

**Title: Wednesday, March 22, 2006 Public Accounts Committee**

Date: 06/03/22

Time: 8:30 a.m.

[Mr. MacDonald in the chair]

**The Chair:** I would now like to call this meeting to order, please. On behalf of the entire committee I would welcome everyone in attendance. I think we'll quickly go around the room and introduce ourselves.

[The following members introduced themselves: Mr. Bonko, Mr. Danyluk, Mr. Griffiths, Mr. Lindsay, Mr. MacDonald, Mr. Oberle, Mr. Prins, Mr. Rogers, Mr. VanderBurg, and Mr. Webber]

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

[The following departmental support staff introduced themselves: Mr. Auger, Ms Norminton, and Mr. Watson]

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

**Mr. Boutilier:** Guy Boutilier, Fort McMurray-Wood Buffalo and Environment minister.

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

**The Chair:** I would like to advise the members of the committee at this time that the agenda packages were sent out on Monday. If there are no changes, could I have approval of the agenda?

**Mr. Rogers:** So moved, Mr. Chairman.

**The Chair:** Thank you. Moved by George Rogers that the agenda for the March 22, 2006, meeting be approved as distributed. All in favour? Opposed? Carried. Thank you.

Now, I would also at this time like to get approval of the committee meeting minutes of March 15, 2006, which were attached. Mr. Webber. Moved by Mr. Webber that the minutes for the meeting on March 15, 2006, be adopted as circulated. All those in favour? Opposed? Seeing none, thank you.

Now, at this time again I would like to welcome the hon. Minister of Environment and also the hon. Member for Edmonton-Calder. Good morning. I would invite the minister to give a brief overview, please, of his department. By brief in this committee, it is not to go beyond 10 minutes or the hon. Member for Stony Plain will take matters into his own hands. Thank you. Please proceed.

**Mr. Boutilier:** That's good to know because if he does make any comments, I'm scheduled to speak in his riding coming up, but if I have to cancel that, that will be okay too.

It's a pleasure to be here. My staff were introduced earlier. I'd just like to take a moment in terms of '04-05 to talk about Alberta's continued commitment regarding protecting our air, land, and water. Specifically pertaining to protecting our air in '04-05, we continued to build on the momentum generated by Alberta's climate change action plan. As you are all aware, we introduced Canada's first greenhouse gas reporting program for LFE, large final emitters, under the specified gas reporting regulation. This also means that Alberta companies and industrial plants are required to report carbon dioxide equivalent emissions of over 100,000 tonnes or more. Also, I'm very proud to have worked closely with the Clean Air Strategic Alliance, CASA as it's often referred to, and the Canadian Council of Ministers of the Environment pertaining to developing new and

revised ambient air quality objectives, including opportunities for air emissions trading.

Pertaining to protecting our land, we released Alberta's municipal waste action plan – and of course reduce, recycle, re-use are important R words for us – which will help reduce the volume of waste going into municipal landfills from 800 kilograms to 500 kilograms per Albertan annually by 2010. That's our goal. My ultimate goal is to ensure that there are no landfills in the province of Alberta. That is, I think, a very lofty goal in terms of what we'd like to do to encourage Albertans. That's over 900 million kilograms of waste that will not be going into our landfills.

We also, of course, collected and safely disposed of more than 184,000 kilograms of obsolete pesticides from farms during the Operation CleanFarm three-year project. In addition, we implemented, of course, as many of you are aware, Canada's first electronics recycling program, where we established over 100 collection sites throughout the province for old televisions, computers, and related electronics. I might add, to the members of the committee, that I received something like eight phone calls from ministers of environment from other provinces who want to know how it is going and, of course, are very aware of the fact that there is a charge that is placed on someone who purchases an electronic device such as a 13-inch black and white or colour television who may pay \$5 for that fee versus someone who buys a plasma television that is 70 inches who will actually pay \$55. I had a very, very pleasant conversation with someone who called to complain to me relative to the fact that they couldn't afford the \$55 for the electronic charge even though they just dropped \$6,000 for the plasma television. I think they hung up on me first, but it was a very pleasant discussion that I had pertaining to protecting the environment.

**An Hon. Member:** Passionate.

**Mr. Boutilier:** Passionate. I should say passionate. As I mentioned in the House yesterday, I'm trying to break out of my shell.

Pertaining to preserving our water, our Water for Life strategy continues to ensure that Albertans have safe, secure drinking water. I take the approach that we can always do better. I think it mirrors what Albertans believe. I indicated yesterday and was very sincere when I said that oil may lubricate our economy and our culture and that petroleum may grease some of how it goes, but water runs it in terms of the importance Albertans place on water.

In '04 we established a multistakeholder Alberta Water Council to provide guidance on the water strategy implementation. We performed a comprehensive assessment for every single provincially regulated drinking water facility to look at long-term sustainability. We also took action to protect Alberta's finite water supplies by participating in the International Joint Commission's public consultation pertaining to the border between Canada and the United States and the Milk and St. Mary rivers.

I'm pleased to also note that we did receive an award from the Premier for the state-of-the-art computer system that tracks our maintenance and rehabilitation records for over 200 water management systems.

We also worked on improving and enforcing environmental regulations pertaining to the Athabasca oil sands review team. This team conducted a timely and thorough review of the project for CNRL and Shell Jackpine, and as part of that review the team recognized the unique First Nations in the regulatory process.

Our partnership organizations. Specifically, we work closely with the watershed planning advisory councils. We also work closely with Climate Change Central, municipalities, Alberta Municipal

Affairs, and of course Infrastructure and Transportation on energy conservation.

I also want to say that educating Albertans is going to be an important continued program. We focused in on water conservation activities during Environment Week. I appreciate all members here that participated where we had minister for the day, and we also hosted grade 5 students for the program, where 11-year-olds were participating from schools across Alberta. I want to say that at the time they were quite energetic and enthusiastic and, I might say, continue to provide reinforcement to our ministry on the good things we're doing relative to education.

This year the education and information centre responded to 2,100 e-mail requests and over 13,000 phone calls and over a half a million hits on our website.

Finally, I just want to say that through shared responsibility and stewardship, that Alberta Environment is responsible for, we'll continue to develop practical and innovative ways in protecting our air, land, and water.

Thank you.

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

Mr. Dunn, do you have any comments at this time?

**Mr. Dunn:** Yes. Thank you. Our comments concerning the Ministry of Environment start at page 177 in our 2005 annual report. In that section we report on our follow-up work regarding the ministry's actions taken to address our recommendations from our prior year Managing for Results audit. We are pleased to report that the ministry has either implemented or is making satisfactory progress on the recommendations concerning the development of their business plan, their performance measures, and their human resource management plan.

**8:40**

In addition, the ministry is making satisfactory progress in developing an integrated information system to track contaminated sites in Alberta. You may want to ask the ministry staff to describe the steps that they have taken in developing this integrated system. We report one numbered recommendation on page 180 recommending that the ministry implement a system for obtaining sufficient financial security for land disturbances. We report that the ministry requires sufficient security deposits for landfill, hazardous waste, and recyclable operators. However, for oil sands and coal mines there are still many inconsistencies. The government has accepted this recommendation with the explanation that progress is being made. However, the information gathering process is involved and complex. Again, the committee may want to discuss the plans the ministry has for fully implementing this recommendation and by when.

Finally, we have reported in a separate section, starting at page 71, a follow-up matter that had previously been reported to the Minister of Environment which is now being reported to three deputy ministers, those being Energy, Environment, and Sustainable Resource Development. We have recommended that a sustainable resource and environmental management implementation plan with projects, deliverables, and deadlines be published, also that progress be reported annually to the standing policy committee on how the strategy envisioned in what is known as Alberta's Commitment to Sustainable Resource and Environmental Management is being implemented.

Mr. Chairman, those are my opening comments. Thank you.

