

[Chairman: Mr. Pashak]

[10 a.m.]

MR. CHAIRMAN: I'd like to call the meeting of the Public Accounts to order. The first item on the agenda is to approve the minutes of our April 8, 1987, meeting. Is there a motion to approve? By Mr. Brassard.

Any discussion on the minutes? Agreed that they be adopted?

HON. MEMBERS: Agreed.

MR. CHAIRMAN: I'd like to introduce to you today the Hon. Ken Kowalski, Minister of the Environment, and I'd ask him to introduce his guests.

MR. KOWALSKI: Good morning, Mr. Chairman, and good morning, distinguished members of the Standing Committee on Public Accounts. I was making a comment a little earlier that I think sitting in this chair really sort of fulfills my rotation around this House. I think I've sat virtually everywhere, and I sincerely hope that it's not an omen of things to come, that one would be relegated to this position in perpetuity.

MR. CHAIRMAN: Or perhaps, Mr. Minister, as Leader of the Opposition, you mean?

MR. KOWALSKI: Well, I was trying to be subtle, but I wouldn't want to bring in specifics.

I'd like, at the outset, to introduce the gentlemen with me. To my left is Mr. Vance MacNichol, who is the new Deputy Minister of Alberta Environment. Mr. MacNichol joined us in that capacity as of January 1, 1987. To his left is Mr. Bill Simon, who is the assistant deputy minister of finance and administration services in Alberta Environment. To my immediate right is Mr. Lorne Mick, who is the chief executive officer of the Alberta Special Waste Management Corporation. And two down to my right is Tom Thackeray, who is my executive assistant as Minister of the Environment and minister of Alberta Public Safety Services.

Mr. Chairman and members of the committee, I've read the annual report of the Auditor General, 1985-86, and I note a comment on page 43 of the annual report of the Auditor General. I would like to quote, with respect to Environment:

Of the matters reported to management, there were no observations which the Auditor General considers should be brought to the attention of the Legislative Assembly.

I'm just delighted that that independent assessment conducted by the Auditor General has come forward to that conclusion. So that being the case, I have no more comments to make. I'll simply now put myself at the disposal of members of the committee, should there be clarifications, information, questions, or other items that they would like to deal with.

Thank you very much, sir.

MR. CHAIRMAN: Well, I really appreciate that refreshingly brief statement. Thank you, Mr. Minister.

MR. PAYNE: Mr. Chairman, may it also be an omen.

MR. CHAIRMAN: Anyway, we have quite a list of people that do wish to put questions to you. I'll begin with Mr. Brassard.

MR. BRASSARD: Thank you, Mr. Chairman. Mr. Minister, could you advise as to what the special warrants in 1985-86 were for? They were mentioned in the Auditor General's report.

MR. KOWALSKI: Certainly. There were a number of special warrants in the fiscal year 1985-86. They are listed in the statement of public accounts. There was one, OC 554/85 which occurred on August 14, 1985, in the amount of \$178,000, and it dealt with a situation affecting an individual by the name of Mr. George Buchta.

Many years ago in the past, in the province of Alberta, in 1968 and 1969 reclamations, certain reclamation certificates were applied against some land that the gentleman owned in the Drumheller area, and it had to do with an old mine. Court action was commenced in May 1970, certain decisions were made, and a whole series of legal events transpired between 1970 and 1985. In 1985, finally, as a result of all the legal discussions and the like, including a provision for a new trial, when the whole thing was out, a decision was made to solve the situation, which was based on a legal opinion from the Attorney General's office, and a settlement was reached with Mr. Buchta. It was one of those events that occurred as a result of coal mining developments in the 1960s in a certain part of the province, and of course that occurred before we had our new rules with respect to coal reclamation come into effect. That was one special warrant.

The second special warrant, OC 499/85 dated July 31, 1985, was in the amount of some \$5 million, and it was provided to provide funds for the provision of ground water and surface water supplies in various communities in Alberta affected by the continuing drought conditions. Members will have to recall in their minds to go back to the fiscal year 1985-1986 when we talked about a number of Alberta drought emergency water supply programs, and the operative word, of course, is "emergency." As they were not funded under the General Revenue Fund there was need then to seek special warrants for these special programs that were developed. Assistance was provided to a number of community water supply projects throughout the province, as well as to over 2,100 individuals throughout the province affected by the drought as well.

Another, OC 553/85 dated August 14, 1985, in the amount of \$5 million, provided funds for the immediate start of construction of the Forty Mile Coulee reservoir project. The concern there was -- once again it was drought related, and the need to move in some certain projects as a result of the climatic conditions in the province to ensure a water supply to the Bow Island region of southern Alberta.

