aren't supposed to be any
4 tricks to this, so there shouldn't be any hidden
5 agendas where we try to find some devious manner
6 to fool you into transferring something so you
7 will transfer it back and then we can get your
8 old license with something else. That is not
9 part of anything here.

10 So if the principle is you're moving it,
11 therefore, conditions should apply to resolve
12 some issues, when you go back again, you're going
13 back to the same place you were at before.

14 So I can't see any rationale for dragging
15 those conditions with you or any others. I don't
16 think that would be fair, and it could create an
17 uncertainty so people wouldn't want to transfer
18 because you don't know what you're going to get
19 into next. We're supposed to be about certainty;
20 not creating additional problems.

21 MR. HUI: Is it tied to this?

22 MR. BENNETT: Yes, it is.

23 MR. BENNETT: Mark Bennett with the Bow. This
24 morning you talked about with transfers there is
25 the potential for -- and it is not a very
26 comfortable word but a claw back --

27 MR. HUI: A holdback.

1 MR. BENNETT: A holdback. If it is a temporary
2 transfer, does that holdback get returned with
3 the original amount or does that stay now in the
4 river and only the net gets returned -- reverts
5 at the end of the 20 years.

6 MR. HUI: I think that is an excellent
7 question. Dave, you can add on here, but my take
8 on that is that I think that part of that is
9 going to be directed by the group here. I mean,
10 that is part and parcel of why the Basin Advisory
11 Committees are being asked for the input is if a
12 holdback is applied, how should it be applied?

13 Should it be applied to these -- to the
14 temporaries? Should it be applied to permits
15 only? These are some of the questions that you
16 will likely have to cover.

17 So, while I'm not going to suggest what my
18 view is, I think that is something that you're
19 going to provide advice to government on.

20 MR. OHRN: Can I just provide an over-arching
21 comment on that? That's why we're here today is
22 to familiarize you on some of these topics that
23 need to be addressed.

24 And we are going to attempt to organize a
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25 workbook for the Basin Advisory Committees with a
26 number of the key questions and from your review
27 of the material, you may have other questions.

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1 Ernie and Dave know tons about this stuff,
2 but this is a new area and your input will be
3 sought this fall on a number of these kinds of
4 questions that have come up, and on ways to
5 matching them coming up.

6 So I just wanted to sort of put the
7 planner's perspective on this in terms of the
8 role that you will be playing.

9 MR. HAAS: Floyd Haas, South Saskatchewan River
10 Basin. We were talking about irrigation waters
11 here just a little while ago, that is transferred
12 from A to B.

13 If the license goes out for, let's say, 10
14 gallons a minute, who monitors that?

15 MR. HUI: I think that is a very good question.
16 I think it is a broader one than the specifics
17 about the rate.

18 People have always asked: Does the transfer
19 cross -- do the transfer provisions apply to
20 groundwater? And they do equally. You could
21 have a groundwater transfer.

22 In other jurisdictions, the experiences
23 there have been that very few groundwater
24 transfers ever take place. We don't anticipate
25 that -- when transfers are turned on, we don't
26 anticipate very many, if at all, any groundwater
27 transfers to come forward.

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1 MR. HAAS: Because there is one in the making
2 for two and a half years, and it is someplace in
3 your department -- whether it is being held up.
4 It don't know if it's no or yes on that issue.
5 MR. HUI: I'm not so sure --
6 MR. HAAS: I was questioning the other day where
7 it was at.
8 MR. HUI: There are bigger questions surrounding
9 that one that you refer to. But do these
10 provisions apply to groundwater? Yes.
11 Who would monitor it? Likely the licensee
12 as directed by the Crown. That's how I would
13 think that it would work.
14 MR. HAAS: There is one approved down there for
15 ILO. That was appealed. That was appealed, and
16 the appeal was upheld, so that was also
17 groundwater and there was quite a bit of water
18 coming out of there.

19 MR. HUI: I think the general response is that
20 whatever I am saying here applies equally to
21 surface and to ground.

22 MS. STEWART: Judy Stewart, Bow River. Is it
23 possible for the Advisory Committees in their
24 discussions to deal with the issue of groundwater
25 versus surface water and make a recommendation as
26 to whether groundwater should be considered
27 transferrable, or is that something outside the

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1 scope --

2 MR. HUI: I am going to defer that question to
3 Doug or to Alan, but did you want to --

4 MR. OHRN: The blanket answer is yes, unless
5 there is something in the Act or regulations that
6 specifically outlaws it, and I get the sense from
7 Ernie there isn't. So, the answer is yes.

8 MR. HUI: Dave wants to jump in here for a
9 minute.

10 MR. MCGEE: Just to comment on the groundwater
11 thing. When we're doing -- talking about
12 transfers, we are talking about water that has
13 pretty well got to come from the same source.

14 So, when you get to groundwater, groundwater
15 could come from many different sources depending

16 on depth, so the water coming from that aquifer
17 could be sourced from somewhere else and taken
18 from that point. Then you could do a transfer.

19 But you wouldn't be able to transfer water
20 that was taken from the Stavely aquifer and
21 transfer it to another aquifer 400 miles away
22 that has nothing to do with the previous
23 aquifer. It's got to come from the same source.

24 So, because groundwater is so much harder to
25 follow around than surface water, it would be
26 highly unlikely that anyone would be able to
27 prove that they were taking it from the same

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1 source if they were any great distance away. So,
2 that then becomes a limiting factor on whether or
3 not you would be able to process a transfer.

4 So, yes, you could access the system and if
5 you could prove that you were actually taking the
6 water from the same source that far away, then,
7 yes, it can be dealt with. But that's the reason
8 for the limitation.

9 MR. HUI: There is a question way in the back.

10 MR. SHAW: Bill Shaw, Red Deer Basin. Does that
11 follow, then, that you could transfer water from
12 the Old Man in name to the Red Deer and vice

13 versa? They are different sources.

14 MR. MCGEE: There is a very small window for
15 that to actually happen. It gets into a very
16 technical discussion. You would have to show
17 that if you were taking the water from, I forgot
18 which way you wanted to go --

19 UNIDENTIFIED SPEAKER: Old Man to Red Deer, I
20 think.

21 MR. MCGEE: The impact that you would have would
22 have to be evaluated where the water would come
23 together. So if the water flowed down the Old
24 Man, the common point for the new source would be
25 somewhere on the border of Saskatchewan, and the
26 impact would have to be assessed along those two
27 trails in order to make the move.

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1 It would be an extremely difficult technical
2 argument to make that you're taking the same
3 water; not impossible, but very, very difficult
4 to do.

5 MR. HUI: Any other questions on those points?
6 Then I hate to bring this point up, but this was
7 already raised, and part of what The Water Act
8 says is that there can be a water conservation
9 holdback of up to 10 percent of the water

10 allocated -- as part of the allocation to be
11 transferred may be applied.

12 So, that is what the Act says, that if there
13 is an application for transfer, you, the
14 government, may say: Okay, great, nice
15 application, but we're going to take 10 percent
16 of the water that is being put up for transfer,
17 and the intent is to apply those holdbacks within
18 rivers or river reaches that have been identified
19 as being stressed in the water management plan.

20 If, through the results of your advice, the
21 basin plan says that the reach of the Bow River
22 between "x" and "y" is stressed and that there is
23 a transfer that takes place within that, and if
24 the plan says that transfers can take place and
25 holdbacks can be applied, that is where we view
26 using the holdback.

27 So, that really sort of covers it in terms

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1 of the very general specifics of what transfers
2 and what the Act provides in terms of giving some
3 direction as to what the process is, what some of
4 the requirements are, and what some of the things
5 that can be done are.

6 So hopefully I have covered it in some

7 detail, but are there any more questions? There
8 was one here first.

9 MS. KILBORN: It is Tish with the Bow. With
10 respect to what you just mentioned there, is a
11 stress situation first going to be something that
12 we would identify, of how you determine stress;
13 and two, within that, is that predetermined or is
14 that something that is just determined season by
15 season or application by application? Or are
16 these reaches or rivers going to be identified as
17 stressed before this goes through?