**The Chair:** Thank you, Mr. Dunn. We have already a long list of

members who have indicated that they want to ask questions this morning, and we will get right to that. I would like first to remind hon. members that we are dealing with the annual report from the Department of Environment for 2004-05, the government of Alberta's annual report for 2004-05, as well as the Auditor General's report. This is not a policy committee. This is a committee that is trying to make public accountability the number one priority.

Before we go any further, we have visiting the committee this morning the hon. Member for Calgary-Currie, Mr. Taylor, and David Swann as well from Calgary. I would like to remind everyone that they are entitled to participate in the proceedings, but if you're not a member of this committee, you cannot vote according to our Standing Orders.

Now, with that, I will ask Mr. Bonko, please, to proceed.

**Mr. Bonko:** Thank you, Mr. Chairman. The Auditor General highlighted one of the questions I was going to ask. It said that it recommends that "the Ministry of Environment implement a system for obtaining sufficient financial security to ensure parties complete the conservation and reclamation activity that the Ministry regulates." That's on 180. Why is the ministry not fulfilling this when it was actually first recommended in '98 and '99? Has your ministry measured the environmental risk for failing to implement this recommendation that pertains to the oil sands and coal?

**Mr. Boutilier:** You may not be aware, but presently we are consulting with our NGOs and stakeholders relative to the point.

In terms of improving our policies, relative to the important point I might also say that we have numerous steps that we have in our plan that we are working on. Someone suggested last year that I talked too much, so I'll have Peter give you just a little bit more detail on it.

**Mr. Watson:** We've had several stakeholder committees that have been established to help us develop the appropriate policies going forward. We recognize and acknowledge the questions and issues that the Auditor General has raised, and we're working on a new policy framework for how we manage security for the province. While we're doing that, I want to point out to the members that there are also steps that we take through our existing regulatory mechanisms that help mitigate the risk that we have out there in terms of appropriate reclamation. We have a number of programs and regulatory processes that ensure that we are mitigating the risk as we're talking about and developing the policies that we need on a go-forward basis. So we certainly acknowledge the issue, and we're undertaking significant stakeholder consultation right now in terms of the appropriate policy frameworks for the future.

**Mr. Bonko:** Well, the obvious question, then, would be: when?

This one is to the Auditor General. If you have decided that this recommendation has not been implemented yet, sir, what would be the result or additional cost to the province? Can you quantify these costs to the committee?

**Mr. Dunn:** I'm not able to quantify the additional costs. Obviously, something which we are very interested in seeing is a response to your question about when. By when will the consultations finally conclude, and when will action therefore take place on obtaining the appropriate security?

Clearly, the extraction of the minerals is under way right now. The question will become: will there be sufficient security at the end of the day to do the reclamation? So as time passes, we're losing that opportunity to gain the reclamation deposits, and what we don't

want to do is see the province at the end of the day left holding the bag.

I'd like to follow up on your question as to: when will consultation be finished, and when will the action take place?

**Mr. Boutilier:** Mr. Chair, in our discussions at our executive committee the direction that I have given is that within the next eight-month period our consultation will be complete. I think that when we are speaking next year at this time, you'll see some even more concrete action relative to the questions you pose. I think they're good questions. They're the exact questions that I have been asking within our executive team, and I am very confident that they are moving towards that direction. So between an eight- to 12-month period in terms of the direct response to your questions.

**The Chair:** Mr. Webber, please, followed by David Swann.

**Mr. Webber:** Thank you, Chair. Mr. Minister, I first of all would like to congratulate you on doing such a terrific job in the department and for practising what you preach by driving this ridiculous little vehicle around the city here. I think that it's wonderful that you . . .

**Mr. Boutilier:** Mr. Chairman, I object to that comment. For anyone who was here on Saturday with the snow, it was quite ridiculous when I was in the middle of an intersection and had to get five people to push it. Actually, I didn't need five; fortunately, I only needed two people to push it.

**Mr. Webber:** Anyway, I'd like to refer to page 54 of your department's annual report. I like to read notes to financial statements, and this is note 6 on contingent liabilities. Now, a reference is made to Alberta Environment being potentially liable for \$8.5 million in site remediation and reclamation costs, and I'm just curious to know how this amount was determined.

**Mr. Boutilier:** Pertaining to contingent liabilities and relative to the \$8.5 million in site remediation, these relate to sites for which Alberta Environment has assessed that the government may be liable under the Environmental Protection and Enhancement Act as a result of the site not being reclaimed to appropriate standards. Alberta Environment is assuming this obligation in cost where there are resources lacking or the site has been abandoned. Those are the two examples. The ministry maintains a listing of the known possible sites, and of course we monitor these, and where estimates have been made of the amount required to reclaim these sites, they are included in the contingency amount. So I appreciate that you recognize the \$8.5 million that we are assuming responsibility for.

**Mr. Webber:** Thank you. My supplementary. With respect to the same note, the last sentence, "Costs for site remediation and reclamation are recognized in the financial statements when work is undertaken," I'm curious to know why this amount is not recorded as a liability in the financial statements.

**Mr. Boutilier:** That's a very good question. Alberta Environment does not record the full liability in its financial statements because the amounts concerned are estimates and government liability is not certain. But having said that, once work has begun or the clear commitment has been made on the part of Alberta Environment to reclaim the site, then the expense is of course recorded. So if it's not determined, we're not guessing. But certainly if you were to ask me, "Do we have a sense of where it may be," I think that's a fair

question. What we do is once we have the full magnitude of the scope of the reclamation, that's when we go forward and, of course, record the liability to the specific amount, which, actually, I like to think that from an accounting perspective is an even more accurate approach.

**Mr. Webber:** Thank you.

**The Chair:** Thank you.

David Swann, followed by Doug Griffiths, please.

**Dr. Swann:** Thank you. It's my understanding that there are thousands of downstream oil and gas sites, refinery sites. This is an example that we've just discussed of sites that have some significant liability in terms of cleanup. I'm wondering what the ministry has decided to do about reducing the public liability for these since, as you've just indicated here, the public is paying for industrial activity that we have no desire to be paying for. What are your plans to address this?

8:50

**Mr. Boutilier:** I think that's a very good question. As you know, under Alberta law the polluter pays. Having said that, that still presents the issue of: what if the polluter doesn't pay relative to that? The short answer could quite simply be that we go in and do it and charge the polluter for what we do. That was something that I heard from many citizens relative to that.

Basically, what we determined is that in '04-05 there was within Municipal Affairs, my previous ministry, about 150 sites, and within Alberta Environment we had approximately four, I believe it was. Was it four? I think it was about four. From '05 to date we have about seven, which includes three that are carried over, and Municipal Affairs has 99. Now, the sites remediated by us, you know, are paid for by the environmental protection emergency fund that we use, and of course that is accessed by our regional services people. The sites remediated by Municipal Affairs are handled through the underground petroleum tank remediation site.

I want to say that the forward thinking of the government a few years ago when they, of course, committed \$80 million, and then it went to \$50 million, then up to \$60 million – that \$60 million was used in terms of remediating hundreds of what were considered top priority sites relative to remediation. Now, the regulatory contaminated sites management system does rely upon the principle that the polluter pays, but it also includes the ability for us to assign retroactivity to the particular citizen or business that's responsible. So we have a law that says that the polluter is responsible. We have mechanisms.

In fact, if I were to demonstrate to you from a contaminated site perspective the actions that we have taken over the past year, such as prosecutions, such as enforcement actions that we have issued, if I could give you an example of the seriousness of how we are moving forward in terms of prosecutions relative to that, we have launched 127 enforcement actions which have either administrative penalties or financial penalties, and we also had enforcement orders that we issued on 10 occasions, which gives a period of time for it to be completed or penalties would be carried out by our ministry. So I am very proud of the fact that we've had 127 fines, you know, that were issued for these kinds of enforcement orders. I think everyone would be very pleased by the strict action that we've been taking through our ministry because of the seriousness of this issue.