Another OC special warrant was OC 161/86, dated March 13, 1986, in the amount of \$14 million. Members will recall that when we talked about the estimates of Alberta Environment in the Legislature last year we talked about the change that occurred. The original funding for the initial start of the Oldman River came under the General Revenue Fund under the estimates of Alberta Environment. It originally started with the capital projects division of the Heritage Saving Trust Fund, and then the decision was made to put it under the General Revenue Fund, so there was an amount of \$14 million, which was a transfer of dollars from one fund to the other.

There was one other OC that was also dealt with, and that was OC 440/85 in the amount of \$2.5 million, and that was to provide funds for the execution of the agreement between Kinetic Ecological Resource Group and Alberta Environment and the dollars that basically saw Kinetic go out of business and

responsibility for the goods that were assembled at the Nisku site transferred to the Alberta Special Waste Management Corporation. That should be something like \$21 million, I think, in special waste management.

MR. BRASSARD: A supplementary on the last warrant that you mentioned, the \$2.5 million for the execution of the agreement between Kinetic Ecological Resource Group (1982) and Alberta Environment. Could you advise as to how these funds were disbursed?

MR. KOWALSKI: Okay. Recently we tabled in the Legislative Assembly the annual report of the Alberta Special Waste Management Corporation for that particular fiscal year. In terms of the specifics with respect to the \$2.5 million, I think the Auditor General's report indicates that it was just a few dollars less than \$2.5 million that was in fact expended. It was \$2,476,430.73. That was made up of the following items: furniture, fixtures, and equipment, \$454,500; employee termination allowances -- that's employees of Kinetic Ecological Resource Group (1982) Ltd. -- of \$70,000; general consideration, \$1,875,000; prepaid rentals, \$32,477.16; May rent, pursuant to existing leases that were in effect, \$34,652.28; prepaid utilities of \$3,945.39; interest of \$5,855.90 -- to give you a total of \$2,476,430.73.

MR. BRASSARD: Thank you very much. One further question, Mr. Chairman. I notice in vote 4.2 there was some \$7.8 million unexpended for '85-86. Could you please indicate just why this money wasn't spent?

MR. KOWALSKI: Sorry, what was that?

MR. BRASSARD: It was \$7.8 million in vote 4.2: surface water development.

MR. KOWALSKI: The total amount of dollars that were unexpended in vote 4 for the water resources management item amounted to \$6,072,105. The figure you quoted, sir, was . . . ?

MR. BRASSARD: Seven point eight million.

MR. KOWALSKI: Well, that would be made up of a variety of items. Basically, in vote 4, of the surpluses that were arrived at: under the manpower element, \$394,105; supplies and services -- which in essence would be provisions for actual projects -- \$8,424,720; grants of \$800,634; fixed assets of \$154,052; for a surplus in that one vote of \$9.773 million. Now, there were also some items that were reduced or capitalized as a nonbudgetary disbursement of \$3.7 million, and the figure that I basically have is \$6,072,105. If you can give me a page number that I can refer to to get to the figure of 7.2, I . . .

MR. BRASSARD: Page 10.2, Public Accounts, volume 2, half-way down the page: "Surface Water Development and Control -- \$7,819,116" unexpended.

MR. KOWALSKI: Yes.

MR. CHAIRMAN: Might I just interrupt at this point to suggest that it would be helpful when we are asking questions of the minister for everyone to indicate which page they're on.

MR. BRASSARD: I'm sorry; I should have done that. I have it here.

MR. KOWALSKI: The biggest items that would really arrive at that under the surface water development -- there was a figure of \$1,607,386. That was an outstanding claim with respect to the construction of the Dickson dam, and during that fiscal year we had budgeted that certain amount of money. But as it came to pass, basically there was some litigation that had to be dealt with, so the dollars could not be awarded during that fiscal year as a result of the court case that was outstanding.

Oftentimes in some of these large, major capital projects you tend to run into the situation where somebody has a particular claim with respect to it; \$2,562,009 was not expended during that fiscal year that had been allocated for construction plans with respect to the Oldman River dam. The construction plans did not materialize because of a lack of progress in certain land negotiations during that fiscal year. Other amounts on some smaller projects basically, in some cases, were not needed because the project basically came in at less than what the original estimate was in the particular estimate, and the like.