18 MR. HUI: That is a very good question. I guess
19 my initial reaction is that hopefully those
20 issues would be covered in your phase two which
21 is movement towards identifying what the water
22 conservation objectives are.

23 MR. OHRN: I would like to add a little bit to
24 that. In your terms of reference in the
25 definitions at the back, we have taken a stab at
26 just a preliminary definition of stress, and that
27 is to say a river that usually is running less

1 than the instream need -- the scientifically
2 determined instream need for fish or riparian
3 vegetation, and so forth.

4 That instream need results we will be
5 providing to the committees this fall, and part
6 of your work will be looking at some results that
7 will give you just a preliminary overview, an
8 assessment, of which reaches might be considered
9 stressed, and we'll probably have some biological
10 opinions for you on that subject.

11 But the BACs can review this material, reach
12 their own conclusions and take it from there in
13 terms of what recommendations they care to make.
14 But that is just sort of a quick look at it.

15 Phase two, as Ernie says, will be where the
16 real detailed discussion will occur, hopefully
17 with some what we are right now calling
18 performance measures that will look at different
19 -- the impacts on the environment at different
20 flows and then recommendations can be made based
21 on that knowledge. So I hope that helps.

22 MS. KILBORN: Yes, thanks.

23 MR. HAMMOND: Brian Hammond, Old Man Basin. I
24 would like the rationale behind why the price of
25 these leases or these licenses, rather, was not
26 to be regulated by government when in fact the
27 water is owned by Her Majesty, in right of the

1 province.

2 There is really no value added to the
3 license itself, as time accumulates over a long
4 period of time, but suddenly when transfer
5 becomes available, it has a huge value attached
6 to it, and that is a windfall profit for the
7 license holder. With all due respect to a
8 license holder, that is something that belongs to
9 the people of this province.

10 what is the rationale behind not -- the
11 government not being involved in setting the rate
12 behind that license?

13 MR. HUI: The answer to that is simply that at
14 the time that the Act was being put into place,
15 the government's view was that it should be the
16 market that dictates the price of the water
17 license.

18 And they drew the example that even back
19 then, and as it is today, the market is in
20 essence dictating the price of your land to some
21 extent. If you look at some parts of Alberta, if
22 you have a water license on your land, you are
23 certainly going to be looking at paying more on a
24 per-acre charge for that land than if you have
25 simply a dry quarter section of land.

26 So the government's rationale -- and I am
27 just telling you what the government is --

1 MR. HAMMOND: So it was a political decision, in
2 other words?

3 MR. HUI: I think it would be safe to say that
4 it was a government decision.

5 MR. HAMMOND: Fair enough.

6 MS. STEWART: Judy Stewart, Bow River. I am
7 just wondering if these committees are going to
8 be given some opinion as to whether or not
9 transfers open up water as a commodity under
10 NAFTA. And if it is possible to get that kind of
11 an opinion for the committee so that that is
12 dealt with up front?

13 MR. HUI: I think I have gotten some opinion.
14 It is not complete. Like it doesn't take a look
15 at the overall questions that sort of pop up
16 ranging from NAFTA to GATT, to whatever else they
17 have out there.

18 But I think I will -- I can certainly, from
19 my point of view, go back and look at some of the
20 stuff that we got, see if it privileged or not.
21 If it is not, then I will certainly make them
22 available to Doug and Doug can move them forward
23 as best he sees fit.

24 MR. OHRN: Ernie, I think it is time for us to
25 move on to our next session here, if we may.
26 There will be time for more questions later.

27 At this time, I would like to draw to your

1 attention that Ernie has, I think, scratched the
2 surface of some of the complexities that are
3 involved in this whole question of transfers.

4 For your information, as Basin Advisory
5 Committee members, we have gathered together from
6 the literature on water management articles and
7 so on, about five or six papers that at the
8 coffee break I will put out on the table outside
9 for you to pick up.

10 I can't pretend it is happy, light reading.
11 I mean, these are academic dry papers, but if you
12 are so inclined, you are welcome to plow through
13 them to inform yourself about, for example, the
14 experiences in other jurisdictions around the
15 globe. Australia seems to be a source of lots of
16 examples and, of course, the United States.

17 So there are four or five good papers, and
18 we can find more if you really want to keep
19 exploring. We have a list of references on
20 this subject. So those will be out there at the
21 coffee break.

22 At this time I would like to ask Dave McGee
23 to come back to the podium and talk about the
24 subject of managing water shortages.

25 MANAGING WATER SHORTAGES - DAVE MCGEE:

26 MR. MCGEE: Again, this was intended as a little
27 bit of a wrap-up thing which is going to take ten

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1 minutes, and I'll mention a few things about
2 operating in water shortages.

3 And then I think there are a lot of
4 questions starting to come out of this, so I
5 won't keep talking. Maybe Ernie and I can start
6 bouncing questions for a little while and get out
7 what you really want to know about.

8 There is some interest in how we manage
9 during water shortages. I spent sometime this
10 spring when the rest of Alberta thought it was
11 going to be doing some water mastering going
12 around to some of the other regions, and we met
13 for day in Red Deer, describing why we do what we
14 do.

15 And we scared the pants off of most of our
16 administrative friends from other regions because
17 of two things: It is a very intensive process,
18 and the other component to it, who are the
19 public, if they have never been exposed to it
20 before, you have a pretty difficult chore.

21 It is too late after the water shortage
22 occurs to start thinking about how you're going

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23 to deal with the water shortage. Emotions are
24 already running high, a number of people are on
25 panic.

26 The optimists still don't think it's really
27 going to happen, and nobody really has time to

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1 deal with the issues in the way they need to be
2 dealt with to go forward the next day or the next
3 week. Minds get clouded when they're pushed to
4 make quick decisions.

5 I found that you learn an awful lot of very
6 interesting things about human personalities when
7 trying to deal with water shortages after the
8 water has already gone.

9 When a shortage first hits a stream,
10 basically all hell breaks loose. "Why me? How
11 come us? Where did he get a license from? How
12 come his license says? I thought I could get.
13 You mean we can't even get water for stock
14 water?"

15 A comment from a Hutterite this summer,
16 "We'd be better off going back to Russia than
17 this." I hadn't heard that one before.

18 UNIDENTIFIED SPEAKER: What was your answer?

19 MR. MCGEE: It's up to you guys. It frees up

Transcript of BAC Joint Meeting.txt
20 more water for the rest.

21 It just gives you an example of the level of
22 frustration that people run into when they first
23 come to the realization that there just isn't any
24 more time left, it is really happening, and they
25 really don't have the ability to just take the
26 water that they need.

27 The first thing the feedlots say is, "Cows

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1 have to drink, how do we handle this?" Sell the
2 cows. It doesn't even occur to people you sell
3 them. They're just trying to envision how
4 they're going to get water into them when there
5 isn't any. The next day they think about it, "I
6 suppose I need to sell them," but you run into
7 that wall of panic.

8 So the things that we need to put in place
9 have to happen before shortages occur, and you
10 have to assume that they will. They are
11 inevitable. They are going to happen. Sooner or
12 later, you are going to have a water shortage in
13 the basin where you get water.

14 Now, we can look at it that it probably
15 won't happen when you have to deal with it, so
16 we'll pass it onto the kids and see how they deal

17 Transcript of BAC Joint Meeting.txt
with it, or you can just get at it. It is really
18 hard to get people motivated when it is wet out
19 there.

20 I can remember in the good old days when we
21 used to have to go to Edmonton to get every
22 decision we wanted, and we would be chasing
23 grasshoppers and dust. And we'd go up there and
24 everybody is looking at the window as the water
25 is pouring down the window, and they're all
26 wondering how they are going to get home because
27 they didn't bring their umbrella.

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1 You're sitting there frustrated because you
2 can't get attention to the problem at hand. It's
3 a world away. That is just human nature.

4 I can remember in a drought when Ernie'd
5 complain to me about the problems he is having up
6 north. So? It is the same thing.

7 How do we get people to focus on this thing
8 and actually try to make some decisions
9 beforehand, before all the blaming starts?