**Dr. Swann:** Just to follow up, if I could, you've reported in your information that you're able to actually inspect reclamation sites in

only about one out of 10. I notice in your annual report, page 47, that you've cut back on your monitoring and evaluation funding from \$15,950,000 in 2004 to \$12,740,000 in 2005. How can we be confident that you actually know what you're dealing with out there?

**Mr. Boutilier:** I think there's a bit of a misunderstanding relative to the issue of what's taking place in our field relative to that point, and I'll have my deputy add some comments.

**Mr. Watson:** I wanted to stress that we have not reduced any of our field surveillance activities. Some of that budget adjustment refers to some of the broader programs and investments that were made in the past in one-time investments around some of our information systems and reporting of environmental conditions that may not have carried forward in that fiscal year.

I do want to stress too, Dr. Swann, that in our experience with upstream oil and gas sites, based on many years of issuing reclamation certificates, we found with the performance of the oil and gas industry that between 85 and 90 per cent of these sites routinely met all of the requirements and the standards. So what we have done – and I think I mentioned it at this committee last year – is that we adjusted the parameters of our programs so that we're targeting the sites that are problematic, problem soils to reclaim and also problem operators. We're focusing our field effort on the higher risk sites because we've had very good performance over the last 30 years.

A new feature of our program that we started implementing last year is that for these sites that we are auditing, we are now taking drill rigs onto the sites and drilling and assessing the subsurface contamination issues as well. So we're building a database of performance around that. That's a new feature that we've incorporated into the program to assure Albertans that we're managing the risks.

**Mr. Boutilier:** If I could build on that, some of the badass performers that are out there, truly, to be quite blunt – if it walks like a duck, quacks like a duck, and looks like a duck, we're zooming in. So we're being somewhat detectives in the work, in the performance, and in the history that we have witnessed of some over the 30 years.

You know, many of the people that run these companies are Albertans that care deeply about the environment, but as you know, the paint is brushed just on the word "industry" or those who are out there doing particular things. We have quite simply developed a very important base of information relative to those that have complied with everything that has been done and have a very solid track record, almost like your driver's licence in terms of if we were to look, it is, really, a road map in terms of showing their performance.

We continue to do our audits, and we have that list, which I think is more strategically used towards zooming in on many of what you're describing as those that are not meeting the standard. We will take full enforcement action on that.

I apologize for saying badass. I understand that that's not a parliamentary word.

**The Chair:** Thank you.

Mr. Griffiths, please, followed by Mr. Chase.

**Mr. Griffiths:** Thank you, Mr. Minister. Page 47 of your report, the statement of operations. I found it very interesting as chairman of the rural development strategy for the province that in the first 54 meetings we had around the province, water was the number one issue at every single one of those meetings. In the statement of operations under Water for Life I see that \$5 million was budgeted

for, but only \$3.668 million was actually spent. Since it's so important, I'm curious as to why you didn't utilize the entire budgeted amount of \$5 million.

**Mr. Boutilier:** First of all, I want to say to the hon. member that this time last year he asked me – we'd sent out 300,000 brochures talking about the use of how we're managing forests and whatever. I just want to reassure him that we didn't send out those 300,000 pieces of paper this year. That was brought up last year, for those who remember last year when we actually had this in Public Accounts.

**The Chair:** Mr. Griffiths?

**Mr. Griffiths:** Well, he didn't answer the question.

**Mr. Watson:** The budget allocation there was the specific allocation that we made in addition to our core programs. We have a number of core programs around approvals and monitoring and water information systems that are in our budget that relate to expenditures around water, but that allocation you were referring to was the incremental allocation we made to kick-start some of the strategies under Water for Life.

One of the major initiatives that year was the assessment of all of our drinking water facilities across the province, and that was a multimillion dollar project. So part of the reason for that expenditure pattern was really how that project was executed and some of the complexities of that project and the ability for work to be carried out at certain times and in certain seasons and so on. So it was around that major project, which was one of the key things that we did to kick off our Water for Life strategy, and some of those expenditures carried over into the subsequent fiscal year as well.

**The Chair:** Thank you.

**Mr. Griffiths:** Second question. On page 37 of your report, Core Business Two: Sharing Environmental Management and Stewardship, figure 9 indicates that municipal solid waste to landfills increased marginally from 2003 to 2004 but significantly over '02, yet the target is 500 kilograms. I'm wondering if you can talk about the specific measures that the department is going to undertake to try and reduce the solid waste to landfills.

9:00

**Mr. Boutilier:** The target is set for 500 kilograms per capita by 2010. Now, this is an ambitious target. The measures for '04-05 and the five previous years did not show kilograms per capita actually going down. Alberta Environment is undertaking aggressive diversion policies and programs targeting the highest quantity of waste material. These include specific programs and policies for construction and demolition waste, which make up about 30 per cent of the municipal solid waste stream. Leaf and yard waste – so when you're out this upcoming fall carrying out your raking in your yard – makes up about 10 per cent. Also, expanding it to all the organics, this is about 30 per cent. Also, one of our steps is packaging waste, which is between 5 and 10 per cent. For those of you who recall the toxic roundup, which is an important part of the household hazardous waste, paints are something that we are moving. We're also shifting the focus of our granting programs away from waste disposal in favour of supporting infrastructure for recycling, composting, and energy recovery.

Thank you.

**The Chair:** Thank you.

Mr. Chase, followed by Mr. Prins, please.

**Mr. Chase:** Thank you. While talk is cheap, lack of environmental investment will be expensive. When the government surveyed Albertans in 2004-2005, the top three priorities were health, education, environment. Health received over a third of the budget. Education received almost a third. Environment received 1 per cent, which as a portion of GDP translated to about .3 per cent. How can you justify your government's lack of fiscal support for environmental sustainability in 2004-2005? To give you a heads-up: in order to effectively carry out your conservation/preservation mandate, what budget percentage do you require or are you lobbying for?

**Mr. Boutilier:** I think every minister that presents to this committee on the core business that they have would say that they would like to have every single cent of the government's almost \$30 billion budget to be able to do it because, as the hon. member made reference to, Albertans have an attitude that we can always do better. Quite simply, I don't want to associate the idea that you've got to do your job just with money. I think there's more to the fact, that it's about more than money. It's about teaching grade 5 students. It's about the youth summit that we'll be conducting, that I mentioned earlier and that was mentioned, I guess, in the Speech from the Throne. We're not supposed to talk about that. But it's about planting the seed, in actual fact, that it's going to be about more than money. I'm going over the heads of CEOs. I'm going to get to their kids so that they will plant the seed, so that perhaps the older generation, that some of us in this room may belong to, are putting our energy into the energy of our young people. It's not just about money.

When every single citizen will act like the Minister of Environment and drive the kind of car that the Minister of Environment will drive, I can tell you that we will have less greenhouse gas emissions. We will have more Diet Coke cans recycled. We will have a whole lot more other things. It's more than money; it's about our individual responsibility. I agree with you: talk is cheap. So every time I talk, I believe every word is worth a dollar, and I don't want to spend a lot of money because I believe it's better by my actions than by my talking.

**The Chair:** Thank you. Can you get your hockey gear in that car?

**Mr. Boutilier:** I have to throw my wife out, but she is very understanding because she doesn't like going to the hockey games anyhow.

**The Chair:** Okay.

Mr. Chase, your second question, please.

**Mr. Chase:** I'll try again. I asked both questions but only got one answer. One per cent of the money was spent on environment. You've discounted money as being a major factor, but could you, at least, project? For example, if you had 5 per cent or 10 per cent, would you be able to preserve our environment to a greater extent?

