

**Title: Wednesday, April 11, 2007 Public Accounts Committee**

Date: 07/04/11

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

**The Chair:** Good morning, everyone. I would like to call this Standing Committee on Public Accounts to order, please. I would like to welcome everyone in attendance. Perhaps we can start with the deputy chair and quickly go around the table and introduce ourselves.

[The following committee members introduced themselves: Mr. Bonko, Dr. Brown, Mr. Cardinal, Mr. Chase, Ms DeLong, Mr. Eggen, Mrs. Forsyth, Mr. Johnston, Mr. MacDonald, Mr. Prins, Mr. Rodney, and Mr. Strang]

[The following staff of the Auditor General's office introduced themselves: Ms Dawson, Mr. Saher, and Mr. Stratford]

[The following departmental support staff introduced themselves: Mr. Dalrymple, Mr. Watson, and Mr. Westlund]

**Dr. Swann:** David Swann, Calgary-Mountain View.

**Mr. Renner:** I'm Rob Renner, Medicine Hat.

**Mrs. Dacyshyn:** Corinne Dacyshyn, committee clerk.

**The Chair:** I would like to advise as chair that the agenda packages for this meeting were sent out earlier this week. I would like now to have an approval of the agenda, please.

**Mr. Strang:** I so move, Mr. Chairman.

**The Chair:** Thank you. Moved by Mr. Strang that the agenda for the April 11, 2007, meeting be approved as distributed. All in favour? Opposed? Seeing none, thank you very much.

Now I would like to welcome Mr. Rob Renner, Minister of Environment. He has been a member of this Assembly, I'm told, since 1993, and this is his first trip to the Public Accounts Committee. I would on behalf of all members welcome you and your staff.

Members of the committee, we are dealing with the government of Alberta 2005-06 annual report, the annual report from the Department of Environment from that year, and the Auditor General's reports, volume 1 and volume 2, for 2005-06. This is a committee that does not deal with policy. We deal with how effectively money is managed and spent. Committee members vote; visiting Members of the Legislative Assembly do not, but they're welcome to participate in the meeting.

Please proceed, Mr. Renner.

**Mr. Renner:** Thanks, Mr. Chairman. You're absolutely right. As I was preparing to come to the meeting today, I realized that although I've been here probably longer than everybody else around the room, this is one of the committee meetings that I've never been involved in. I was originally appointed chair of the Private Bills Committee, and I served in that capacity for four years and then became caucus whip, and things ensued. So through the years I never actually had the pleasure of coming to Public Accounts.

I've got to say that it's a bit of an intimidating atmosphere, having everybody way up at that end of the room. If you wanted to make it even more intimidating, you could just lower the table at this end, and then we could all look up to you. That would even be better. You might want to keep that in mind. Maybe just put some risers up there.

That being said, I'm pleased to be here this morning, and I hope that between my deputy, Peter Watson, and our chief financial officer, Mike Dalrymple, we'll be able to answer the majority of your questions. I'm advised that should we not have the answers readily available, we do have the opportunity to reply in writing. I'll give you that assurance as well.

Our department is responsible for three primary areas, being the protection of air, land, and water. So that is the gist of what you will see as you review our business plan as the way that we carry out our business. From an air protection perspective we have Canada's first greenhouse gas reporting program for large emitters. That's reflected in this budget. As the chairman pointed out, this committee is not responsible for current policy, which is Bill 3, where we introduced the targets, but in this reporting period we did have the mechanism in place for mandatory reporting. That program was designed to complement national greenhouse gas reporting programs.

We have a new strategic plan for comprehensive air monitoring in place, CASA. That's in partnership with the Clean Air Strategic Alliance, an organization that I have become very impressed with in my short tenure as Minister of Environment. I think this is an example of how government can operate in concert with the voluntary and industry and municipalities to jointly target and solve problems.

On the land protection side we have been involved in the land-use framework. That is in concert with seven other provincial departments. We will guide and sustain Alberta's resource-based economy and environment for the next 15 to 20 years once this plan has been completely worked through. The stakeholder consultation on a long-term strategy for waste reduction and management is something that we are engaged in and need to be, I think, engaged much more heavily in.

Just as a side note, I was interviewed by the media over the weekend, talking about recycling, and those two stories that appeared, one in the *Edmonton Journal* and the other one in the *Calgary Herald*, generated the most e-mail of any issue that I've dealt with in the last couple of months. It really piqued a lot of interest, and people were sending me e-mails with very constructive and positive suggestions on how we can do a better job in recycling. It's good to see that the public is engaged and takes the opportunity to respond in such a fast and efficient manner.

On the water protection side we responded to severe summer flooding in central and southern Alberta with extensive emergency support in Calgary, Red Deer, High River, Drumheller, and other communities. We also during this fiscal period dealt with the train derailment and spill at Lake Wabamun. We created the Environmental Protection Commission to review and make recommendations on Alberta's ability to respond to environmental incidents. That resulted in the creation of ASERT, which is Alberta Environment's support and emergency response team.

That has proven itself to be very positive. We haven't obviously had an incident of the magnitude of Wabamun since ASERT has been in place, but for some of the smaller incidents I think everyone agrees that having the capability of a rapid response team with the necessary expertise on scene as quickly as ASERT is able to be there gives both the first responders and in some cases the transporters or the individuals or concerns that caused the incident a really good understanding of what their responsibility is and what needs to be done.

We've been involved in the presentation of the draft South Saskatchewan River basin water management plan. That has been presented to local MLAs, and public consultations were held. We released the implementation plan for the Water for Life strategy,

Alberta Water Council's first business plan, the strategic priorities, including links with watershed planning and advisory councils.

We also support in this budget and business plan water basin councils on the Bow, the North Saskatchewan, the Oldman, and Red Deer River basins. As we speak, we are developing a number of other water basin councils, local councils somewhat patterned under CASA, that I talked about earlier, where there's partnership between government and various stakeholders.

**8:40**

Under policy planning we've a policy in place for oil field injection to support the recommendations of the Advisory Committee on Water Use Practice and Policy. We continue in the implementation of that policy.

We signed a cross-ministry charter with Alberta Energy and Alberta Sustainable Resource Development confirming commitment to work together much more closely. We have a cross-ministry team formed to provide recommendations for an integrated policy for upstream oil and gas, and we've developed a consistent approach to First Nations consultations with cross-ministry partners, including First Nations and industry.

Finally, on environmental education we hosted the Environment 2005 conference with SRD, Energy, agriculture, food and rural development, now known as Agriculture and Food, and we conducted almost 200 compliance sweeps in Fort Saskatchewan, Calgary, Red Deer county, Medicine Hat. No major compliance issues were identified. Our educational approach is strengthening awareness and understanding among operators.

Stakeholder consultations on proposed amendments to the Climate Change and Emissions Management Act and proposed provisions of the specified gas emitters regulation took place during this time period. Our staff answered 28 external e-mail requests and more than 13,000 phone calls and provided more than 50,000 publications through the department's information centre.