10 Some of my favorite tools that are in place
11 -- and I think this is covering a little bit of
12 ground that we were on before -- is water
13 conservation objectives set so that we know where

14 we want to go with lake levels, we know where we
15 want to go with fish species, volumes of water
16 instream for water quality issues. We need to
17 know that.

18 That has got to be one of the hardest things
19 to do when you're pretty much running out of
20 water and somebody wants it and you say, "well, I
21 think we need ... left in the stream to go by
22 your place."

23 All licensed uses need to be known. They
24 have to be somewhere so people can access these
25 things and know what can happen. Who is upstream
26 of me and what priority do they have?

27 If it is downstream of me, what priority do

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1 they have and what do I have to deliver
2 downstream? -- because they're going to ask you
3 for it when you tell them that their project has
4 to shut down.

5 "Oh, yeah, what about Mike?" You're going
6 to give them a list. It's only fair for them to
7 be able to see who else is involved.

8 Trying to find a list -- I'm not sure how
9 many licenses some of the other areas have now.
10 I've got 7400 of them in the file room, and

11 Transcript of BAC Joint Meeting.txt
12 trying to sort those on a day or two's notice is
13 pretty difficult and keep the names current and
14 the phone numbers and all those sorts of things.

15 You've got to have water monitoring
16 equipment in place. You've got to know what's
17 out there.

18 How do you know the flow is down to what we
19 want the water conservation objective to be?
20 with what error? Give or take 10 percent?

21 That station didn't work worth a darn last
22 year. If you're going to take off my 2 cubic
23 feet per second and there is 130 in the stream,
24 how do you know there isn't 133? what makes you
25 so confident? You've got to have that kind of
26 information and it has to be accurate.

27 So you need these things established at key
locations so that you've got a little bit of a

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1 record to them and some confidence in whether or
2 not they are worth anything. You can
3 picture us in front of an appeal board, after
4 having made a decision on priority, trying to
5 explain how we knew that there was 2 cubic feet
6 per second out of 130 that was actually not
7 present at a certain time three weeks ago.

8 Transcript of BAC Joint Meeting.txt
9 Assignments of licenses -- something we have
10 done this year and something we've done on a more
11 casual basis before -- are tools that most people
12 have found the quickest and the easiest to use
13 when faced with a shortage. Those decisions can
14 be made the same day.

15 All we have to do is look at whether or not
16 it is interfering with somebody else. The way an
17 assignment works, it is the water sharing thing.

18 The brother-in-law has a great project. He
19 put barley in this year. He doesn't need a whole
20 lot of water.

21 Downstream somebody else has got alfalfa
22 in. They just seeded it, just spent a hundred
23 bucks an acre and they got caught off.

24 The brother-in-law says, "Ah, take mine,
25 take my water." We have to make a process for
26 this to make sure that we're not interfering with
27 anyone. That is the assignments. He is
 assigning the remainder of his allocated water,

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1 his license to his brother-in-law downstream who
2 can then make use of it.

3 It doesn't hurt anybody else because if he
4 didn't do it, he would have used it himself;

5 Transcript of BAC Joint Meeting.txt
right? So it didn't affect anyone.

6 Furthermore, if it's downstream, there is
7 extra water in the stream for a longer distance
8 than there would otherwise have been. We
9 encourage those.

10 The ones that are more difficult is when
11 they want to move it upstream so there is less
12 water in the stream over a certain distance which
13 may have an impact on aquatic environment and may
14 be restricted.

15 That is a little bit like the 10 percent
16 rule on the transfers. I can see in some cases
17 where I would like to give somebody an extra 10
18 percent if they would move a hundred miles
19 downstream.

20 We could run that water over a lot of fish.
21 The comment we used to hear is you could turn
22 those brown trout into rainbows when you get the
23 flow low enough and get the sun on them.

24 But if you can move that diversion point
25 downstream, you're still using the same amount of
26 water, but it is serving a whole bunch of uses
27 along the way. It may be doing waste

2 Transcript of BAC Joint Meeting.txt
same allocation.

3 Nobody is getting points for moving
4 downstream, but you're talking about taking 10
5 percent away if they move upstream perhaps and
6 remove that flow from in between, so you're going
7 to take 10 percent back to leave in the stream to
8 help cover that.

9 Transfers of licenses: We need to get
10 there. There have been times when we've had
11 people move water around, as we talked about,
12 six, seven eight years in a row. They like to
13 get on with it and do the transfer and be done
14 with all the moving around. Again, moving them
15 downstream is an advantage to everyone.

16 We have a lot of storages around. We've got
17 operation plans that go with our storages.
18 Having a firm operation plan in place, everybody
19 knows how that stored water is going to be used,
20 is a valuable tool.

21 We've had communities make decisions on how
22 they wanted to use government-owned storage.
23 We've allowed them to give us input and then to
24 receive water that comes from storage outside of
25 their priorities.

26 The way we did that -- and Chain Lakes is
27 the best example, I guess. It is a fairly small

1 storage. Willow Creek is a limited stream, maybe
2 60 licensees along it.

3 They all agreed that they wanted some water
4 out of storage. We said, "Sorry, the water
5 belongs to the government. The government likes
6 to share, so if you want it, you're going to
7 share. We will make 2 inches of water available
8 to everybody starting on Thursday.

9 You get so many hours of pumping. When
10 you've got your 2 inches, you're done and the
11 next guy gets his and when everybody has got
12 theirs, we close the gate and save the rest of
13 the water for someone else later."

14 It is sort of a forced sharing. It worked
15 pretty well. Peer pressure probably took care of
16 most of the enforcement areas because it is
17 really hard to hide an irrigation system.

18 But that sort of tool that you can make
19 available where you can take the storage that
20 you've got and claim that because it is Crown,
21 you stored the water under your license, it's now
22 your water to decide what to do with. You as the
23 province, if you release it and you identify
24 where it is going, then you can smooth out some
25 of those bumps.

26 That can only be done where you've got a
27 clear operation plan in place so that people know

1 what can be done with it. You just don't
2 surprise them and say, "I'm giving it to Michael
3 over here," and there won't be anything left next
4 month. So that has to be in place as well.

5 The last item that you need to have in place
6 is: Are all of the licenses maintained in good
7 standing? -- otherwise you get a certain degree
8 of confusion.

9 In good standing is something that I hope
10 you will help us define. It has to be in good
11 standing before it can be transferred or it can
12 access these new water assignments.

13 In good standing means it is either being
14 used, can be used, is about to be used or could
15 be if somebody wanted to. If somebody doesn't
16 own any equipment, hasn't owned any equipment and
17 they want to transfer something downstream, I've
18 said no -- or assign it downstream, I've said no
19 because I can't show the people in between that
20 if I didn't do this there wouldn't be any affect
21 on them.

22 If I say no, what is the guy going to do if
23 he's got no equipment? Nothing. So the water
24 stays in the stream anyway and ends up at the
25 next licensee anyway, instead of the one that he
26 is trying to sell it to.

27 So, we only allowed the water sharing to

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1 happen where somebody decided to close the gate,
2 turn the pump off, let the water go downstream so
3 somebody else could use it because if I said no,
4 he would turn it on anyway; right?

5 So you need to know what licenses are in
6 good standing so that the real estate agents know
7 which ones they can pick on when they decide to
8 go around and sell some water.

9 That brings me to the next point. Everybody
10 says it can't happen, this water isn't going to
11 move around. How are people going to know about
12 it?

13 At one time, land was free. All you had to
14 do was apply to the government and you got your
15 quarter section and you went and sat on it.
16 There were no real estate agents.

17 Once that was done, and all of the land in
18 Alberta was fully allocated, then you exchanged
19 the right to occupy the right to land, either
20 between two people, or you used an agent to go
21 and find somebody and bring them to you, and you
22 used lawyers to make sure you got it right.

23 How you exchanged the land doesn't matter to
24 the Land Titles Office except they take some

25 percentage or something. But a whole industry
26 developed around moving that land from one person
27 to another, to people who didn't even know each

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1 other.