**Mr. Boutilier:** I think that with more money you can on occasion hire more people. With more people that means – I think the obvious answer to that is that it's almost a rhetorical question, but I appreciate it and the interest by the member. Yes, with more money you can do more. It's like how we run our home. If I had more money, rather than have a push lawn mower, I'd have a ride-on lawn mower. I could probably get my lawn done quicker as well, and I'd go, then, to compost, of course, with the grass that comes from the lawn mower.

The shorter answer is that with more money you're able to do

more. I don't want to move away from the fact that ultimately every single Albertan has a vested interest in the environment, not just the government. My responsibility is to provide that stewardship, to plant the seed for citizens for their actions on a daily basis, and I think we get even better value for the dollars that we spend. More money would clearly mean more results; yet, I recognize that we have a delicate balance in that approach.

**The Chair:** Thank you.

Mr. Prins, please, followed by David Eggen.

**Mr. Prins:** Thank you, Mr. Chairman. Today is World Water Day, and fresh water for me has always been very important. I spent a bit of time in Africa building and developing water systems for villages over there. I'm always interested in what happens with the water that we have in Alberta.

On page 31 we're looking at water quality index measurements for the different rivers. I note that for the Oldman River the water quality dropped significantly in '02-03, and then it's gone back up in '03-04. I'm just wondering if there's an explanation for that, if you're always measuring at the same time of year or if there's something different that happened there that would show these different results.

**Mr. Boutilier:** Well, I'm going to try to answer it. It's actually a fairly technical question that you're making reference to. The measurements are taken monthly, obviously 12 times a year, typically around the middle of each month to ensure some consistency, but differences in sampling times can be dependent on unforeseen circumstances such as weather and conditions. Now, because sampling is taken around the same time, results can be dependent on factors such as heavy rainfalls, increasing the amount of surface contaminants washing into the river. This was the case in '02-03 around the Oldman River – so we have some experience there – when the testing took place after a significant rainfall and runoff events.

If you'd like some more technical information – Peter, as an engineer do you want to share with them some more information?

**Mr. Watson:** What the increase in that performance measure relates to is that that was after a significant rainfall and runoff event. The minister is correct, that we tend to see increased nutrients in our rivers after those types of events. A lot of work has been done, in the Oldman River basin in particular, with agricultural producers and with municipalities in terms of improving waste-water treatment and implementing best management practices on farms there. There's continuous monitoring of the implementation of those best management practices through the local watershed council that's been put in place. After rainfall events we do see these spikes, but then the river returns to normal conditions. We're trying to implement best practices up in the watershed.

**Mr. Prins:** Thank you. Another question somewhat related to this. On page 30 we see the North Saskatchewan River water quality index, going from upstream to downstream. In the last year in Edmonton it went from 98 per cent upstream to 74 per cent downstream. So we're seeing the same kind of thing there. The comments are about nutrients and pesticide detections in the water downstream. I'm wondering if we're helping the city to do something about the nutrients and pesticides within the city. I think that's a significant problem that maybe we should be doing something about.

**Mr. Boutilier:** Yeah. I think it's important, and that's an important question. Water quality downstream of the large municipalities like Edmonton is impacted by runoff from the municipality and, of course, by the effluence from the water treatment facilities. Downstream communities typically have to adjust their drinking water treatment efforts to address these issues as the raw water quality can be impacted, as we are aware. In the case of the North Saskatchewan River there are no major treatment facilities downstream of Edmonton until, of course, I guess it would be the border with Saskatchewan. Lloydminster would be the example. With the raw water we want to be very aware of situations, perhaps in other communities on other basins, that we have to be cautious of.

Is there anything, Peter, you'd like to add there that I've left out?

9:10

**Mr. Watson:** Yeah. The city of Edmonton has combined sewer systems, so part of the problem in the past with the North Saskatchewan River has been when the combined sewers have overflowed. There have been significant investments that the city has made to deal with those problems.

The other thing is that through our regulatory processes we're working with the city to implement what we're calling a total loading limit for the entire urban area. As the urban area grows and with good stormwater management practices, the city will be able to stay within this total loading limit, which will be protective of the North Saskatchewan River. We're doing that with both Edmonton and Calgary, where we're combining not just the impacts of their waste-water treatment but the larger urban runoff issue from the city, that does, you know, run off from the streets and yards and so on. We're setting a limit that's protective of the river, and the city is implementing practices in the new developments and in these new areas with stormwater management ponds and so on to mitigate that risk.

**The Chair:** Thank you.

Mr. Eggen, followed by Mr. Danyluk.

**Mr. Eggen:** Thank you, Mr. Chairman. I was just reflecting on so many things.

I would just like to ask Mr. Dunn for clarification before I ask my question. You mentioned in your preamble about this SRD, Energy, and Environment implementation plan. What page was that on again?

**Mr. Dunn:** You're on page 71.

**Mr. Eggen:** Oh, okay. Good.

**Mr. Dunn:** It's a separate section in our annual report which talks about the whole sustainable resource development.

**Mr. Eggen:** Right. Okay. I would like to ask the minister, if possible: what's the progress on this integrated cross-ministry initiative? Are you focusing specifically on developing a system to obtain sufficient financial security to ensure the conservation and reclamation activities of the ministry? It would seem to me that this combined effort would pack a lot more punch in regard to holding polluters responsible for sites that have been damaged. Are you focusing specifically with this joint approach to reduce the impact of polluters on specific sites?

**Mr. Boutilier:** I think it's a very important point, and I welcome the discussion. I know that our government is forward thinking within

the three ministries: Environment, SRD, and Energy. I mean, there are no other governments across Canada that are taking this type of approach. There's no question that the Ministry of Environment pushes, SRD pushes, and Energy pushes based on what their ministry is responsible for. Being the minister of the mother ship, I believe we push even harder. We push harder because I believe that the integration of policy truly is going to continue to ease the way, to have even more wind in our sails in terms of some of the reclamation, some of the security that we speak of in terms of our actions.

In terms of recommendation 14 by the Auditor General, we are in concurrence. We believe we're making good progress. As I mentioned earlier, before your arrival, we are moving forward with a very aggressive plan regarding this integrated management perspective on land, air, and water. Our policies are not complete.

The fact is that ultimately some day in the future there may not be a need for a Minister of Energy and a Minister of Sustainable Resource Development. I'll put it this way: there should be a new ministry that would include and reflect the integrated policies of these three ministries. Rather than the vertical approach of a silo that could result from each of the individual ministries, we have broken down those silos through this integrated management approach, and our ministries are working hand in glove in serving Albertans. It will be more of a horizontal approach where, in fact, all three ministries are integrated together, and I'm quite excited about it. I think it's one of the most important initiatives that our three ministries are undertaking relative to that.

An example of that, of course, is our land-use framework. That is just a prime example as we go forward relative to how Energy and Environment and Sustainable Resource Development are working together from a land-use framework perspective.

**Mr. Eggen:** Thank you. Just as a follow-up I was wondering if the ministry could undertake an analysis for the Public Accounts Committee to estimate how much the public is left holding the bag, for lack of a better word, for these uncompleted cleanups while you are implementing this system. We have a gap in the program right now, and many companies are getting off the hook and changing their names and creating orphan companies and all these sorts of things. I would ask, please, if the ministry could give us, say, an estimate – not now but later – for exactly how much we have been on the hook while we don't have a policy as outlined in the Auditor General's report on page 180.

**Mr. Boutilier:** I'm really pleased to say that what you're looking for I have right in front of me, that gap exactly, the \$8.5 million. If I could, for the benefit of the members I will list the contingent liability: \$675,000 for Lee Creek, Newton Coulee, Pinepound, Rocky Coulee and Kenex Coulee; \$900,000 for West Arrowwood, East Arrowwood; the St. Mary dam maintenance yard, about \$50,000; about \$3 million in the area of the Borradaile refinery. The Colinton underground petroleum storage tank is a couple of thousand dollars. What we have done is recorded exactly the gap you're speaking of. It would be my pleasure to provide that to you.