A 2005 Service Alberta client satisfaction survey rated the department's accessibility, courtesy, timeliness, and knowledge very highly. Our department's courtesy rating was 100 per cent. I can vouch for the fact that we have got some outstanding people in Alberta Environment. I never cease to be amazed every day that I come to work and come into contact with one or more of the 800 people that spend their days working in Alberta Environment. What a dedicated, passionate bunch they are, and it makes me proud to be their minister.

With that, I am open to your questions.

**The Chair:** Thank you very much, Mr. Renner. The first question will be from David Swann, please, followed by David Rodney.

**Mr. Saher:** Excuse me, Mr. Chairman. Could I just make a comment?

**The Chair:** Oh, yes. I apologize. We're very anxious to get started. Please proceed.

**Mr. Saher:** Thank you. I'll just take a moment, but I think it's important for the committee if I just summarize the work of the office in the reporting period that you're dealing with.

All of our work on Environment is in volumes 1 and 2 of our 2006 annual report. In all there are seven numbered recommendations. The government in its formal response to this committee has accepted all of these recommendations, with 4 and 29 accepted in principle.

The results of our audit work start on page 25, volume 1. This

was a major audit to assess the department's systems to regulate and promote safe drinking water. In summary, we found that systems exist, generally but not always adequately designed, and don't always operate as designed. Here is some detail.

On page 37 we report that the department systems to issue approvals need to be more effective. Approval writers should ensure that applications have all the support required by legislation. Major decisions about an application should be documented, and approvals and registrations should be as consistent as possible across the province.

On page 43 we state that the inspection processes should improve. All drinking water facilities approved or registered under the Environmental Protection and Enhancement Act should be inspected with the same frequency and thoroughness as municipal waterworks. Inspectors need adequate training for their role, and their inspection tool kit should be more risk focused. Inspectors should communicate their inspection results to the facility operators promptly, follow up identified issues, and conclude on each inspection.

On page 48 we recommend that the department "expand its communication with partners involved in drinking water matters." Partners, such as the regional health authorities, can help Environment identify facilities that should be regulated under the act and promote the government's Water for Life initiatives.

On page 49 we indicate that the department should "update its strategies to deal with the Province's needs for certified water treatment operators" by improving the support for the certification examination process and influencing an increase in the supply of trained operators.

On page 52 we recommend that the department "improve the information systems used to manage its drinking water business." These systems have underlying design issues that result in duplicate systems and ineffective use of the data the department acquires through the year.

Lastly, as reported on page 55, the department needs to ensure that its legislation, programs, and practices support its new drinking water goals as expressed in Water for Life and other documents.

In a separate section in volume 1 starting at page 195, we report our follow-up work on the sustainable resource and environmental management initiative, also known as SREM. We now report our findings jointly to three deputy ministers: Energy, Environment, and Sustainable Resource Development. We found that the three departments are making satisfactory progress on a previous recommendation that the sustainable resource and environmental management implementation plan be published with annual progress reporting. The challenge for the ministries is how to use three business plans and three annual reports to report corporately on the initiative.

Our remaining material for Environment begins on page 84 of volume 2 with our recommendation on water well drilling. The department's system to regulate water well drilling needs to improve. The department does not consistently check that water well drillers meet their approval requirements. It doesn't ensure that the drillers provide complete and accurate information on the drilling reports, and it doesn't consistently and accurately enter drilling report data on Environment's information system.

On page 87 we provide a progress report on financial security for land disturbances. Previously we recommended that the department implement a system for obtaining sufficient financial security to ensure that parties complete the conservation and reclamation activity that the department regulates. The department has prepared a proposal which uses a risk-based approach for calculating the security for coal mines and oil sands mines. Also, on page 87 we

again recommended that the department implement an integrated information system to track contaminated sites.

Thank you, Mr. Chairman, for the opportunity to make those comments.

**The Chair:** Thank you very much.

Now, we'll proceed with questions. David Swann, followed by David Rodney. Thank you.

**Dr. Swann:** Thank you. The government has got a strong in principle document called Water for Life, and I understand from your annual report 2005-06 that the implementation program is now clear. What I would like to know and what I think many Albertans would like to know is in regard to the Oldman River and the Bow River, both of which have had a moratorium placed on them last year. How does it happen that we actually overallocate or give too many licences to withdraw water from systems, and what have we learned from that as a result for going forward in Water for Life management?

**Mr. Renner:** Well, I'm not so sure that I agree with the premise that we issued too many licences. I think we recognize that we have reached capacity, and depending upon the use of the licences that are already in place, we may have some issues related to the use of the stream. But I have to point out that water licences are issued on the basis of first in, first served. We could continue to issue licences ad infinitum because the licence is not an entitlement to water. The licence is an entitlement to water when water is there. If we continue to issue licences, the reliability of those licences would become increasingly more at risk, so someone holding a licence that would be issued today may only get to pull water from the stream on such a limited number of occasions because of the stream volume that the licence is effectively useless. From our perspective it makes more sense to shut down the issuance of new licences and do a better job of understanding and ensuring that licences that have been issued have some surety associated with them.

8:50

**The Chair:** Thank you.

Your follow-up question, please.

**Dr. Swann:** You indicated or implied that the licences and the licence use or the withdrawals of water are based on a program of measuring in-stream flow needs. My understanding from attending a conference last year was that the in-stream flow needs have not been the criteria under which water has been withdrawn. In fact, in many cases we have been exceeding the in-stream flow needs and still withdrawing water. Can you explain where in-stream flow needs operate in decisions for water withdrawals?

**Mr. Renner:** That's fairly technical, and I'll ask my deputy to respond to that.

**Mr. Watson:** I think it's fair to say that our knowledge around the requirements for in-stream flow protection has increased over time. That is one of the factors that has changed over the years. I don't think it's any different in our jurisdiction than other jurisdictions. Our knowledge and our science that we can bring to bear on those questions is much more today than it was even 10 years ago. Licences that have been issued in the past normally would have a clause that says that they're subject to some in-stream flow restriction, that if the flows in the streams drop below a particular level, those licences would typically have a condition that says that they

have to stop withdrawing. Now, conditions, I think, started being applied in Alberta routinely sometime in the 1970s as our knowledge was growing around in-stream flow protection and fish habitat protection in particular.

What has happened with the moratorium is that in some of our recent work with the South Saskatchewan River basin we've got much more information and knowledge about in-stream flow requirements, and we're able to assess how we can manage the demand in the whole system plus manage our storage and our operations on those systems to try and balance that to the greatest degree. That was also a factor in our consideration in issuing the moratorium. As the minister indicated, very, very high risk licences won't get water very often. At the same time, we were pushing our ability in the system with the storage and the flexibility we have to manage withdrawals to do the best job we could at maintaining the level of water in the stream that we wanted. So that was also a consideration in the moratorium.

**The Chair:** Thank you.

Mr. Rodney, please, followed by Mr. Bonko.