2 This summer, what the St. Mary districts put
3 in place to allow the sharing of a large number
4 of licenses turned into some interesting
5 classified ads in the paper. People decided they
6 weren't going to use their water this year, so
7 somebody else out there might want it.

8 Keith can tell you the stories about where
9 the price (inaudible) didn't go, and all the
10 discussion about: You paid a hundred bucks for
11 that and it is going to rain next month? They
12 were paying 200 bucks the next month. Maybe it
13 would have gone the other way.

14 But people are very quick to adapt to that
15 sort of thing. Real estate agents got involved,
16 the lawyers got involved, and water moved around
17 very nicely.

18 All we had to do was make sure all of these
19 people who were moving water around didn't hurt
20 anybody else while they were doing it. We
21 perceive that as our role to make sure that

22 nobody gets hurt while two other people are doing
23 their thing.

24 It worked very, very well. It worked so
25 well under the assignment rules I can't imagine
26 us not going the next step to doing it formally
27 under transfers and allowing these things to

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1 proceed. They really are no different than land
2 transactions.

3 There has been some discussion of water
4 banking where in the spring you can enter your
5 water allocation into a water bank and from
6 there, it is parcelled out to others.

7 You've got 10 acre feet. What are you going
8 to do with it? Well, you'll give it up if
9 somebody else wants it for a certain price.
10 Nobody wants 10 but they need 50. The broker
11 makes the difference.

12 Now, the other player in that -- because we
13 are starting to talk about brokers and money and
14 things and that makes a lot of people really
15 nervous, one example from the States, and I would
16 like to toss this one out to you just to show the
17 other side of the equation, there was a -- and I
18 probably won't get it all right, but it makes a

19 good story.

20 There was a reservoir. The water in the
21 reservoir is held under certain water rights,
22 senior water rights. Downstream of that, there
23 is some open water. It is kept open because of
24 the releases from that reservoir.

25 It looks dry. The owner of the reservoir
26 wants to cut the flows back. There are some
27 endangered feathered friends on the water

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1 downstream that need open water. If they cut
2 back on the releases, everything freezes, they
3 lose their endangered feathered friends. Without
4 some means of moving that allocation around,
5 that's it. That's the way the situation stays.

6 What happens is a group are interested in
7 the feathered friends, makes a proposal to the
8 one who is holding the water rights, and says,
9 "Go ahead and release the water. If you run
10 short next year because it doesn't rain, we'll
11 pay you ten grand. If it rains and your
12 reservoir fills, we don't pay you ten grand."

13 So, they went ahead and released the water.
14 The feathered friends made it, it rained, the
15 reservoir filled, nobody traded any money, and

16 the world was good.

17 There would have been three months worth of
18 fighting and litigation and hard feelings if they
19 weren't able to access that tool, which really
20 didn't make any difference in the end anyway.

21 If it hadn't rained, then the decision would
22 have been made, things would have happened and
23 the community would be happy. It is a win-win
24 either way it goes. Without giving the community
25 those tools to work with, it wouldn't have
26 happened.

27 So, when it comes to water shortages,

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1 putting those tools in place first is what we
2 need to do. You can imagine our feathered
3 friends starting to freeze and someone saying,
4 "Well, we should head off to the State
5 legislature and see if we can change the
6 legislation so we can make something happen
7 here." It won't happen.

8 The alternative is a bunch of running to
9 ministers and trying to create emergency
10 provisions and that might have an effect on
11 somebody else, and you've all heard the story.

12 So putting these things in place before we
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13 get to the shortages is what us administrative
14 people, who have to look them in the eyes,
15 prefer.

16 That's all I want to talk about that. Doug,
17 I think if you want to, we should probably leave
18 the floor open for questions to both Ernie and
19 myself at the same time so that we can cover any
20 questions that you're looking for.

21 MR. OHRN: Five minutes or so for questions for
22 these two gentlemen.

23 MR. MCGEE: I put them to sleep.

24 QUESTION AND ANSWER PERIOD:

25 MR. WEBER: Jim Weber from irrigation on the Bow
26 Basin, for Dave as he is standing there.

27 Your warmth towards the use-it-or-lose-it

1 philosophy, how does that work in with irrigation
2 planning? -- because you license your district
3 for the worst possible years, maybe one in ten.
4 So for nine of those years you're not going to
5 use your full license.

6 You also then expressed an interest in
7 conservation and encouraging people to conserve
8 water. Are the two in conflict? -- because if
9 the use-it-or-lose-it philosophy comes through,

10 you are encouraging people just to push it
11 through the system just so they can show the
12 numbers even if it was used or not.

13 MR. MCGEE: Yes, those are excellent points.
14 The "in good standing" line is what we need to
15 solve that issue. There will be several
16 solutions to it, not just one.

17 The jurisdictions that have gone ahead with
18 transfers and have been through this have created
19 some criteria for "in good standing".

20 I would suggest to you that Jim makes a
21 pretty good case for hanging on to that extra
22 water because he can show sufficient hydrology
23 that indicates that he will need it at a certain
24 time. He is going to show us that the capacity
25 of his canals are sufficient that he will
26 actually be able to put it through the canals and
27 use it at the time and that there is sufficient

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1 land and people continuing to be interested in
2 using it.

3 And given all of those things, then perhaps
4 that allocation should be left there, and because
5 they maintain those facilities, it should be in
6 good standing.

7 What I don't want to see is some kind of a
8 race to cancel things or, you know, little
9 devious plots that if you do this, then you can
10 get that, and then you can get this, and you can
11 make a buck unless they do that first. We don't
12 want any of that kind of stuff. It is not what
13 this is about.

14 It is about full knowledge on everybody's
15 part, no secret things in government. You don't
16 apply and then we apply the secret procedure to
17 it and you see what comes out of the black box.
18 Everybody has to know all of the rules.

19 In setting up that in good standing -- and
20 I've got some examples -- one video from Oregon
21 where a lady has been involved in the legal
22 process down there for a while -- that lays it
23 out very well.

24 You go through certain criteria, you meet
25 certain tests, and if you can meet any one of the
26 tests, you're in good standing therefore. You're
27 not subject to cancellation for non-use, and you

1 keep -- you have access to that water. Then it
2 can be shared in times when you don't need it
3 rather than encouraging somebody to run it

4 through the system just because.

5 we should probably do a little bit more work
6 on that "in good standing" thing, and if there is
7 a way of getting that to you, I think it would
8 help you see how some of these tests would work,
9 and we will try and do that.

10 I think we had a question there.

11 MR. ECKERT: Art Eckert, Red Deer River Basin,
12 municipal. The question I have is one with
13 regard to measuring. We talked about measuring.

14 And we are being measured, and I keep saying
15 from phone call to phone call, not that we have
16 water because there is days when there's so much
17 weed in the system that we get no water, but yet
18 the measuring continues.

19 Two concerns: Number one, the measuring is
20 not adequate and they don't make any allowance
21 for the fact that we don't have the water during
22 much of this period of time because there are
23 instabilities in the system. So we really have a
24 problem there.

25 MR. MCGEE: I assume for the purpose of your
26 license the measuring is going to be taken from
27 whatever point that your diversion is. If you're

1 taking from some point on the river but you're
2 having losses along your conveyance, that's not
3 anybody else's fault on the system.

4 You should be measured at the point where
5 you withdraw from the river where everybody else
6 has access to it. If you have losses, that is up
7 to you to deal with. Other people shouldn't have
8 to deal with those losses.

9 MR. ECKERT: The other question that I have is
10 regarding transfer -- you talked transfer of
11 license. We're seeing transfer of water right,
12 not water license. There is quite a difference.

13 MR. MCGEE: Water rights don't exist in
14 Alberta. You won't find the word in the
15 legislation. Nothing in our Act says anything
16 about water rights.

17 They talk about acquiring allocations
18 through a license, and they talk about statutory
19 access to water for household use. But at no
20 time do they mention water rights.

21 So, I know I'm getting a little bit picky
22 here, but there aren't two things. You either
23 have a license for an allocation or you have a
24 statutory access for household use or you have an
25 exemption under the Act to access water for
26 livestock, et cetera. There are other
27 exemptions. Those are what you have.