**Mr. Eggen:** That would be great. Thanks.

**The Chair:** Thank you, hon. minister. If you don't mind, that information would be through the clerk to all members of the committee, please.

**Mr. Boutilier:** Absolutely. I'm sorry, Mr. Chairman. Through the chair to allow you to distribute to the members.

**The Chair:** Mr. Danyluk, please, followed by Mr. Bonko.

**Mr. Danyluk:** Thank you very much. Mr. Minister, on page 37 of your annual report there is a measure and target of solid waste in landfills. You mentioned that in your introduction. If I can suggest to you: I want to say that I had the fortune of being the chair of a regional landfill site in our area. Previous to having that landfill site, we really had no accountability. That landfill site just got into operation this last year. We had no accountability of where and how much waste we had coming into our landfills. So I want to compliment you on the regional landfill sites.

Going back to a question in this direction, I feel that it's a very optimistic or maybe an ambitious target of 500. You know, you say that 82 per cent of the population is covered. My question is: what makes you so confident that you're going to get down to 500 from 800? I mean, I just see more and more coming on stream, and I don't really know how many landfills aren't covered by a regional system yet.

**Mr. Boutilier:** Number one, I'm confident because you have to be confident as the Minister of Environment, and you also have to be optimistic. I refer to it in three words: bold, persistent, determined. I think that that mirrors and reflects Albertans both in urban and rural areas.

From the discussions that I've had in many of the communities I visited over the last year and a bit, what we are observing in terms of Albertans' actions, what I believe is that we want to continue to harness that energy. We have in this upcoming year a very aggressive conservation strategy coming out relative to what we do to provide encouragement. Just a couple of months ago we had a recognition during Waste Reduction Day. I visited a site where, in actual fact, 95 per cent of some waste, such as drywall, that is often a product that is disposed of in the landfill, was not disposed of. It was reused and recycled. Those are impressive statistics.

9:20

I want to go forward, and before I go into a regulatory process, what I'm trying to do is pick the champions that are out there that we can be modelling others to follow. Also, I'm giving contemplation to beginning to publish – well, I can't call it a badass list, but I'm considering publishing a list of good performers and bad performers so that the public can see who they're doing business with and who they should be doing business with. That's something that really is for this upcoming year. But I'm very encouraged and remain confident in the work that Albertans are demonstrating when they go to a landfill.

**Mr. Danyluk:** Mr. Chairman, a supplemental to the minister. The question is in regard to solid waste. Could you please tell us what your definition of solid waste is? In the definition of a regional landfill we've got wet waste; we've got all different kinds of waste. What do you consider solid waste?

**Mr. Boutilier:** Well, I know that the hon. member is a biologist or a chemist or a physicist. I'll defer to my deputy minister, so then you and I will never be disagreeing on what we view as solid waste. I can say that when you go to the washroom, there's solid waste, part of that product, in the sense of solid waste. But I think there are many interpretations of what citizens believe is solid waste. Just what Alberta Environment's position is on solid waste, I think, you know, it's an important question. That's something that Albertans view importantly.

**Mr. Watson:** Those numbers relate to the entire municipal solid waste stream, so that includes wet waste such as organic waste or things that come from restaurants and institutions as well.

**Mr. Danyluk:** Thank you.

**Mr. Boutilier:** If I could, you'll be seeing in the cafeteria, coming up, in terms of organics, plastics, paper – we have five categories that we are going to be utilizing when you go to the cafeteria. Of course, you have already witnessed the recycle bin that is there for reuse and recycle. We're trying to reach every home and every politician in terms of when you eat, what is required regarding what we dispose of. So we're taking that approach as well.

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

Mr. Bonko, followed by Mr. Lindsay, please.

**Mr. Bonko:** Thanks, Mr. Chairman. In the 2005 grant blue book it indicates that Environment provided the regional municipality of Wood Buffalo with \$218,147. What was that grant for?

**Mr. Boutilier:** I'm sorry. Is there a page on there?

**Mr. Bonko:** It was in the blue book, the 2005 grant blue book.

**Mr. Boutilier:** I'm sorry. I don't have that in front of me unless someone can help me out.

**Mr. Bonko:** That would have been page 682.

**Mr. Watson:** It would be for waste management purposes similar to what the other member talked about, to promote the waste management practices for the regional municipality.

**Mr. Boutilier:** Oh, it's in this book.

**Mr. Bonko:** That's the blue book, kind of like blue gold.

**Mr. Watson:** That would be a grant under our waste management assistance program that's helped with the development and construction of these regional landfills and the associated facilities to help with managing waste.

**Mr. Bonko:** Okay. Then just maybe a follow-up. While Wood Buffalo is expanding, and we realize the desperate need for funding now, how can Albertans be assured that the member didn't use, perhaps, his privilege as a minister to benefit his constituency over other qualified constituencies that are having the same growth?

**An Hon. Member:** He wasn't minister then.

**Mr. Bonko:** I said member.

**Mr. Boutilier:** I certainly hope that I influenced the Minister of Environment of the day to give due notice to my municipality just like the other 82 municipalities. I can assure you of that. That's the approach I would take, no different than I'm sure it is in your municipality, relative to that. I can assure the member that I continued to fight for my municipality as an MLA and when I was Minister of Municipal Affairs on the decision that was made pertaining to this. I remember that I sent a note to the Minister of Environment at the time, Dr. Taylor, for his nice action on this issue because it's an important one in a growing community such as the Wood Buffalo region.

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

**Mr. Lindsay:** Thank you, Mr. Chairman. First of all, I want to congratulate the minister for the excellent job that your ministry does protecting our environment considering the level of resource activity in our province.

I would like to ask you some questions about a train derailment that happened out at Lake Wabamun, but I guess I'll wait till next year for that.

I want to ask you about drinking water quality. On page 33 of your annual report it shows that the number of facilities meeting the newest standards for drinking water is now up to 75 per cent. For those remaining 25 per cent that do not meet the newest standards, do you have a time as to when all Alberta drinking water facilities will be up to this new standard?

**Mr. Boutilier:** Mr. Chairman, through the chair, there are approximately a hundred facilities that may not meet the standards at this time throughout the province for various reasons. These reasons for not meeting the standards are related to the design of the system, not necessarily the performance. A detailed listing of these facilities can be generated, but it's important to recognize – and I'm sure the hon. member agrees – that Alberta Environment is working with the facilities to address the issues related to design standards. I think this is an important initiative that we devote our energy to at this point.

Peter, would you like to just add any technical information there?

**Mr. Watson:** I just wanted to say that there's always a bit of a lag. As we develop new design standards to reflect the latest technology, it takes a while for some of the communities to physically upgrade their systems. It has to be planned for and budgeted for. Our regulatory programs assure that safe drinking water is provided. The issue of design standards is just something that we plan for, and we assist the municipalities to achieve those upgrades in an orderly way.

**Mr. Lindsay:** Thank you. Through the chair, a supplemental then. When you talk of self-reporting by facility operators, what per cent of all facilities self-report, and what per cent, if any, report automatically through the Internet or other such technologies?

**Mr. Watson:** We're working with municipalities right now to encourage electronic real-time reporting. We have about 50 communities in Alberta today that electronically report real-time measurements of treated water quality. That number is expanding. Our plan is to capture all 500 municipalities on this real-time reporting system to help with confidence around drinking water quality.

**Mr. Lindsay:** Thank you.

**Dr. Swann:** With respect to some of the questions around sustainable development and SREM identified by the Auditor General, how do you plan to measure progress on sustainable development? What are the indicators? Those words are thrown around so often, and I'm not sure that we know what we're measuring.

**Mr. Boutilier:** Yeah. I think sustainable development are, perhaps, overused words. You know, I have a theory, at least how I guide my life: if it's not measured, it's not done. Even in a broader context: how are we helping our environment in terms of protecting it and sustaining it and providing stewardship? I believe that for SREM

one of the key indicators is stewardship with our partners if we are to be successful as the Ministry of Environment. That's why I'm very proud to say that the other ministries, rather than working in silos, which has happened in the past, are working with us in a more integrated perspective.