**Mr. Rodney:** Thank you, Chair. For the information of the chair I was one of about 175 people along with Minister Renner last night at a climate change round-table in Calgary. I know I can't ask questions about it because it's last fiscal year – correct? – but something came up last night that reminded me of this report. It was a recommendation by a young lady that thought more could be done in terms of education and the environment. Minister, I guess I'm looking for some specifics here. I think I heard you say that about 50,000 publications were sent forth by your department. I'm just wondering if you have a total for last year of what was spent on public information and if it was just the publications. Really, what was spent and on what? What kind of return for investment are we getting for the good work you're trying to do? How is it getting out there?

**Mr. Renner:** I guess Peter is going to answer.

**Mr. Watson:** Thank you. In the statement of operations for the department's annual report there's a program area entitled educational awareness, and within those expenditures that includes the work of our education branch, that does a lot of work with teachers and with the school curriculum in a couple of the key grades. That's also all of our expenditures associated with our information centre and the distribution of environmental information that way. That also includes expenditures related to some of our operations in the field that are very much educationally focused, including the work that we do with stewardship groups in communities as they're raising issues and developing strategies around water and recycling and so on. Expenditures around supporting community stakeholders are in here as well. Our expenditures last year were a little more than \$3 million in those areas.

We recognize that a lot of our other services and activities can have an educational benefit. We need to be better at creating opportunities to educate people in some of our other processes, including approval processes, for example, so you don't see that falling under our educational expenditures. It's just our formal program areas. But we are trying in some of our other areas of operation to really be clear about opportunities to increase people's awareness of issues and what they can do rather than just following a set of guidelines.

**Mr. Rodney:** Okay. So there's more than just what meets the eye there.

The follow-up question that I have, Chair, is related to page 38, where we see 55.4 per cent overall satisfaction of stakeholders. I was surprised to see it that low. I thought it would be higher based on how I've heard people talk and what I see in the media. I guess that I'm wondering what that is attributed to that it is the number that it is. If there are changes, you know – you mentioned education and the things that you continue to look for – why is this only measured every second year when we might have a higher number this year and something worth celebrating? What do you attribute that number to, and why is it only measured every two years?

**Mr. Watson:** The key word there is stakeholders, so the one thing this isn't doing is measuring the general public's satisfaction. This is measuring defined, targeted, stakeholder organizations, and we think, quite frankly, that's one of the reasons here. It wasn't intended in this measure to get a broad public satisfaction measure although we're actually wondering and looking at our performance measures and deciding whether we should be going in that direction. So these are stakeholders who have actively been involved.

It's interesting that we measure it on a variety of themes and then ask them for their overall satisfaction. You can see on page 38, again, that regarding their interaction with the staff, they rated it very highly. Knowledge about our programs and services: again they rated highly. Their overall level of satisfaction was lower. It was hard for us. It may be that our questions are not designed very well here because it was hard for us to determine. When we're interviewing an industry organization about approvals, for example, they may not always be happy with our decisions. Likewise, an environmental organization who's intervening in approval applications may not be happy at the end of the day with the decisions we're taking. We think that that was colouring the overall satisfaction ratings because when we asked them about their interaction with us, the results were quite a bit higher. But when we asked this one question, the results were lower. So we're actually concerned that the design of this question is a little poor from our perspective.

**Mr. Rodney:** Good. Thank you very much.

**The Chair:** Mr. Bonko, followed by Mr. Strang.

**Mr. Bonko:** Thank you, Mr. Chairman. In volume 2, page 87, at 1.3 they're repeating this recommendation because three years later the ministry has still no plan for contaminated sites. So my first question is: why are we waiting or what's the delay in having a specific plan with regard to the Auditor General's report for contaminated sites?

**Mr. Watson:** Okay. We've actually done some fairly substantive work on this, but the work was done two years ago now. This is regarding the development of a broad information system. We did some work in 2005 regarding a business case and kind of the high level functional requirements for a system like this.

**9:00**

We deferred some work in 2006, partly because of some priorities that we had within the department. One of the issues with this system as well is that while we are dealing with it in a manual way right now, we can provide the information to people. It just puts an additional burden on the department, and it isn't as effective as it could be. But in 2006 we deferred some work because we felt that there were some higher priorities, and we had an issue to resolve around the ownership of this application within the department, which has been resolved. So the work is commencing. A team has

been put in place, and the work is commencing now, as we speak, regarding the ongoing development of this system.

I want to stress that we can provide the information – and we are providing information – about contaminated sites to individuals. It's at little bit of burden, and I think the Auditor General's office has rightly pointed out that we could be more effective. We're continuing our work in that regard.

**The Chair:** Thank you.

**Mr. Bonko:** Thank you for that. With all the activity that Alberta is experiencing – and the minister has said that there are about 800 staff in his department – how are you able to continue to keep up with the work that's taking place in the province now and in the past and able to, you know, provide effective monitoring?

**Mr. Watson:** In this instance, this is the provision of information about contaminated sites, and all of that information is publicly available. What we have been doing over the last three years is a phased process for actually digitizing all of that information and converting it all into electronic format because it's historically all been paper documents. So that work has been proceeding over the last two or three years. As our broader information system is developed, then having those files already in digital format so it'll just feed right into it will allow it to be accessible through the web and so on.

The other thing that we did back in 2005 was examine the feasibility of connecting with other information systems through government services, I believe it was at the time, regarding their SPIN system for land related information and land title related information. So we've been exploring the feasibility of connecting these pieces of information to make it easy for people who are interested in purchasing land to get information very quickly and easily.

**The Chair:** Thank you.

**Mr. Renner:** Mr. Chairman, I'd like to comment if I could.

**The Chair:** Briefly, please.

**Mr. Renner:** One of the areas that I was concerned about when I became minister of this department was the fact that Environment has the most requests under FOIP of any department in government. Most of those relate to requests to do with contaminated sites and land purchases.

I mentioned right at the outset that it seems a very inefficient system for people to get information regarding land purchases and possible contamination through the FOIP process. So that's an area that I've asked our staff to work on as a high priority, a system whereby we can make that information available and not compromise personal information that the FOIP provisions have in place but bring about a much less cumbersome way of dealing with the transfer of land, because I don't think FOIP was ever intended to operate in the manner in which it has evolved in Environment on the whole issue of land transactions and contaminated sites.

**The Chair:** Thank you.

Mr. Strang, please, followed by David Eggen.

**Mr. Strang:** Thank you, Mr. Chairman. To the hon. minister: first of all, I want to express my appreciation for your passion in what you're doing in your portfolio now, and I think it's going to be great to move forward.

A few questions I have with drinking water, on page 25. I guess I have some concerns on the aspect that we don't move far enough. I mean, a description on that is on the regulatory side, where we don't look after some private systems such as acreages and farm-houses and stuff. Water is such a precious commodity. Like the old saying goes: whisky is for drinking, and water is for fighting. I think we have to move forward on that. I just don't think we're doing enough on it, especially on the audit side of water. We're looking at, you know, the quality of water, but in this day and age I think that we've got to do more monitoring on the aspect of quantity. So I'd like to go on that.