1 water rights are a broad term that people
2 throw around saying -- which really means you
3 have a license in some form.

4 But you don't like that answer, so tell me
5 what you really wanted.

6 MR. ECKERT: I don't quite follow you, because
7 the irrigation district has the license. We
8 don't have part of that license. We only have a
9 privilege or we call it a water right.

10 So do we have a license. Jim, you help me
11 out. Do we have a license? Did I have a
12 license?

13 MR. WEBER: He has a contract.

14 MR. ECKERT: Then that's okay.

15 MR. MCGEE: As a user within an irrigation
16 district, you are no different than a household
17 within a city; exactly the same thing. Well, not
18 exactly, but it's pretty close to the same thing
19 under The Water Act.

20 You buy a house, you move in, you turn the
21 tap on. You don't go to the government and apply
22 for a right to turn the tap on. You move in, you
23 turn the tap on. You have just moved into
24 somebody else's license who has a license to
25 deliver for municipal purposes.

26 If you buy land in an irrigation district,
27 you have just moved in, you turn on the water

1 with the ditch rider because you have purchased a
2 part of that entitlement.

3 water co-operatives are the same way. They
4 can sell a house, you move in, you turn it on.
5 As long as you are within -- that's why I
6 mentioned earlier, when you do this, think about
7 where it came from. Where is the authority for
8 that to go in there?

9 If you're at a water cooperative it's
10 different than if you're an irrigation district
11 or if you're taking it from a well. They're all
12 different. So you need to focus on exactly what
13 mechanism you're accessing that water from,
14 okay?

15 MR. OHRN: One more question.

16 MR. HEFFLER: Howard Heffler with the Bow
17 Advisory Council. If a license holder has water
18 that he considers is in excess of his needs and
19 he looks for a transfer, does he have to
20 demonstrate that that water is in excess of his
21 needs and, therefore, put himself at risk because
22 of this use-it-or-lose-it principle?

23 MR. MCGEE: I would suggest not. You're exactly
24 right. If you say, "I really don't need this
25 water, but I want to transfer it," then you

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26 question your own good standing.

27 So it is probably the exact opposite. You

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1 would demonstrate that you do use it and you do
2 need it, that you've made a conscious decision to
3 move it somewhere else is what you're doing with
4 the transfer.

5 MR. BOSMAN: Henry Bosman, Old Man River. The
6 little anecdote that you talked about
7 transferring, before we've been talking about
8 transfer of water rights or water between two
9 licensees.

10 In the case that you were talking about, the
11 first group had no water license. They simply
12 made a promise to compensate the one party that
13 did have a license.

14 Is this also contemplated in the
15 legislation?

16 MR. MCGEE: Well, I carefully selected an
17 example from another country as well as another
18 jurisdiction so I wouldn't have to answer that.

19 But the way I see that working here is we
20 would assume that the instream flow downstream of
21 the storage was a water conservation license of
22 some sort, and that would then lead you back to a

23 Transcript of BAC Joint Meeting.txt
deal between two licensees.

24 MR. OHRN: Could we cut it off here, Al? Is it
25 a quick one? Al is the last question.

26 MR. KENNEDY: Al Kennedy with the Red Deer
27 Basin. I would like to go back to your example

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1 of the guy in the Belly River with his 1891
2 federal license.

3 And I believe you used the term "no limits,
4 no purpose, no conditions," or something to that
5 effect. Is that close?

6 MR. MCGEE: The license that was issued then had
7 a purpose, it was irrigation. It had no minimum
8 flow conditions.

9 MR. KENNEDY: And no limits? Did I hear that?

10 MR. MCGEE: It had a maximum volume to it, yes.

11 MR. KENNEDY: Then I misunderstood you because I
12 believe you referred to some old licenses without
13 terms or conditions.

14 MR. MCGEE: Just in terms of instream flow.

15 MR. KENNEDY: Just in terms of instream flow?

16 MR. MCGEE: Just in terms of instream flow.
17 Sorry if I wasn't clear on that.

18 MR. KENNEDY: No thoughts of correcting some of
19 those oversights from the past?

20 MR. MCGEE: To somebody downstream who wants
21 their water, it's an oversight. It's a Mel
22 Foote. He has been holding on to that. He
23 purchased the land in about 1950, and he paid a
24 price for it that reflected what he believed to
25 be the value of the water right.

26 He and thousands of other people who have
27 exchanged land, certainly in the basins that I

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1 administer, have paid for their land based on the
2 value of the water right that -- oops -- the
3 water license that was attached to it because if
4 you're on Willow Creek and you buy in 1920,
5 you're going to have water all the time.

6 If you buy a piece of property that has a
7 1980 license on it, you will be shut off three
8 out of four years. That's reflected in the
9 price.

10 You will see it in the paper with water
11 rights from -- the bank phones. The bank has
12 sheets that they have people sign saying that
13 they will not cancel the license without
14 informing the bank. They will not sell off the
15 water without informing the bank. I get them all
16 the time.

17
18 licenses. Now, some people would say, "well, you
19 got it for nothing, now you're going to sell it
20 for something."

21 Virtually everybody will argue now that they
22 paid for it because when they bought the land,
23 that license came with it and they gave value to
24 get that. So they have already capitalized the
25 value of that water in purchasing the land.

26 So, to go to somebody like Mel Foote or his
27 sons -- Mel died last Christmas -- to go to his

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1 sons and say, "You've got way too good a deal,
2 you should give that up to somebody else," you're
3 going to take us right back to 1984 when Mel was
4 standing in the yard with that piece of paper,
5 and said, "No government guy is going to take
6 what I've got." And I have no intention of
7 wrestling with their sons because they are both a
8 lot bigger than me!

9 So rather than the government going in and
10 saying, "You got too good a deal. You inherited
11 much too good of a deal --" we don't do that with
12 the land. We don't say, "Give it up." We might
13 go in and buy it. The nature conservancy might

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go in and buy the land, but we don't make them
15 give it up.

16 So we are not going to make them give up
17 this water right. We've said in this Act that
18 those licenses stay. But we can give him the
19 opportunity to transfer it. We can give the
20 opportunity to Trout Unlimited to make him a deal
21 to give up some of that, then turn it over to the
22 Crown license for the water conservation
23 objective to be left in the river.

24 And that 1891 priority will then become a
25 water conservation objective with the most senior
26 right in the basin because somebody else decided
27 it was valuable enough.

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1 He could will it. He could decide: Had
2 enough of this stuff. The kids aren't
3 interested. I want my license to be transferred
4 to the Crown's water conservation objective
5 license. Presto: 2,000 acre feet, 1891 priority
6 instream.

7 MR. BOSMAN: With a generous tax allowance.

8 MR. MCGEE: That's not my department.

9 MR. FRANCIS: Keith Francis, Old Man River.
10 Dave, is the water that is in our storage

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11 reservoirs licensed water or free water to be
12 used for any purpose?
13 MR. MCGEE: If it's in a storage that has been
14 licensed for it, it falls under the license that
15 has been issued to that storage. If it is in a
16 license in the Taber Irrigation District, then it
17 belongs to the Taber Irrigation District who have
18 taken it legally at a time when they were
19 allowed, and you do with it as you will or as the
20 license requires.
21 If it is in a Crown-owned storage, it falls
22 under the license that was issued to the Crown.
23 And for the most part, the new ones are for
24 multipurpose use, and they have operating plans
25 that go along with them to say how that license
26 is going to be used for multipurpose uses.
27 MR. FRANCIS: If it is in the St. Mary reservoir

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1 -- and I think Taber this year has some of their
2 water in the St. Mary reservoir, then that is
3 licensed to us?
4 MR. MCGEE: That is a very difficult, technical
5 argument that could be made on both sides. We
6 won't subject our friends here to the technical
7 part of that.

Transcript of BAC Joint Meeting.txt
The principle that we're working with here

8
9 is your license has a point of diversion. When
10 the water enters your point of diversion, it then
11 falls under your license for you to do with as
12 your license allows you to once it has entered
13 that point of diversion.