If I could, just for a moment, give you an example. When you spoke of sustainability such as coal-bed methane and what the cumulative impacts will be, I think it's really important to recognize that as we have gone forward, Alberta Environment continues to be a leader as a regulator in terms of what is important in protecting our environment and sustaining it. So when we announce science-based fact, when we do baseline testing, one of the I would say frustrating components of the ministry is that the more we have science-based fact, what we know today versus what we knew 25 years ago – obviously, our society is evolving and our culture is evolving, and so are the expectations of the government.

9:30

Some provinces didn't even have ministries of environment 25 years ago. I'm proud to say that, as you know, we were the first province in Canada to have a Ministry of Environment in 1971. We have gotten smarter. We have reflected on some of the laws that were in place then and mirrored what Albertans have been telling us. But at the same time, from a technical perspective sustainable development is trying to leave this planet in as good a place as we found it. I don't know if we can say a better place, based on what we know today, based on the science that has been revealed to us all, be it on issues such as global warming.

With that approach I've received some criticism from some saying that – I'll make a contradictory statement in this way. Some say: well, we should go back to the science. I have taken a very broad perspective that regardless of what science says, for instance, on global warming and CO<sub>2</sub>, I think it's prudent to take action in terms of what we are doing, in terms of finding solutions to what we can do better with science but also with our actions.

Sustainable development is a broad word. We will continue to measure such things as we talk about our vision and our objective of targets relative to landfill in terms of what we are going to be expecting to be the amount reduced in landfill, in terms of our measurements in a lot of the drilling that goes on. Scientific fact. It's so interesting, the environment of science and the environment of feelings that we deal with, but we want to deal with the facts, and we also want to take prudent action, and I believe that our ministry is doing that in terms of the ultimate goal of continuing to be sustainable into the future.

So we have many measures that we'll continue to use. If you want to go further, it will be my pleasure to talk about some or all of those measures.

**Dr. Swann:** In the year 2004-2005 can you talk about what sustainability means?

**Mr. Boutilier:** Number 5?

**Dr. Swann:** In 2004-2005 in relation to groundwater what does sustainable development mean?

**Mr. Boutilier:** This is a very good question: what does sustainability mean to groundwater? Under our Water for Life strategy, which is certainly considered to be a continental, progressive, proactive approach pertaining to issues such as groundwater, sustainability means geological mapping, inventory calculation. We will continue to work with our communities. I just met with over 30 communities



down in the Drumheller area where we worked closely. I'm very proud of our staff in terms of the positive relationship they have working with our stakeholders.

So what it means is inventory mapping. What it means is baseline testing. What it means is geological inventories where we can go forward and do geological investigation, get better inventory and data so we can use that in ensuring that every single Albertan enjoys and continues to enjoy safe drinking water. That's what sustainable development means to me in 2005.

**The Chair:** Thank you.

Mr. Oberle, please, followed, by Mr. Chase.

**Mr. Oberle:** Thank you, Mr. Chair. Mr. Minister, on page 33, the drinking water standards/facility reporting, the chart right at the bottom of the page, you've got the number of incidents where health-related limits were exceeded in a number of facilities. Would all those reporting numbers be relative to the 1997 standard, or are they relative to the standards that those facilities actually operate at?

**Mr. Watson:** Those incidents are relative to the standards that are in the approvals for those facilities, the limits that each facility has to meet. One of the issues that we have – it's very much a long-term issue – is the issue of trihalomethane production in groundwater associated with some of the organics in the source water. It's an issue that we work on through the upgrade of these facilities over their lifetime. It's not a chronic issue. The vast majority of these incidents are as a result of the source waters having lots of organic content, and it results in the trihalomethane production and becomes a long-term issue that the facility has to manage, not a short-term safety issue.

**Mr. Oberle:** Okay. Nonetheless, we have standards for reasons. We're seeing nearly 10 per cent of the facilities reporting exceedances of the standards and perhaps a 40 per cent increase in the number of incidents reported over the previous year. I wonder if you can speak to that. Is that cause for alarm?

**Mr. Watson:** No. Actually, it shows that the communities are being proactive. Those incidents are reported to us. It may be that there's been an issue with very turbid water that they're trying to treat, and we may have had to have a short-term boil water order in that community. So it shows that the facilities are being operated well, that they're monitoring the facility properly, and that when they identify an issue, it's being reported and dealt with. Our system is working.

**Mr. Oberle:** Okay. Thank you.

**The Chair:** Thank you.

Mr. Chase, followed by Mr. Rogers, please.

**Mr. Chase:** Thank you. Just to give you a chance to look up the reference: the blue book, page 989. Topic: an EUB contract. The credibility of the Alberta Energy and Utilities Board is viewed with a great deal of suspicion by both rural and urban residents due to its 60 per cent industry-funded base and its 98 per cent plus drilling approval rate. In the 2005 supplies and services blue book it indicates that the Ministry of Environment provided the Alberta Energy and Utilities Board with a \$110,579 contract. As I referenced, page 989. What service was provided, and why was it awarded to the AEUB?

**Mr. Boutilier:** In actual fact, it didn't go to the EUB. Sorry, I don't have the blue book. I had the blue book here. Where did it go?

**Mr. VanderBurg:** What can I get you? Do you want the book?

**Mr. Boutilier:** Yeah, I guess. It's my understanding and Peter seems to have knowledge that, in actual fact, it went to the geological . . .

**Mr. Watson:** The Alberta Geological Survey. They're a group of scientists that are doing research on groundwater and geology in the province. We contracted the Alberta Geological Survey and their scientific expertise there to help us complete a project that we call the base of groundwater protection. That helps us establish the standards and the limits for which groundwater needs to be protected because of oil and gas drilling. So that's work that that group of scientists have done for us because of their geological expertise.

**Mr. Chase:** My second question, then, is also related to the blue book, and this is on page 1029. The 2005 supplies and services blue book indicates that Environment provided the Bank of Montreal with a \$2,010,258 contract. What service was provided by BMO, and was there a particular reason that BMO was selected?

**Mr. Boutilier:** First of all, giving any kind of contract to a bank I think should raise an eyebrow. I don't know how well you get along with your banker.

It's my understanding that this was used for – was it for the purchase of supply?

**Mr. Watson:** Yeah. These are the purchasing cards that are standard across government, and we have government-wide policies on the use of those cards. They're to purchase supplies and services that we use to manage the offices.

**Mr. Boutilier:** I guess the question was: why the Bank of Montreal?

**Mr. Chase:** A better rate?

**Mr. Boutilier:** I don't know. I don't use the Bank of Montreal in my personal life, so I really can't say why.

**Mr. Watson:** It was actually the vendor chosen, and the contract is administered through Restructuring and Government Efficiency government-wide.

9:40

**Mr. Boutilier:** I assume we got a better rate there than anywhere else.

**Mr. Chase:** Okay. I'm glad to hear that there was a bid.

**The Chair:** Mr. Rogers, please, followed by Mr. Bonko.

**Mr. Rogers:** Thank you, Mr. Chairman. Mr. Minister, first of all, I'd like to congratulate you on the job you're doing and thank you for the energy that you've brought to the Ministry of Environment. On page 34 of your annual report there's a measure and target for tonnes of CO<sub>2</sub> equivalent per million dollars of GDP, indexed to 1990. In your opinion, Mr. Minister, is this the right measure, considering that it depends more on what our GDP is rather than whether or not we're actually eliminating CO<sub>2</sub> emissions?