I guess my other question is that I would like to really get something more on page 87 of the second volume, sort of backing up onto what Mr. Bonko had stated. With the contaminated sites, I mean, it's such a burden to all municipalities. I've got some sitting in some of my communities that have been lying dormant now for at least 15 years. I know that I got caught up in this whole system when I owned a service station/tire shop. I took my tanks out in 1990. Then it was superseded by the law that you people put in in 1993. When I sold my business, because they had to do an environmental audit on the property, it cost me well over a hundred thousand dollars to get an audit approval on that. So I guess I just wonder why we're not doing more of that and we're put in such a burden.

If I can just back up to page 36 of your business plan, where you're talking about water for the Marlboro area. When are we going to do something on that? I know that I've had your people in there many times. Sure, they worked well with me, but we've got to push the envelope on that hamlet to move forward with getting something resolved in that community.

Thank you.

**The Chair:** Thank you.

Mr. Strang's first question, the first of three, was in volume 1, page 25.

**Mr. Renner:** Three?

**The Chair:** I heard three questions there distinctly. If you could answer those, we will then proceed to Mr. Eggen.

Thank you.

**Mr. Renner:** Well, to be perfectly honest, I didn't hear a question. I heard comments on the water side, but I'm not sure what the question was, to be brutally honest.

**The Chair:** Please be brief.

**Mr. Strang:** Well, I thought I asked a good question on the aspect of why you're not doing more monitoring of drinking water, where you're just looking at the quality instead of the quantity throughout our province. That's a big issue. I mean, if you don't have water, you don't have a community. So I'm just wondering why. It's very vulnerable when you're in the eastern slopes.

**Mr. Renner:** I'm still not sure that I understand the question. We're testing to ensure that drinking water is safe. The issue of quantity of water is dependent upon the Water for Life strategy, all the other water management issues, and a number of other areas that we deal with. But it's not necessarily treated water. The quantity of water that's available to be treated is certainly part of our jurisdiction, but why would we involve ourselves in monitoring the amount of water that is treated as opposed to the amount of water that is available to be treated?

**Mr. Strang:** Well, I just think the big thing in the eastern slopes is that it's really tough. We're trying to expand in there. We've got aquifers. We worked with your department, spent a lot of money trying to monitor that. You know, there doesn't seem to be enough of the monitoring through the whole . . .

**Mr. Renner:** Okay. We do have monitoring on the amount of water that is available, not necessarily treated water. I'll get my deputy to comment on the work that's going on there with respect to ground-water and surface water availability.

**Mr. Watson:** One of the things that we did – and I believe it was in this fiscal year – was work with municipalities and communities across the province to not only assess, kind of, their current state conditions but what was going to be needed 10 or 15 years into the future and what the potential supply was that would be available to them. So for the member's information we have done some planning work that does assess that, and that then is reflected in our strategies in terms of which areas we anticipate may be at risk because of growing communities and potential lack of supply into the future. Some of those communities we're trying to get connected through some regional systems we're trying to facilitate. In other situations it may mean that they've got to switch to an alternate source of supply. So we've done some planning-level work on that to identify some risk areas over the long term. These aren't immediate risks necessarily, but they're helpful in terms of our long-term planning.

9:10

**The Chair:** Thank you.

David Eggen, please, followed by Alana DeLong.

**Mr. Eggen:** Thanks, Mr. Chair. My first question is to do with volume 1 of the Auditor General's report in regard to drinking water. You know, when this report first came out and I saw the litany of lack of standardization and inspection and to-do with small water systems especially in terms of drilling, I thought to myself that we were lucky we didn't end up with a disaster and with contamination of drinking water. I think that as I travel around the province, that is echoed by comments from people especially in rural areas with small water systems. So I'm looking at these recommendations cumulatively and looking to see if it has just continued to be luck that we haven't had a major contamination of a water system with people getting sick, or have there in fact been moves to improve the standardization, inspection, data processing of drinking water in rural Alberta?

**Mr. Watson:** Our perspective on the review and the work that the Auditor General did is that it was actually very helpful for us, and we had lots of discussions with the staff and with the office as we were going through it. I think we've recognized and we're following up on some areas that we need to follow up regarding some of our procedures.

But I do want to point out to you that the Auditor General was looking at our procedures around approvals and inspections and so on. We've also had our program reviewed by specialists in the drinking water industry, and the result of that review is that Alberta is essentially leading in terms of the elements of the program that we administer here in terms of being comprehensive and state of the art. So we've recognized that where we've got hundreds of facilities that we're looking at and literally close to hundreds of staff involved in these things, there are procedures that we can always be improving and working on.

We had been inspecting 100 per cent of all communal drinking water systems, and we do that as a matter of course. One of the things that was pointed out is that we hadn't been inspecting to the same frequency, for example, a water supply facility in an industrial plant that's providing potable water. We may have been inspecting the plant's air emissions and their waste-water discharges and so on, but we weren't necessarily looking at the water supply to their employees with the same frequency as we were for municipalities and community-owned facilities.

We're also fixing that and modifying our inspection program in response to the Auditor's recommendations to really focus in on high-risk situations and ensure that we're deploying our resources in the most effective way. So I think this is really helpful for us, and we're in the process of implementing all of these.

**Mr. Eggen:** Okay. Well, I mean, I find that interesting. As follow-up to this drinking water audit I visited a number of places. In one particular place north of Westlock a gentleman actually has an industry exporting water purification systems to disaster areas or Third World countries, and he said that he certainly would never drink the water that comes out of the tap right at his place. There's an issue of not just poisoned water, that could actually cause sickness, but then there's potability. You know: is it drinkable? Would you actually pick up a glass of water and make a cup of coffee out of a lot of the water in rural Alberta? I would suspect not. So my question is: is it really in the interest of efficiency and in terms of good money management to have such low standards for such items as potassium and sodium and suspended solids? The water might be technically drinkable, but it's certainly not potable, and people end up having to buy water and ship it over long distances to live in the rural areas.

**Mr. Watson:** Well, the first thing I want to stress is that the water coming out of any tap that's regulated by Alberta Environment is safe to drink. If it wasn't safe to drink, there would be a boil water advisory on that facility, and our protocols are very strict. I think it's also clear in the Auditor General's report that notwithstanding some of the issues around some procedures and areas that we can improve, they also concluded that our system was ensuring safe water to Albertans.

The issue of private supplies is just a case where Alberta Environment doesn't have regulatory oversight over a private water system. Because of the natural geological conditions and, you know, the minerals in the aquifers and so on, they have different qualities of water. What we have been doing, and it's been tied to some of our work on coal-bed methane, is improving our education processes and materials to water users that are on private wells regarding, you know, how to test, how to maintain their wells because a lot of times we find that the issues are related to well maintenance. We are in the process of partnering with Alberta Agriculture and Food on delivery of some educational sessions regarding private water systems in the province as well.