14 The case you're talking about storage
15 onstream, we'd have to work on how that was dealt
16 with because it probably hasn't entered the point
17 of diversion at that point yet. It would fall
18 under the operating plan for that reservoir.

19 MR. FRANCIS: If there is water in the reservoir
20 after the irrigation season, then water turned
21 downstream out of the reservoir should only be
22 what is flowing into the reservoir through the
23 season, through the winter season, and not
24 releasing stored water which is licensed to the
25 irrigation districts.

26 MR. MCGEE: In my opinion, the water that stays
27 in that onstream reservoir belongs to the

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1 licensee who is holding it. In the example that
2 you are quoting, that would be the Crown in right
3 of Alberta.

4 And we will talk about the rest outside

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without interfering with these people.

6 MR. OHRN: Okay, we're done. Thank you very
7 much, Dave, for your talk.

8 what we'd like to do now is for all the four
9 BACs to get together as a group and decide on
10 your next meeting, and then that will flow right
11 into our coffee break.

12 And after the coffee break, I will talk a
13 bit about some of the exact details of what is
14 involved in the next few months.

15 (BRIEF ADJOURNMENT)

16 MR. OHRN: Let's get started with the rest of
17 the afternoon. We are on the home stretch now,
18 not too much longer.

19 I am going to exercise a bit of a license
20 here and the item on the agenda where I am
21 talking about details of the planning process, I
22 intend to do it right now. I think it's more
23 logical to do that now.

24 And then once I'm done, we'll have a general
25 question and answer period for all the people, to
26 any government official that is here or even
27 amongst yourselves if you like.

1 Actually, it might have been more logical

2 Transcript of BAC Joint Meeting.txt
3 for me to have covered this topic before you
4 broke into your groups, because a lot of the
5 questions that came up in the group discussions
6 I'll be dealing with now.

6 DETAILS OF THE PLANNING PROCESS - DOUG OHRN:

7 So what -- in order to get this job done
8 this fall, we have to be really focused on the
9 task at hand, and one thing that wasn't
10 emphasized particularly, I guess, is that on the
11 subject of transfers, the staff that you work
12 with within your basin -- we call ourselves a
13 working group -- are going to organize a workbook
14 that will highlight the questions that need to be
15 answered about the business of transfers.

16 The Act gives the directors, which in the
17 case of this kind of administration is a water
18 administrator like Dave McGee or Larry Williams
19 for the Red Deer, the responsibility to consider
20 matters and factors that would go into the
21 approving of an application for a license
22 allocation transfer.

23 And what we're going to do is organize a
24 number of key questions that will help keep the
25 discussion focused and on track that we will be
26 particularly asking the BACs to work with.

27 Now, we haven't drafted that and we're

1 working on it right now. We hope to have
2 something -- we will have something ready by
3 October the 22nd, which I hope is after the
4 meeting dates for all the four BACs. Okay?

5 MR. MORRISON: The Bow's meeting is on the
6 17th.

7 MR. OHRN: That is next week, right. Can you
8 change that to the following week?

9 MR. MORRISON: Is this a concern with the
10 workbook?

11 MR. OHRN: Yes.

12 MR. MORRISON: My understanding is those are
13 intended to be questions to help people
14 understand the process, understand the issues and
15 be able to collect their thoughts.

16 MR. PENTNEY: No, that is part of it.

17 MR. MORRISON: Do you need an officially
18 approved document to be able to do that?

19 MR. PENTNEY: We wanted the advice to be
20 consistent between the regions, the advice coming
21 back.

22 MR. MORRISON: Maybe it is a question of
23 speeding up the process so we can get that
24 approved.

25 MR. PENTNEY: That's possible.

26 MR. MORRISON: Because we are meeting on Monday;
27 right?

1 MR. OHRN: Yes, that is right. The working
2 group is meeting on next Monday to try and
3 finalize this workbook, this list of focused
4 questions for you to respond to.

5 MR. PENTNEY: If you could finish by Tuesday,
6 great.

7 MR. MORRISON: I think we could. It is just a
8 question of making sure that all the right hands
9 see it.

10 MR. PENTNEY: Doug, can it be done by Tuesday
11 then?

12 MR. OHRN: By Tuesday, the 17th? Let's work
13 real hard on the 15th and get it done.

14 MR. PENTNEY: Yes.

15 MR. OHRN: With that workbook in place, the
16 thinking is -- and this will be thought about --
17 probably two meetings. I mean just as a
18 realistic time element, there will be two
19 meetings available to deal with that.

20 Now, there are some issues there in the
21 sense that in the Old Man and South Sas., we've
22 had a bit of pattern of meeting in the evenings
23 only whereas the Red Deer folks have full-day
24 meetings, so naturally they are getting more
25 man-hours out of one meeting.

26 So we'll have to maybe think about what it
27 is going to take to get through these questions,

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1 but hopefully two, three meetings will be enough,
2 and we'll have those focus questions then. So
3 the goal is to complete that in those two
4 meetings.

5 Basically we're looking for advice from the
6 BACs, and there is a limited number of meetings,
7 so what we get out of those meetings is what we
8 get out of them.

9 Then the second topic is the instream needs
10 topic, taking the instream needs information and
11 comparing that, and taking a look at -- we'll
12 present a way -- rather than just raw data, we
13 will figure out a way for that to make sense for
14 the next meeting.

15 I could see that taking one or two meetings
16 by early December. So the goal of that is to
17 agree if there are certain reaches that could
18 benefit from any withheld water, should there be
19 an agreement? Should the plan finally say that
20 there would be water withheld to 10 percent, or
21 less, of a transfer? Are there reaches that
22 would benefit from that, with that water being
23 left in those reaches, until phase two is
24 complete?

25 what we see happening is that as each BAC
26 meets, the advice that is provided in those
27 meetings will be captured by the government staff

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1 that are present, the basic coordinator and the
2 community relations officer.

3 So that will be recorded, and it will be
4 sent to me, and I will consolidate them into one
5 sort of consolidated state of affairs of where we
6 are at this particular stage in the process, and
7 then re-circulate that back out so you can see
8 what the other basins are coming up with as well.

9 And as every meeting goes along, I see that
10 process -- so basically we build on a number of
11 recommendations, and these will be factored into
12 the actual planning document that is created, and
13 you will get a chance, towards the end of the
14 process, to review that draft plan and have a
15 round of input on that subject.

16 So, in your meetings, of course, ideally,
17 the recommendations that are going to carry the
18 most weight are the ones that are reached by
19 consensus. It is a bit of a fuzzy dream, but if
20 possible for the BACs to work on a consensus
21 basis is highly desirable.

22 But we recognize that there are some of
23 these topics where that is not going to happen
24 readily or quickly. So, you know, at that point
25 we will be -- that advice will include sort of a
26 majority opinion and perhaps some dissenting
27 views on that particular subject, all of which

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1 will be taken -- you know, be given careful
2 consideration and drafted up in the plan.

3 That's all I have to say at the moment. Any
4 questions?

5 Mark...?

6 QUESTION AND ANSWER PERIOD:

7 MR. BENNETT: Mark Bennett with the Bow. Just a
8 concern, you just mentioned again about looking
9 at specific reaches that may be particularly
10 stressed, plus this morning there was mention of
11 the fact that you were going to need the instream
12 flow needs part in order to complete phase one.

13 But we were told that that won't be ready
14 until the end of December and yet we're going to
15 be asked to make decisions by the first of
16 December where we probably need that
17 information.

18 MR. OHRN: There will be a very nicely,

19 professionally finished report by December, but
20 we will have the raw information at the end of
21 October. The raw information to the lay reader
22 won't make a lot of sense. It has to be
23 interpreted in some way for it to make sense.

24 what we are proposing to do is to use the
25 same computer simulations that have been used to
26 evaluate water availability, and you will see the
27 results of that work as well, to demonstrate --

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1 I am not exactly clear on the mechanics of
2 this, but somehow we will deliver to you a
3 meaningful product that is comprehensible as
4 opposed to table after table of data.