**Mr. Boutilier:** Yeah, I think that's important. It's not only my opinion, but I think it's an accurate measurement of climate change action. As you know, we are the only province in the country that has a law on climate change and emission management. I am confident that an intensity-based approach is the right one to demonstrate progress made, and I say this with confidence because this is really what I refer to as a stretch objective. What I mean by that is that I agree that a strong GDP will help to meet the objective, but the level of the target is such that we will still need real reductions in emissions largely from technological development. So it's not just at the expense of prosperity.

I believe that technology, as I spoke of in Buenos Aires where the actual former Liberal government, the federal Environment minister, gave Alberta its time in '04-05 to share the stage with 189 countries. Because of the actual fact of Alberta's leadership we talked about technology bridging the gap and the interest.

I would also like to point out that a major driver of this GDP growth, oil and gas, is a core area where regulations and technology opportunities are always pursued and will continue to be pursued because it reflects the Alberta attitude: we can always do better. We will, and we'll continue to lead, in my view, not only this province but this country in terms of our reductions.

**Mr. Rogers:** Thank you. A final supplemental, then, Mr. Minister. Realizing that the target of 50 per cent below 1990 levels was set by way of international agreement, was your target for 2020 based on the premise that new technology will be developed to ensure that Alberta achieves this goal?

**Mr. Boutilier:** Let's be clear. Our objective was developed in Alberta with Albertans. I also want to say that we didn't first pick a target and then try to go out after the fact and try to figure out how to meet it. It's kind of like the wagon in front of the horse. We're seeing the impacts of that approach today in Ottawa.

Instead, our objective is based on actions in the coming years as we go forward: the efforts of Alberta Climate Change Central, the efforts of our technology, the efforts on renewable energies, which is an important part of the equation. So technology plays a role. I want to say that the approach that we're taking – and I'm encouraged by the made-in-Canada approach that is being made reference to today – I think is an important one. I do believe that Alberta's leadership is playing a role at the national level now when it comes to that.

I want to say that from an emissions intensity level, which we think is the practical approach, we're going – we are or we're going to be?

**Mr. Watson:** We are.

**Mr. Boutilier:** We are presently 15 per cent below the 1990 levels that were established by the United Nations protocol. So we're already one-third of the way there in terms of where we're going, and I'm encouraged that we will get to our goal by 2020.

Let me conclude by saying this. This is a generational issue, so as we talk about, "Are you in the same year?" let's take the approach in a way that by 2020 we are the only government in Canada with a plan to obtain significant objectives in reducing emissions. We think it's the right approach, and I think it's proven each and every day in the actions we're taking.

**Mr. Rogers:** Sounds like a good start. Thank you.

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

**Mr. Bonko:** Thank you, Mr. Chairman. Going back to the 2005 supplies and services blue book, Environment provided Direct Energy with a contract of \$281,131. I'm not sure if this would have been for what had happened in the past with the other outsource for groundwater and their expertise in geology, but this one was for Direct Energy.

**Mr. Boutilier:** I need the blue book before I go any further.

**Mr. Bonko:** Sure, and that was on page 1162.

**Mr. Boutilier:** Okay. If I could get the blue book, then we'll look at it. It's speculation that it may relate to electricity costs relative to – Peter, do you want to add? Or let me just fit in another comment if I could, while I get your page, because it's a good question. If I could just for a moment go back, I actually learned that there were 60 municipalities that received money in the year relative to grants. Wood Buffalo was one, but I must admit that there was \$12 million given out in grants, and only \$237,000 came to Wood Buffalo. So I have to look and see if, in fact, Wood Buffalo was penalized for something along the way, contrary to the assertion that was being made by the hon. member. I'm a little bit concerned about only \$237,000 coming that way in a growing community.

**Mr. Bonko:** Page 1168. Sorry.

**Mr. Boutilier:** Any other questions while we look at it?

We'll get you the detailed information on what you are looking for. The blue book doesn't really give me any more detail other than it says: Direct Energy, Environment.

**Mr. Bonko:** Exactly.

**Mr. Boutilier:** Okay. Well, Peter, do you want to talk about the electricity in our buildings in terms of what we dealt with with Direct Energy?

**Mr. Bonko:** I have another one, then, if we want to go. Perhaps this is where your Smart car came from, the Jim Pattison Lease. The blue book indicates on page 1312 that there was \$1,344,000 and change to Jim Pattison Lease.

**Mr. Boutilier:** Do you want to just add to that, Peter? Go ahead.

**Mr. Watson:** That's the lease cost for our vehicle fleet. That mechanism is administered through Alberta Infrastructure and Transportation for the government-wide fleet.

**Mr. Boutilier:** But they're not all Smart cars. Some of them are SUVs because we need SUVs, in actual fact, to get out into the field and do some of the work that's done. So I don't want the illusion to be that they're all little half tin cans. There are also other things, SUVs as well, to get the job done.

**Mr. Bonko:** That's smart.

**Mr. Boutilier:** That's smart, yeah. Thank you.

**The Chair:** I would like to remind the minister and his staff that if you could give your written response to the clerk for distribution to all members of the committee and if we could have that not through the course of time but within a month, the committee would be very grateful.

**Mr. Boutilier:** You have the minister's commitment to have that done, in fact, hopefully by the end of the week.

**The Chair:** Cool. Okay.

Mr. Rodney, please, followed by David Swann.

**Mr. Rodney:** Thank you very much, Mr. Chair. To the minister: after reviewing not the blue book but the green book here, environmental leadership '04-05 annual report, I have not been able to find the answer to my question. If it's not in here, perhaps you could respond in writing if you don't have it at the ready. Considering the chair that I currently sit in, you might not be surprised at my question, which is this: how much money, if any, from your budget of '04-05 did your department spend on cleanups related to contamination sites, including those involved with illegal drug activity? Do you have any of that information at all? I'm wondering if it actually falls within your jurisdiction or if there's someone else who does these cleanups, including toxic sites due to illegal drug activity.

**Mr. Boutilier:** We do have a bit of information for you.

**Mr. Rodney:** Great. Thanks.

**Mr. Watson:** I'm going to have to check to provide you the details, but I know that we participated in some cleanup and provided some technical advice to the local municipalities in terms of some crystal meth sites that were cleaned up and the chemicals that were responded to. I know of one instance within the city of Edmonton where it was the city of Edmonton and their hazardous materials people that took responsibility for that. We were there to provide technical advice on the handling of the chemicals.

So I don't know the dollar amounts that we may have expended. It may be that we haven't expended any, that it was the local municipalities that expended the funds. But I can provide that information. We certainly were involved.

9:50

**Mr. Rodney:** That would be appreciated. I've had constituents not just from my area but also from places like West Yellowhead – I know that the member there that would be interested.

**Mr. Boutilier:** To the hon. member through the chair. Traditionally, in rural Alberta Environment is more directly involved as we help some of our medium-sized and other municipalities. With the city of Edmonton and the city of Calgary, where they have their own hazardous waste approach, we are there to provide any support. But, certainly, in central Alberta, where I know we've had some involvement where some animals were at risk based on some of the contamination sites, we are directly involved in assisting the municipalities as partners. In Edmonton, of course, the city assumes that responsibility. But we'll get you more details for sure. It's a good point.

**Mr. Rodney:** Great. Thanks.

So my second question . . .

**The Chair:** That was already two questions.

**Mr. Rodney:** No, sir. I asked about contaminated sites. Sorry. But that was question 1. It was about contaminated sites.

**The Chair:** Okay. Go ahead.

**Mr. Rodney:** The next one. Again, they could answer either quickly or through the notes. I've had a number of calls from constituents about the recycling program, and I have to say that a very high percentage of people are very happy with it, so I understand about the plasma.

**Mr. Boutilier:** Thank you.

**Mr. Rodney:** But they've also asked: are there other components, other electronics, or other programs involving recycling that have been planned in 2004-2005 that might, you know, add to what already is a good program?