**Mr. Eggen:** Thanks so much, Chair.

**Ms DeLong:** On page 27 of volume 1 of the Auditor General's report, it says:

Drinking water creates a data-rich environment for the Department. However, the main corporate information system, EMS, is difficult to use for data entry, analysis, and reporting,

which is pretty well all its uses.

To compensate, district offices and individual staff have created numerous small information systems that often overlap EMS

functionality. As a result, the Department is not able to use the wealth of data that should be available to manage proactively. What progress have you made with your EMS system?

**Mr. Watson:** The EMS system is bigger than just drinking water. It houses information relative to all the approvals that we issue and the information on the limits and the emissions and so on.

On the steps that we're taking relative to drinking water, the first thing that we've done is to ensure co-ordination of some of the smaller systems that have been developed in specific regional offices. That first step has been taken to ensure the co-ordination and the direction of those things. Some of them are still needed in the interim while we're rebuilding and reworking the environmental management system, but we're ensuring consistency in co-ordination and standards in terms of how data is managed in some of the other systems. So we've taken that step already.

We're continuously reviewing our plans and our approaches on EMS, whether it's relative to drinking water or relative to some of the other functionality. But we've improved our forms and our reporting on the drinking water already and improved our connection between some of the other information management strategies that our offices are employing.

**Ms DeLong:** Later on it talks about how, you know, there's a shortage of staff – as usual; this is Alberta right now – and training for people. I've heard of systems where, essentially, you have a distant supervisor overlooking what's happening in terms of data flowing back and forth so that you can supervise someone who is in training or with less extensive training. Now, have you been moving in that direction? Are you taking advantage of those technologies?

**9:20**

**Mr. Watson:** Yes, we are. We certainly do have systems that are managed under the oversight of a qualified operator, but they may be managing a circuit of systems. So that is occurring.

We have actually upgraded all of our exams regarding certification to ensure knowledge of operators. One of the things that we're doing in partnership with NAIT is some online training, particularly for small-system supervisors, as well. Again, the larger municipalities are not really an issue. The challenge is, you know, ensuring the appropriate supervision at the smaller systems, that have a greater risk, so we've been partnering with NAIT on some online training mechanisms to help with, kind of, that level of supervisors in the small communities.

I must say that while we've had a really, really good program for certifying operators – and, in fact, until very recently we were the only province that was doing it, and Ontario has started doing it – one of the things that the Auditor General pointed out to us, and we were in the process of kind of rethinking our business a little bit, is that we hadn't really realized that we needed to get in the game of influencing the supply of certified operators. We had been thinking that our job is just to test them at the end of the day. But given the labour market conditions in this province, we're now partnering with the educational institutions and the educational ministries as an Environment department to see what we can do to support increasing the supply of people that are being educated, and then we ultimately certify them at the end of the day. We hadn't really realized that that needed to be one of our business strategies. That's part of the change that we're going through.

**The Chair:** Thank you.

**Mr. Chase:** According to the 2005-2006 government annual report

the provincial government spent \$27 billion last year, and less than 1 per cent of that money was spent on the environment. With the rapid approval rate of various types of extractions, whether it's oil and gas or wood, I have concerns about the ability of the environmental ministry to intervene. Can you give me an example from 2005-2006, specifically in the southeastern slopes from Bragg Creek south, whether it be in the Compton hearing or whether it be in the forest management agreement plans in the Bragg Creek area, which affects the water for a million Calgarians, where the environmental ministry sort of came in as a policeman and said, "Okay, Compton, we're concerned about the water quality for the town of Nanton" or "Okay, Spray Lakes logging, we're concerned about the silt that is going to back up the water systems in Calgary and add to the expense for filtering"? Is there an example where the ministry in 2005-2006 intervened or provided advice or suggestion or did its role in terms of environmental protection in those areas, either in the southeastern slopes or in the Bragg Creek, Sibbald Flats, Ghost-Waiparous areas?

**Mr. Watson:** Just a couple of comments. Relative to spending on the environment overall, the other thing that doesn't show up in these financial statements is some of the spending on environmental-related infrastructure that occurs through the government's capital plan and doesn't show up in our financials and in our annual report. That's certainly a big part of our strategy, too: support for environmental-related infrastructure.

Regarding the specific activities in those areas, there are a few things that we're doing. I know that in the case of oil and gas drilling, of course, the company is regulated primarily by the Energy and Utilities Board. In the case of forestry development the forest management plans are under the oversight of the Sustainable Resource Development ministry.

In the Elbow River watershed, as an example, where the community of Bragg Creek is, we brought all the players in that watershed together to start actually comparing plans and strategies to ensure that everybody understands the level and state of the water resource within that watershed and to ensure that everybody understands the consequences of land development decisions and the potential impact on water quality. We've been an active facilitator of the Elbow River watershed group, which then can integrate all the issues that are going on within the watershed. We brought Spray Lakes sawmills, for example, to that table. At first they weren't sure whether they needed to be there, and then we worked with them and got Spray Lakes sawmills to come to that table and share their planning with the other stakeholders in that watershed.

That's an example that we've done there. The intent is to deal with all the issues in the watershed: to deal with the forestry issues, to deal with the community issues, to deal with waste water in the hamlet of Bragg Creek itself. So we're facilitating those mechanisms.

The same thing is occurring in the southern foothills area through the Oldman Watershed Council. They've been quite active in reviewing the forest management plans and approaches in the upper headwaters of the Oldman watershed as well and ensuring that everybody is aware of what's going on and practices that are being taken to mitigate impacts and make sure that it's appropriate and that at the end of the day it results in the quality of water in the river that we want. So we've been active in facilitating those connections.

**The Chair:** Thank you.

**Mr. Chase:** My second question has to do with the enforcement role of the Ministry of Environment. You referred to the Alberta Energy

and Utilities Board, which basically has a 98 per cent approval for extraction activities. No such intervention or hearing exists with regard to forestry for clear-cutting, et cetera. A forestry truck pulls up. An Environment ministry truck pulls up.

**The Chair:** Question, please.

**Mr. Chase:** What authority does Environment have over these other ministries? You mentioned the facilitating role. Does Environment have any priority enforcement role that requires both Sustainable Resource Development or the Ministry of Energy to follow the environmental ministry's dictates, or is it all facilitating?

**Mr. Watson:** With respect to policies that other ministries apply, we're involved in the development of the policies that they're applying in the first instance. So, for example, we've had impact and influence on the nature of the policy review that forestry companies go through to ensure that they're protecting the environment. The standards that have been put in place, like buffers around streams and so on, have resulted from environmental reviews.

Your comment started with respect to enforcement. The other thing that is quite clear in the legislation that we administer is, for example, if a forestry company is clearly having an impact on the environment and degrading water quality as a result of their practices, that's an offence under the Environmental Protection and Enhancement Act. We can initiate enforcement action at any time and investigate that and ensure that there are consequences there.

Our feeling is that if they're applying the standards that we've worked on with Sustainable Resource Development and appropriately leaving the buffers and managing the effects and so on, we won't see those kind of impacts. But if we do see them, we can take action. We can require consequences.