5 MR. DUNCAN LLOYD: Duncan Lloyd, the Old Man.
6 Is this going to be the phase one, and then there
7 is a phase two and then there is a phase three in
8 the things? Or are we going to be disbanded as a
9 Basin Advisory Committees after that?

10 I think there needs to be a little bit of
11 understanding of what this whole process is about
12 and time lines and what our committee's function
13 is overall because I think, at least in our basin
14 right now, there is confusion on exactly where
15 we're going and what we're doing.

16 MR. OHRN: I think I can answer that. The
17 answer is: I can see the Basin Advisory
18 Committees having a definite, absolute role
19 through phase one and phase two.

20 Actually, I forgot to mention in talking
21 about your work, the third objective is to
22 identify what kind of phases, what issues, what
23 subjects need to be addressed in other phases of
24 this plan.

25 Like, I could maybe sort of vaguely imagine
26 a third phase that deals more specifically with
27 water quality or storage options or something

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1 like this. That is all up in the air. That is
2 for you to provide input.

3 I don't see us having a meeting specifically
4 for that right now, but I'm sure that in just
5 general conversation that that will come up
6 during the various meetings. There will be ideas
7 that you might express that we might feel are out
8 of the scope of the first phase, but how we will
9 capture that is in a possible future phase or
10 possible new phase.

11 I guess, in my own mind, what I see
12 happening here is these first two phases really

13 focus on water quantity; the question of
14 allocations on this giant plumbing system that
15 this whole basin is essentially, and the fact
16 that it has to deliver a certain amount of water
17 to Saskatchewan under the master agreement for
18 apportionment.

19 So that is like a big constraining factor
20 right there. So all four sub-basins have to be
21 managed or planned as a unit as far as that
22 goes.

23 When you get into more advanced -- there
24 will be local issues that are of allocations
25 perhaps and certainly water quality. And we are
26 well aware of the various groups that have water
27 quality concerns in their individual basins.

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1 That can occur, you know, in concert with or sort
2 of under the umbrella of this overall hat.

3 But as we get past sort of getting the tools
4 in place to address the overall allocation
5 question, then the activity of this group in this
6 basin over here doesn't have implications for
7 what happened over in that basin necessarily.

8 So I am starting to see -- I am imagining
9 that after the second phase is done, we might

10 want to re-evaluate the role of the BACs or maybe
11 they will continue to exist forever as some kind
12 of river basin council. I don't know. That
13 remains to be seen.

14 You can make recommendations on that in
15 terms of the future -- of the organization of
16 your future input into the basin.

17 MR. WATSON: I just want to add to that, Doug.
18 I think, just to be clear, we see specifically
19 two very distinct phases, at least, in the
20 development of the South Saskatchewan River Basin
21 water management plan.

22 The first phase that we see now and at the
23 end of December deals with the issue of
24 limitation of water transfers. We have been
25 asked by the Minister to have that first phase
26 completed by the end of the calendar year so that
27 he can seek Cabinet approval and have that ready

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1 to be implemented throughout our water systems by
2 the next operating season.

3 That's why -- I know the deadlines are tight
4 and I know there is some concern, but we are
5 going to have materials available to you that
6 will focus --

7 As you can tell from our presentation, we
8 have done a lot of thinking about this. We think
9 what you will see initially from us is the kind
10 of questions that we have. I think there are
11 maybe more questions that you raised; some that
12 need to be addressed as part of the phase one,
13 some that might perhaps fall outside of the scope
14 of phase one and we will park them and deal with
15 them in the second phase.

16 The second phase of the plan starts in the
17 beginning of 2002, and it is finished at the end
18 of 2002. That comes up with specific numerical
19 water conservation objectives on a reach-by-reach
20 basis, and that will allow us to determine how
21 we're going to manage this whole South
22 Saskatchewan River Basin in concert and meet our
23 commitments to existing licenses to the instream
24 requirements we want satisfied and our
25 commitments to Saskatchewan, and so on. That is
26 critical to allow us to manage the basin as a
27 whole.

1 That is where our vision kind of becomes a
2 little more cloudy. Those two phases are
3 absolutely critical, and they will be done by the
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4 end of 2002. The Basin Advisory Committees are
5 critical to that.

6 At that point, I think it becomes -- as the
7 gentleman said over there, we shift more into a
8 watershed protection sort of focus. What sorts
9 of things do we need to do within our watersheds
10 to continue to protect the resource, to continue
11 to use it wisely? And I think it can be much
12 more locally driven at that stage than
13 necessarily basin wide.

14 So our vision is really clear on the first
15 two phases. The subsequent phases, I think, can
16 address a lot more community and local issues.

17 MR. DUNCAN LLOYD: I think that has helped a
18 lot, at least for our group here, because I don't
19 think we understood exactly where we were going
20 and what we were trying to accomplish.

21 MR. OHRN: One of the mechanics of this I should
22 point out is that this plan will be approved by
23 Cabinet early next year, and it will exist as an
24 approved water management plan.

25 And then the subsequent phases will also be
26 approved and incorporated into the plan, just
27 like hooking railcars together to make a train

1 over a period of time.

2 Question?

3 MR. HAMMOND: Doug, according to this schedule
4 here, you have probably as little as two meetings
5 and maybe as many as four meetings to finalize a
6 draft of the plan by Friday, December the 7th.
7 Is that fairly close?

8 MR. OHRN: That is correct.

9 MR. HAMMOND: And then following that, I see
10 early January 2002 there is a plan to take the
11 draft to the general public.

12 MR. OHRN: That is right.

13 MR. HAMMOND: What is your vision of how that
14 public consultation process will unfold? How
15 many meetings will we have, and how much will we
16 involve the public in that process? -- because
17 some of us are, you know, representing a half a
18 dozen, maybe ten different stakeholders in our
19 particular sector.

20 I think we need time to get that information
21 out there or maybe not, depending on how
22 important you see this process as being.

23 MR. OHRN: The idea for the general public
24 consultation is we feel almost duty bound to do
25 that because there is always somebody out there
26 that is not affiliated or didn't hear about it --
27 or I guess it is mostly a question of

1 affiliation, people that aren't joiners or are
2 not necessarily involved in a specific organized
3 group that would find a way to bring it through
4 the Basin Advisory Committees.

5 The thinking right now is that the teams in
6 each basin would organize probably a couple or
7 three meetings in the major towns or communities
8 within that basin. Like in the Old Man, for
9 example, I would certainly picture Lethbridge,
10 obviously; probably, you know, somewhere in the
11 west Pincher Creek or Fort Macleod; or somewhere
12 in the east, Taber maybe -- something like that;
13 you know, a reasonably large centre that is sort
14 of geographically centered to where people live.

15 We will work that out, but you can expect
16 maybe two or three meetings probably ideally
17 where we would get that final bit of input.
18 Quite frankly, I hope there isn't any input in
19 that phase because you folks would have captured
20 it all and so all of the different kinds of
21 viewpoints would have been at least considered
22 satisfactorily.

23 MR. HAMMOND: Just one more thing, and I've
24 already raised this: I would hope that, as
25 bureaucrats, you people made it very clear to the
26 Minister that that perhaps was an unreasonable
27 time line.

1 And I accept and appreciate the pressure
2 you're under. I think you need to recognize that
3 the stakeholders around these tables here have a
4 vested interest in that as well and don't need to
5 be or shouldn't be rushed into making decisions
6 which are going to affect the people of this
7 province for many years to come.

8 MR. WATSON: Maybe I can respond to that. I
9 think the way our discussions have gone, and I
10 think I want to remind everybody that The water
11 Act today provides for water transfers. The water
12 Act today provides for the use of these tools.

13 What it hasn't done is allowed us to
14 implement it, and so there were specific
15 provisions put into the legislation that says
16 they can only be implemented in this way by an
17 order of Cabinet.

18 Part of the Act says that an order of
19 Cabinet or an approved water management plan
20 would lay out kind of the considerations, the
21 criteria, under which our decision-makers would
22 consider a transfer.

23 We have a really strong focus in terms of
24 the questions we've got to ask ourselves, so I
25 think our feeling was, in the discussions that we

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had with our Minister, that the first phase is
27 pretty focused and a little more mechanical than

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1 the second phase, which is where we're trying to
2 come up with these water conservation objectives
3 that balance a whole bunch of different needs.