**Mr. Boutilier:** For the electronics we're very pleased on how it's been conducted. But I can say that as part of our initiative and proactivity relative to our conservation strategy that will be coming forward, when you go into a particular coffee shop in town where you can buy donuts, which starts with T and ends with H, this is an excellent classroom for connecting with Albertans at what I call the grassroots in terms of environmental messages and conservation messages. In fact, I have sent a letter to a particular president of a company suggesting that offering an SUV when you roll up the rim perhaps may not be the most environmental type of approach that you should be taking in terms of promoting long-term sustainability within our environment. I haven't received a response as of yet.

**Mr. Rodney:** Thank you, minister. Thank you, chair.

**The Chair:** David Swann, please.

**Dr. Swann:** Thank you. Getting back to the reclamation costs that the Auditor General has raised as a concern, the oil and gas industry has an orphan fund for companies that default on their payments. Why don't we have an orphan fund for the installations that you folks are responsible for and that public liability is now on the hook for?

**Mr. Boutilier:** You raise a good question. It brings me back to when I had the honour of serving as chairman of the standing policy committee in 1997. The then minister, the Hon. Ty Lund, and I were looking at that point at potentially half a cent that would be dedicated towards that. So I'm reviewing that as we speak. Right now my ministry is examining the need for additional funding pertaining to a liability management program to deal with orphan sites.

I also want to say, in addition, that our government has established funding programs to deal with contaminated sites when needed. For example, Municipal Affairs, the ministry I was previously with, did establish a funding program to assist with the cleanup of former independent retail fuel stations. To give you an example, I'm very proud to say that when that program was announced, it was to the tune of \$80 million, which I thought was very positive. I might say, though, that that fund is nearing its end because of the tremendous interest by Albertans in applying to such a fund.

So in the future, I think it's important to say, it's an issue that is within our radar screen. I have a keen memory of our discussion back in 1997 in terms of what associated costs should be allocated to this type of thing. But I also want to say that I'm not for a moment letting companies off the hook for what they are responsible for as well.

**The Chair:** Thank you.

Your second question, please.

**Dr. Swann:** Yeah. I'd like to just reinforce that we're talking about companies that aren't there anymore, that have gone out of business, that have abandoned their responsibility, and again the public is left holding the bag. We have a huge number of potential liabilities there.

**Mr. Boutilier:** Yeah. We have identified six sites – do you have a list of the six sites that we have? – on exactly that point, that the owners have moved on. There is no tracking of who is responsible today in terms of who is going to do the remediation. But we have, actually, a list of the companies, I believe.

**Mr. Watson:** Yeah. Those are the sites that we have identified in terms of our analysis for the contingent liabilities that are in our financial statements. So while there are lots of industrial sites, we have a very small number that have been abandoned or, actually, indeed orphaned. Our regulatory programs are going after the responsible parties in other cases and ensuring that the polluter pays for the cleanups.

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

That concludes this portion of our meeting. On behalf of the members of the committee I would like to thank the hon. minister and his staff for their time and, again, their commitment this morning and wish them the very best in the next fiscal year.

**Mr. Boutilier:** Thank you. I want to extend an offer to all members of all parties that if they would like to drive a Smart car and be viewed as smart, I will offer it to anyone who would like to drive it any time on the weekend, when it sits here.

**Mr. Bonko:** Are you willing to help us push it though?

**The Chair:** To the minister and his staff, please feel free to leave. You certainly will not hurt our feelings. We have a couple more items on our agenda, and we realize that you have busy schedules.

On our agenda this morning we have item 5, and that is in regard to a comment, more of a reminder than a comment, from the Auditor General at our last meeting about the 2006 Summit on Results Based Management, that is taking place in Victoria on Monday and Tuesday, May 8 and 9. It was suggested that it may be of interest to some members of the committee to attend this conference.

If the committee wants to send a member or two members to this conference, a motion would have to be passed and the Speaker through his office would have to approve the out-of-province travel expenditure, although the committee does not have a budget for this. We don't have a budget for this, but funds, I am told, possibly could be found in the overall committee envelope to cover the expenses. Now, it is estimated that \$1,500 would cover the costs of one person to this conference. That would include the \$600 registration fee, a flight from WestJet, two nights' hotel, and meals, taxis, et cetera. The chair is at the direction of the committee here.

Mr. Dunn, do you have anything to say at this time?

**Mr. Dunn:** No. As I say, it's a summit which is very close to home; it's very near. It talks about many matters that you are asking questions on, which is all around performance reporting, appropriate targets and how those are selected, and the challenges that Public Accounts Committees can make around performance reporting.

**The Chair:** Okay. Thank you.

**Mr. Chase:** Just two questions. One, would there be an expectation that whoever attended the meeting would report back to the Public

Accounts Committee on their findings? Secondly, is there a member who is interested in attending the conference? We could then make the motion.

**The Chair:** Certainly the delegation would be expected to report back to the committee. If there are members interested in attending this conference, I think they should either approach the chair or the vice-chair with their intentions. We could certainly approach the Speaker's office and see how things may or may not work out, and we could put the names of interested members in a hat and draw one and maybe an alternate or whatever and see what happens.

**Mr. Chase:** So shall I make the motion, then, to the committee, or would you like to?

10:00

**Mr. VanderBurg:** Well, I'm just wondering if we can by a show of hands see if there's anybody interested before we get going too far, because there's no use making a motion and going to the Speaker unless there's interest. So maybe by show of hands, could anybody indicate whether they would be interested in making the trip? We are in session at that time. So we do have three members.

**The Chair:** In all fairness to some members who have had to excuse themselves this morning, perhaps we should alert the entire committee. We'll alert them and then they'll have a week to let the chair or the vice-chair know.

**Mr. Chase:** So the motion then would be that given the selection process, the draw from the hat, the Public Accounts Committee would recommend to the Speaker's Office that

we receive funding support for sending two members of the Public Accounts Committee – that makes it \$3,000 – to the Victoria conference,

after which time they'll report back to the committee.

**The Chair:** That is the motion.

Before we vote on the motion, I would like to hear from Dr. Morton, please.

**Dr. Morton:** This conference is separate and distinct from the annual meeting of Public Accounts?

**The Chair:** Yes, that's correct.

On the motion before the committee. All those in favour? Opposed? Seeing none, the motion is carried.

We will direct our inquiries to the Speaker's office at this time, and there will be a memo circulated to all members in regard to this motion, if they are interested in putting their name in the hat to attend this conference.

**Mr. VanderBurg:** I'm just wondering if there's also the opportunity for the committee clerk to travel on this. I know that when I went to the conference last summer, it was very valuable for me, and I think it was valuable for our committee to have the clerk attend. So how are the clerk's expenses covered under this committee? Is that through the Speaker's office as well? I'm not sure on that.

**Mrs. Dacyshyn:** It's through the same budget.

**The Chair:** Yeah, it is through the same budget as the members whenever they travel to a Public Accounts conference. It would be the same budget as what the members of this committee use.

**Mr. VanderBurg:** So given that information, I would ask that when we talk to the Speaker's office with regard to the expenses, we also include expense money for the committee clerk.

**The Chair:** Okay. We will do that.

**Mr. VanderBurg:** I don't know if that needs to be in a motion. I think that's more of an administrative thing when we have staff go. I think the motion covers the elected members.

**The Chair:** The chair would be more comfortable if we had a motion to that effect.

**Mr. VanderBurg:** I would make it a motion then, Mr. Chair.

**The Chair:** All those in favour of the motion? Opposed? Seeing none, also carried. Thank you very much.

We will report back to you at the conclusion of next week's meeting in regard to this. Pardon me, in two weeks. I'm sorry. I apologize.

The date of our next meeting will be Wednesday, April 5, with the hon. Mr. Hancock, Minister of Advanced Education, in attendance.

Are there any other matters to be discussed? Seeing none, could I have a motion for adjournment? Moved by Mr. Prins that the meeting be adjourned. All in favour? Opposed? Carried. Thank you.

[The committee adjourned at 10:04 a.m.]