**The Chair:** Thank you.

Heather Forsyth, followed by Rick Miller, please.

**Mrs. Forsyth:** Thank you, Mr. Chair. It seems like water quality is an issue around this table. I'd like to talk about water quality on First Nation reserves. I know that that falls under the privy of the federal government, but one just needs to read what's happening across this country in regard to water quality for our First Nations people. I guess what I'm going to be asking is: what can the Department of Environment or the Alberta government do to ensure that our First Nation people are getting good water quality? Are you working with the federal government to ensure that our First Nation people are getting good water?

**Mr. Watson:** The answer is yes. We are working with the First Nations as well as the federal government agencies. It's not our mandate. We do have, unfortunately, with respect to First Nation communities in Alberta a clear differentiation of mandate. But what we have been doing is working with Indian and northern affairs and some of the technical resources within the federal government to make them aware of the expertise and the resources that may be available just outside the First Nation community; for example, resources from another community, resources that we have in terms of training opportunities that we're providing to municipal operators in this province. We've been working with Indian and northern affairs to help them with their training programs for operators of First Nation facilities. So we've got a very good relationship with them and are actively exploring how we can make connections to ensure that there's safe drinking water being delivered in the First Nation communities in Alberta as well. There are lots of resources,

as I say, just on the boundaries of those communities that we're trying to connect into.

9:30

**Mrs. Forsyth:** Thank you. My second question is on page 41 of your annual report, and it talks about: "Since 2004, Alberta Environment has participated in the ME First! program, which to date has provided \$26.7 million in interest-free loans to 51 Alberta municipalities for initiatives that improve energy savings." When I was reading the annual report, I was taken aback because I thought we'd gotten out of the business of providing loans to anybody. Maybe you can explain that and what accountability measures are in place to access that, what municipalities are doing or working on.

**Mr. Renner:** I'll answer that in that we're talking about the term in which I was municipal affairs minister. While the ME First program is a program in co-operation with Environment, it's actually administered almost exclusively by municipal affairs. The program is designed to provide funding to municipalities, short-term, interest-free loans with about a five-year maximum payback on the loans, to allow them to make capital investments that will allow for energy efficiency, whether it's renovations to existing facilities or in some cases replacement of existing facilities with more energy-efficient types of buildings.

To be perfectly honest, the ME First program was very disappointing in the uptake. First of all, in the market under which ME First operates, interest rates are relatively low to start with, so providing an interest-free loan is not that great an incentive. If you've got significant energy savings, whether you provide interest-free money or not is somewhat irrelevant.

Secondly, municipalities tend to be somewhat debt averse, so the program was structured in such a manner that if you've got a project that's large enough to have significant savings, it's usually too large to pay off in a five-year term. We really ended up having to modify the system in municipal affairs so that there could be uptake of the money through long-term financial instruments, 25-year debentures, and then we refinanced it so that we applied the first five years in interest-free loan equivalent.

The program itself, in my opinion, didn't work that well, so I was recommending that the program be phased out. I'm not sure where the present minister of municipal affairs stands on it, but as I left the ministry, we were going to phasing that program out and completing our commitment for the existing loans but trying to find some alternate ways to encourage energy efficiency within the municipal sector other than this particular program.

**The Chair:** Thank you.

Mr. Miller, please, followed by the very patient Mr. Johnston.

**Mr. R. Miller:** Thank you, Mr. Chairman. I'll be quick. Last year in debate in the Legislature regarding contaminated site reclamation, I asked specifically about a site at Whyte Avenue and 105th Street, and I was assured that the bill that was being amended would allow some progress to take place there. To date we've not seen anything. I'm just wondering if you can comment regarding that particular site and why it hasn't been addressed as a result of whatever took place in last year's budget and so forth.

**Mr. Renner:** Well, that again refers to municipal affairs. The program for remediation of contaminated sites is within municipal affairs, so I suggest that that would be perhaps an appropriate written question that the municipal affairs minister would be able to answer for you. I can't provide that answer.

**Mr. R. Miller:** I don't have a supplemental. Thank you.

**The Chair:** Thank you.

Mr. Johnston, please, followed by David Swann.

**Mr. Johnston:** Thank you, Mr. Chair. On page 57, statement of operations, of course in the Environment annual report, under Statutory it's got provisions for remediation and reclamation. Could you explain what this is, please?

**Mr. Renner:** Provisions for . . .

**Mr. Johnston:** Remediation and reclamation. That's on page 57 of your report.

**Mr. Watson:** That refers to some liabilities that the government is identifying in our financial statements for sites that we either have responsibility for cleanup ourselves, government-owned sites that have some contamination issues that are being worked on, or they're abandoned sites for which government has accepted responsibility. So in accordance with some new accounting standards that are required, we're showing and booking our liabilities associated with the sites that we have responsibility to take action on. That's a new reference in our financial statements as a result of some new accounting rules that have come into place recently. We've got six sites in total that are identified under that section. Three of them are government-owned sites, and three of them are abandoned sites that we've accepted responsibility for.

**Mr. Johnston:** Okay. Thank you. You've answered my supplemental, so thank you.

**The Chair:** Thank you, Mr. Johnston.

Dr. Swann, followed by Dr. Brown, please.

**Dr. Swann:** Thank you. Again, back to Water for Life, I've visited a number of sites around the province, met with water planning advisory councils. There's a general level of dissatisfaction with the funding, the technical support, and the ability to do good planning. What is it going to take to get Water for Life to the place where the WPACs are feeling like they're in a position to make good decisions about water management and they have the technical support to move forward on Water for Life? This is the big issue for Albertans, clearly. What is it going to take in terms of resources and technical support to get this up and optimally functioning?

**Mr. Renner:** Well, I guess the question is premised on an assumption that I don't agree with. I have met with WPACs, and generally speaking they're very enthusiastic about what they do. Like every other organization they could do more with more money, but I haven't heard from them dissatisfaction that they're underfunded. I don't agree that we need to do more so that they can do the job that they must do. Like every organization that exists in this world, they could do more if they had more resources, and it's a matter of allocating resources in the most appropriate ways and allocating a limited resource so that we can get the best opportunity to maximize benefit. If the opportunity arises where we can provide additional funding to WPACs, I wouldn't hesitate to do so, but my priority at this point in time would not be on additional funding for existing WPACs but for additional funding to create new WPACs. That certainly is our intention: to encourage the development of more WPACs rather than focus on additional funding for those that are already in place.



9:40

**Dr. Swann:** I'd like to switch to climate change, if I may.

**The Chair:** The chair will allow you to do that. The chair has been quite lenient. People have been asking questions all morning where the second question doesn't follow from the first. We're not going to get in the habit of this, but be brief, please.

**Dr. Swann:** The Stern report suggested that we need to spend 1 per cent of our GNP if we're going to get a handle on what's going to be massive expenses in the future. One per cent of Alberta's GNP would be \$2 billion. What are we spending now on climate change? The only reference I see in the annual report is what was referred to as the ME First program, but perhaps you could expand and talk about what you have spent in this past year on climate change and what you see as necessary for the future, if we even approach 1 per cent of our GNP.