4 So I think it was our sense that we could
5 accomplish the first phase within the time frame
6 we've got because we already know that our
7 government supports the use of transfers. They
8 have put it in the legislation.

9 It is now just a question of how will our
10 administrators -- what criteria do they use? It
11 is more of a mechanical sort of thing.

12 The second phase of the plan we recognize is
13 going to be much more complicated, complex and
14 involve a lot more discussion and debate of how
15 do you have balance and what is the specific
16 objective that we are going to land on for this
17 river reach.

18 That, I think, is where we see much more
19 public involvement, and I think that's where your
20 concerns might be coming from. We really
21 recognize that, so the longer time frame there.

22 This first phase we think -- this year has

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23 shown us that we need these things, and so we see
24 it -- being able to accomplish it within these
25 time frames because it is really an
26 implementation question.
27 It is not a -- it is not really a value --

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1 as much a value sort of thing as the second phase
2 will be where we are trying to come up with
3 specific management objectives on a river reach
4 basis, and that is where a lot more discussion
5 and debate needs to occur.
6 MR. OHRN: If I'm walking around, it is not
7 because I'm trying to be a Phil Donahue or
8 somebody. I'm just really hard of hearing so I
9 have to be close to hear the question.
10 MR. HEFFLER: Howard Heffler of the Bow Advisory
11 Council. Is there any plan to get the four Basin
12 Advisory Councils together again to have any sort
13 of wrap-up of their individual findings?
14 MR. OHRN: Did you hear the question back there?
15 UNIDENTIFIED SPEAKER: Something about getting
16 together.
17 MR. OHRN: Right. Are there any plans for the
18 four BACs to meet again? The answer is "no". We
19 don't have any plans for that right now. It

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20 could be considered.
21 MR. PENTNEY: Not in this phase. Perhaps in the
22 second phase.
23 MR. OHRN: Oh, yeah, that's right. In this
24 phase, no plans right now. It could be
25 considered if you think it is really important.
26 Definitely in the second phase we will have
27 to. I mean for the second phase, there will be

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1 others terms of reference written that is more
2 purpose built for the work in that phase, just
3 like the document you see.
4 The one you see that is in your package is
5 both the terms of reference for the first phase
6 but also to give you a pretty good sense of what
7 the multi -- additional phases would be, at least
8 as we understand them at this point in time.
9 MR. WATSON: I think Doug also made the comment,
10 though, that as the materials are coming in from
11 the individual BACs, they will be consolidated.
12 We're actually going to be working behind the
13 scenes kind of building a plan as you're meeting
14 and as you're providing the input, and that
15 information we can share back to all of the Basin
16 Advisory Committees.

17 You will see kind of how this has been
18 evolving and what the discussion has been in the
19 other areas. I think he kind of indicated that
20 that consolidation would occur and will be fed
21 back to all of the groups, so you will see how
22 the product is coming together.
23 MR. OHRN: Colin...?
24 MR. KURE: Colin here with the Red Deer River.
25 I see that we don't have anybody from the EUB
26 involved in this, and I know in the upper reaches
27 of the Red Deer system, injection is one of the

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1 largest withdrawals from the system. I don't
2 know if that's an oversight or a poor question or
3 what, but it may involve transfers.
4 If these withdrawals are capped, these oil
5 producers will be leaning on the Act guys for
6 their licenses.
7 MR. OHRN: I don't know about leaning but
8 certainly offering maybe. The short answer I can
9 think of to respond to that issue is that on the
10 Red Deer BAC, you would have and must have an
11 industry representative, or two maybe.
12 And the expectation of the way these BACs
13 are set up is that as an industry representative,

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14 that person is not sitting there just
15 representing themselves. They are not
16 representing just their industry. They are
17 expected to reach out to other industries that
18 are standing behind them, so to speak, and get
19 that kind of comment.

20 And maybe if that has been identified, that
21 rep should be encouraged to get out there and
22 make those contacts and government staff could
23 help them do that, to bring those concerns and
24 issues, if there are any, to the table. That's
25 the first thing.

26 The BACs are not necessarily set up with one
27 person at the table for every possible interest,

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1 and we avoided that because the tables would just
2 become so big.

3 So I would really encourage, if that's the
4 issue in Red Deer, for arrangements be made to
5 contact people with that kind of water use if
6 they feel there is an interest that they want to
7 have represented during the preparation of this
8 plan.

9 MR. SHAW: Doug, if I can just mention -- Doug
10 Shaw of Red Deer Basin. I am really impressed

11 Transcript of BAC Joint Meeting.txt
12 with the level of the commitment and the
13 information that has come forward today, just an
14 awful lot of background information.

15 I guess I just wish a lot more of us had
16 more time to digest this stuff and have
17 feedback. For example, for myself, representing
18 anywhere between 25 on 30 municipalities, to
19 expect me to answer on behalf of the
20 municipalities within two weeks -- as this
21 gentleman is suggesting, the time frame is pretty
22 tight -- is pretty difficult.

23 I recognize that the department is
24 undermanned, underfunded, et cetera, but I am
25 also somewhat frustrated that we have been
26 working for a year, and we still don't really
27 have hard figures to put in this context.

what are the water allocations? what is the

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1 water availability? what is the apportionment to
2 Saskatchewan? what are the IFN users?

3 we are here to deal with, in the next couple
4 of weeks, the concept of transfers and we don't
5 even have the context here of what we're dealing
6 with. The Red Deer Basin is part of the
7 problem. It is part of the solution, but there

8 are other parts of the basin that are much bigger
9 problems, and we want to know what our portion
10 is, how we can work with that.

11 But you know, as well as I do, that one of
12 our major issues is apportionment, and we are
13 going to keep coming back to this. We need that
14 context. We need that context as a basin so we
15 can give you feedback.

16 MR. OHRN: If you can identify anything specific
17 that you really feel is missing, let us know. We
18 have -- we are going to provide -- industry needs
19 that information. We are going to provide the
20 results of computer modelling on water
21 availability. That will give you some context,
22 and I would suggest close to enough to get to
23 this first phase.

24 In terms of the schedule, I mean, I like
25 skiing and white water kayaking. To me, this is
26 going to be a double diamond run, okay? --
27 because this whole process here is going to be a

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1 (inaudible) or a white-water run. But we'll get
2 through it.

3 MR. SHAW: I guess what we're anticipating is
4 that the IFN, together with the stressed reaches

5 -- water availability in all basins, water
6 allocations with all basins, water apportionment
7 and projections for your irrigation needs and
8 non-irrigation needs, we need to know that kind
9 of stuff.

10 I'm not saying we are going to get it in the
11 next month, but we would expect to get it, and
12 had we had it, we could put this all in context
13 already to deal with this transfer issue which we
14 recognize is pretty hard to indicate in a year
15 how much rainfall and snowfall you are going to
16 get.

17 But some of this information with respect to
18 the context should be available. I'm not
19 faulting you folks, don't take me wrong. You are
20 underfunded, you are undermanned but we need this
21 information.

22 MR. OHRN: I think we have some important stuff
23 coming your way. Any more questions?

24 We have come to the end of the agenda. It
25 is quarter after three. I don't have anything
26 else to tell you. I think you've heard from all
27 of our speakers.

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the time out of your schedules to come out and
3 listen to all of this material. We are in for a
4 -- it is going to be a pretty exciting next four
5 months. I hope you will work with us.

6 Good luck everybody and safe travel home.

7 (Applause)

8 (MEETING CONCLUDED)

9 -----

10 I, S.J. Lea Dormer, C.S.R.(A), Court
11 Reporter, hereby certify that I attended the
12 above Examination and took faithful and accurate
13 shorthand notes and the foregoing is a true and
14 accurate transcript of my shorthand notes to the
15 best of my skill and ability.

16 Dated at the City of Calgary, Province of
17 Alberta, this 19th day of October, A.D. 2001.

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S. J. Lea Dormer, Ms.,

22

Certified Shorthand Reporter.

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