**Mr. Renner:** I'll ask the deputy to respond to the historical data, and if the chairman wants me to comment on my prediction for the future, I'll be happy to do so.

**Mr. Watson:** Within our statement of operations we have a formal program identified as climate change. The expenditures in that area were approximately \$5 million, and that was related to our development of programs related to climate change, the development of our regulations, and the bill that you are debating in the House now. Also, much of that money is to partner with Climate Change Central and some of the activities they're doing as well as to assess our vulnerability to a changing climate here in Alberta. There are a number of studies that are being funded right now, and those studies are pointing to areas where we can focus some long-term planning efforts.

I'd also like to make the connection back to Water for Life. I think there are expenditures occurring in a number of our program areas that relate to long-term planning and issues associated with what might be some variability in water supplies and so on. While I can point to this program, there are certainly many other expenditures within our budget that are targeted towards more adaptation and longer term planning issues, like our Water for Life strategy.

**The Chair:** Thank you.

Dr. Brown, followed by David Eggen, please.

**Dr. Brown:** Thank you, Mr. Chairman. I'm going to return to the subject of the contaminated sites information that Mr. Bonko raised earlier because it appears that it's going on five years after this recommendation was made by the Auditor General in the first instance. According to the Auditor General, "the Ministry can only summarize or report the status of contaminated site files with considerable manual effort." It seems to me that transcribing this database of 5,000 sites or whatever with some sort of integrated legal description and GPS co-ordinates wouldn't be a task that would take more than six months. Given the serious risks inherent in contaminated sites and also the necessity of purchasers being able to have information about contaminated sites and also being able to track remediation of those contaminated sites, I'm wondering why that hasn't been done because it seems to me a very serious short-coming of your department. Mr. Watson, if you could fill us in on that.

**Mr. Watson:** Okay. The first thing is that they are all being tracked. What we're talking about is moving from a system where we are

doing it in some respects manually and in some respects through our environmental management system. For example, when we do issue a remediation certificate in the future, that would be recorded on our environmental management system. So the issue is really the development of the information technology architecture and system and integrating it with our environmental management system. Because of some – I'll call them – legacy issues with our environmental management system in that that system is about 10 to 15 years old now and is based on some old technology, and some design elements were made at a time, part of our problem in moving forward with this is how we integrate these business applications. It's proving to be more expensive than what you're suggesting. The point is to get these systems integrated and working together, and that's the area that we're focusing on right now as we move forward in 2007. But I do want to stress that all of the systems are tracked. Some of the systems are indeed tracked manually today, and we do have to move forward with automation. We recognize that.

**Dr. Brown:** I'm going to take the chair's lead with respect to asking something that is somewhat unrelated, and it's to do with the river quality index. You have a composite index which is composed of four measures: bacterial counts, nutrient counts, pesticide concentrations, and metals. I'm curious as to what justification the department would have for lumping those four measures together because it would seem to me that if you had an unacceptable level in one of those criteria, you could conceivably dilute the result by lumping in favourable criteria in those other three measures. It would seem to me that you would have to pass a four-level test in order to have good water quality; that is, to have low pesticides, low metals, low bacteria, and so on. Could you answer the question as to why in your criteria you have lumped those things together? It appears that almost all of them are coming out on the top end, but we don't know whether some of those criteria might have been exceeded.

**Mr. Watson:** The first thing to point out is that this is intended to be an index that would give the public an awareness of the general levels of water quality in the rivers and streams. There are very specific standards for each of those parameters in treated drinking water, for example, and if those standards are exceeded, then the water is not allowed to be drunk. There are protocols for how these parameters are assessed based on how high the levels are of the ambient quality, whether it moves it from good to fair or to poor. It was put together as an index to provide a more convenient way for the general public to understand the state of water quality in the river outside, you know, their front door or in their community.

The interesting thing is that the work that we did on the development of this index is actually now being used across the country. The Canadian Council of Ministers of the Environment has adopted our protocols for water quality index, and other provinces and the federal government are utilizing our same procedures for reporting general ambient water quality conditions in this way. So there is some scientific methodology to it. I can't get into it, and I'm not an expert in it, but I do want to stress that this isn't related to the state of drinking water quality. This is the raw water quality in the river.

**The Chair:** Thank you.

David Eggen, please.

**Mr. Eggen:** Thanks, Mr. Chair. My question is to do really with the whole of your annual report. I think that it's generally acknowledged that the bottom line for the Ministry of Environment is that it's seriously underfunded, at least by half in my assessment. You know, considering that the number one expense for this ministry is

personnel, then this would imply to me that there's a serious staff shortage in the Ministry of Environment. I'd like to ask someone, first of all: where are the most critical areas of staff shortage in this ministry at the time?

**Mr. Renner:** Well, I think, again, that presumes I agree that there are staff shortages if I answer the question. Let me rephrase the question, and I'll ask the deputy to provide you with an answer as to where are the priorities that we see for allocation of our resources, but I'm not going to agree with you that there are staff shortages. There may be some areas where we can reprioritize, and in fact that's what we are presently doing. I'll ask Peter to comment on how we're doing some restructuring so that we can prioritize our efforts in different areas.

9:50

**Mr. Watson:** The area, I think, where we're trying to put more emphasis – and the one point I want to make – is that we are finding as we're reviewing our programs and so on, that we can be more effective in the use of our resources. Actually, some of the policies and the frameworks that we're developing will help us to ensure that resources are being allocated to the highest priority things.

With respect to some of our regulatory processes some of those processes were developed more than 15, 20 years ago in some cases. We can indeed change them, and we have brought forward initiatives like codes of practice where we're able to recover staff resources, essentially, and put them to a higher risk regulatory oversight function. We're continuously doing that.

I think some of the areas we're trying to drive more resources to now are in the policy development and innovation area of the department. A good example is the use of economic instruments where we've now got an emissions trading regime associated with coal-fired power in this province, and we're exploring how we can expand that. That allows us to do things in a way that we didn't imagine 20 or 30 years ago, so it allows us to control the emissions in a more effective and efficient way. We're driving more resources into that policy development and innovation area.

**Mr. Eggen:** Okay. Thanks. Presuming that there's not a shortage, then, I suppose, I find it interesting that many of your hard-working environment staff, certainly, agree with many of the policies that you, in fact, have and are trying to do their best, but you can't implement something as comprehensive as the Water for Life strategy without adequate personnel. Nor could you, I think, adequately implement the recommendations of the Auditor General in regard to drinking water without adequate personnel. So I'm just wondering if you find those two areas sufficiently staffed and if not – not to say that there's a shortage of staff – what you're going to do about it.

**Mr. Watson:** I think one of the issues – we even discussed this with the Auditor General as they were working with us on the drinking water side – with the resources that we've deployed, part of our challenge going forward is actually just more ongoing training.

I used the example of the certified operator program before where we were administering a program, and we were testing operators. Now, I think the challenge in front of us is how we influence policy in the educational system to increase the level of supply. Part of what we're trying to do at the same time here is work with our staff and educate our staff that we can be thinking a little more systematically around the policies we develop and the influence that that provides.

I don't agree that every issue is a staff shortage issue. Some of it,

again, relates to the kinds of policies and the way we think about how we manage environmental systems. That's where Water for Life, for example, recognizes that it's working with forest management companies, working with other people on the landscape where we're going to get our gains in terms of water quality. Probably more so than increased regulatory oversight of activity, better planning upfront is going to help us. That's why we're driving more resources into the policy development and the planning areas.

**The Chair:** Thank you.

Mr. Renner, we still have seven members who would like to ask questions. Unfortunately, we do not have the time, so we are going to read our questions into the record, and if the minister could respond through the clerk to all members in writing, we would be very grateful for that.

Mr. Cardinal, could you, please, read your questions into the record?

**Mr. Cardinal:** Thank you very much, Mr. Chair and Deputy Chair, for giving me the opportunity. Reviewing the minister's message for the annual report for '05-06, the second paragraph mentions Lake Wabamun and the Environmental Protection Commission and eventually the development of a SWAT team, which I commend the department for doing. Up north when you have, say, a tanker spill or some minor oil spill, usually the company will hire a vacuum truck or vacuum trucks immediately and put them on standby. I just wonder if this process was considered in the Wabamun spill before all that oil and contaminants hit the water. Why didn't someone pick up, say, a hundred vacuum trucks, put them on standby, take the contaminants out, keeping the trucks till you determined what you may do with them in the future?

Thank you.

**The Chair:** Thank you very much.

Mr. Bonko, please.

**Mr. Bonko:** Thanks, Mr. Chairman. There are two questions. One is on page 86. It was twice mentioned in previous reports about the government . . .

**The Chair:** Page 86 of which volume, please?

**Mr. Bonko:** Sorry, Mr. Chairman. It's volume 2.

It was mentioned that the ministry obtain "sufficient financial security to ensure parties complete the conservation and reclamation activity" in the areas such as where we have oil and coal mines. Then, they "were not providing security" at full reclamation, and "there was no evidence" that they were going to be providing security that was at least imminent. So I wanted to ask the Auditor General's department: what liability does that leave Albertans with in the long term for that particular piece? How does the department base the financial security on a project, its scope of the potential revenue of it? How would they assess the financial security with regard to reclamation on a site or a large project?

**The Chair:** Thank you.

Mr. Prins now, please.

**Mr. Prins:** Thanks, Mr. Chair. Just a quick question. In volume 2 of the Auditor General's report, page 85, we talk about water well drillers and some of their processes. I have a simple question. Are wells drilled for geothermal heat recovery regulated in the same way as wells that are drilled for human consumption?

**The Chair:** Thank you.  
Mr. Chase, please.

**Mr. Chase:** Yes. Water quality and quantity questions. In 2005-2006 what cumulative percentage of Alberta's aquifers had been mapped or recorded? In other words, what do we know about our underground water availability? Secondly, in 2005-2006 what steps did the Environment ministry take to protect and secure Calgary's watershed?

**The Chair:** Thank you.  
Mr. Webber, would you like to get a question on the record at this time?

**Mr. Webber:** No, I do not. Thank you, Mr. Chair.

**The Chair:** Ivan Strang, please.

**Mr. Strang:** Thanks, Mr. Chairman. Along the same lines as Mr. Prins' on the aspect of water well drilling are we monitoring all the wells now, even domestic? You know, the big thing is that when oil drillers go in, they have to check all the flow levels around the area where they are. So I'm just wondering: are we monitoring all the water wells that we're drilling in our province?

**The Chair:** Thank you.  
Alana DeLong, please.

**Ms DeLong:** Thank you. Regarding river water quality, specifically the Bow River, I notice that we're degrading eight percentage points to 11 – actually, last year it was 11 percentage points – before Calgary versus after Calgary. Now, my understanding is that Calgary has a really good sewage treatment for the water and that most of the pollution is coming through storm sewers, specifically from the older communities because the newer communities are designed with artificial wetlands now. I'm a little disappointed at the pace that we're moving in terms of retrofitting those older storm sewers with wetlands. I know of several examples where there is room to do it before that water hits the river. I wondered: what ways do you have of pushing Calgary to move forward with that?

**The Chair:** Thank you.  
Heather Forsyth, please.

**Mrs. Forsyth:** Thank you. I'll be brief. I'd like an explanation of the Environmental Appeal Board: how it works, the number of appeals, and the ratio of overturned decisions. My first question.

My other question is on page 40 of your annual report where you talk about Climate Change Central. You "supported a groundbreaking technology for the Drake Landing Solar Community in Okotoks." I want to know what results you're seeing on that.

10:00

**The Chair:** Thank you.

**Dr. Brown:** My question for the deputy minister is arising from volume 1 of the Auditor General's report, page 13. I wonder, given the Ontario experience in Walkerton, whether he could advise whether all the recommendations of the Auditor General's report as to inspectors' training have been fully implemented and, particularly, whether he could elaborate on the nature of the training protocol which is required by the department?

**The Chair:** Thank you.  
Again, Mr. Renner, if those answers could be provided in writing through the clerk to all members, we would be grateful. On behalf of the committee I would like to thank you and your staff.

**Mr. Renner:** Thank you.

**Mr. Saher:** Mr. Chairman, next week the committee is meeting with the Ministry of Health and Wellness. Very, very quickly some guidance on our work. In volume 1 of our 2006 annual report you'll find two large audits. The first is food safety, and the second is RHA global funding. In volume 2 in the Ministry of Health and Wellness section the major new item is on accountability for health care costs. Those are recommendations 31 and 32. Finally, in our additional November 2006 report is the result of our work on contracting practices at AADAC.

Thank you.

**The Chair:** Thank you very much.  
Now, if we could proceed, please. Mr. Renner, feel free to leave. We'll just be a few more minutes.

Item 5. I would like to advise that letters of invitation have been sent out regarding the motion from the committee last week for the September 11, October 16, and October 17 meetings.

Regarding Mr. Eggen's comment last week that the Alberta Gaming and Liquor Commission should be invited to meet with the committee, I would like to advise everyone that the hon. Mr. Fred Lindsay, Solicitor General and Minister of Public Security, has accepted an invitation to meet with the committee on June 27. He now has the responsibility for the Alberta Gaming and Liquor Commission and was advised that the purpose of his meeting with the Public Accounts Committee would include reviewing all areas of responsibility currently under his portfolio, which includes the Alberta Gaming and Liquor Commission and the AGLC 2005-2006 annual report.

I would like to advise you now that the date of our next meeting is, of course, next Wednesday, April 18. The hon. Mr. Hancock, Minister of Health and Wellness, will be here.

I would like to thank the Auditor General's staff for their input this morning. We look forward to the meeting next week.

May I please have a motion to adjourn? Mr. Johnston. All in favour? None opposed? Thank you.

[The committee adjourned at 10:03 a.m.]