It's not at all uncommon, of course, when we develop a budget. You develop a whole bunch of projects, and you basically guess in your mind on the basis of what construction costs are and the like, that a project will come in at a certain amount of dollars. During the 1985-86 fiscal year there were some projects, of course, that came in less than that, so there was no need to expend those dollars and they were simply returned.

MR. BRASSARD: May I ask a clarification question?

MR. CHAIRMAN: Okay, a clarification question would be in order.

MR. BRASSARD: Just for clarification, Mr. Minister, then. What you're saying: the bulk of that amount was basically allocated; it was a matter of timing that it just wasn't utilized.

MR. KOWALSKI: Timing, a bit of luck in construction costing, and also, of course, the vigilance in terms of saying that if a project can come in at less than what was originally estimated, then we would not be expending the dollars that the Legislature had budgeted for. We would expend only those which were required.

MR. BRASSARD: It's unfortunate that some of that good news can't get out as well as the bad news in these projects.

MR. CHAIRMAN: Well, that's a political comment. Mr. Ady.

MR. ADY: Thank you, Mr. Chairman. My question also has to do with unexpended funds. On vote 4.7 it shows the sum of \$1.2 million unexpended. Could you, Mr. Minister, explain why that money remained unspent at the end of the fiscal year? It has to do with vote 4.7 on page 10.2: \$1.260 million.

MR. KOWALSKI: That had to do essentially with the groundwater development side of it. You recall that I talked a few minutes ago about the emergency program with respect to the drought condition of 1985-1986. There were a number of groundwater well projects that had been approved for drilling under the drought emergency water supply program. They were not completed by the end of the fiscal year, March 31, 1986. As

a result, those dollars were not expended in the fiscal year 1985-86; those dollars then came in under the fiscal year 1986-87. The government had approved the expenditure level because there was a rush to have a lot of these water wells drilled. They were not drilled by the time frame, March 31, in terms of the budget year, so they fell in for payment probably in the months of April, May, and June, and there was that major amount of dollars that didn't have to come out of the '85-86 fiscal arrangement.

MR. ADY: So it was a time frame thing that just . . .

MR. KOWALSKI: That was the case of many, many construction projects of this type. I've talked about the individuals as well. I indicated a little earlier this morning as well that were a fair number of communities in the province of Alberta that also benefited under the particular program. It was simply a timing matter that they didn't have their accounts all in and settled by March 31, 1986, so they went into the 1986-87 fiscal year for payment.

MR. ADY: Okay. The other questions that I had had to do with special warrants, specifically to Forty Mile Coulee and also the Oldman River dam. You've dealt with those previously, so I'll go to the bottom of the list because they wouldn't . . .

MR. CHAIRMAN: Mr. Payne

MR. PAYNE: Thank you, Mr. Chairman. While the minister has his finger on the calculator on page 10.2, I wonder if we could just shift from the quite appropriate questions of unexpended funds to the broader question of environmental bang for environmental buck spent. With particular reference to vote 2.2, air quality management. Two point seven million dollars in a province our size is a fairly significant investment in that monitoring function. I wondered if the minister could just take a moment or two -- realizing I'm incurring a very great risk of a prolonged answer -- if he could succinctly help us understand just how much environmental bang, as I say, we got for that environmental buck in a very important area of air quality management, particularly in the urban centres.

MR. KOWALSKI: Our commitment is in two centres, by the very nature of Alberta. One, of course, is the urban component of it all, and the other one is the rural component of it all. And what we've basically got is an air monitoring network that exists for our two large cities, the cities of Edmonton and Calgary. We also have mobile laboratory labs in rural Alberta that function out of Red Deer, Whitecourt, and in the Edmonton-Calgary areas as well. We have a whole series of stations. They are monitoring stations that are located here and there throughout the province. There are four in Edmonton and four in Calgary, a series of several hundred that exist throughout the province of Alberta. They are there, and basically what they do is take readings on a whole series of chemical components within the air within the environment. They're adjusted, and of course they're reviewed to see what is happening in terms of trends and the like. Sir, I could be a heck of a lot more specific, but I don't know if that conveys to you the generalities of the program.

MR. PAYNE: I'm reluctant to chew up a supplementary here, Mr. Chairman, but that 2.7 then, I take it, is largely salaries for the scientists and others that staff those air monitoring centres

you referred to.

MR. KOWALSKI: Most of what we have in terms of the pollution control votes that we have in this particular department is geared to salaries. They're manpower components. Once you purchase the machines, the capital investment is basically purchased in a particular fiscal year. It's written off in that fiscal year, so there's no depreciation factor or additional factor in terms of dollars other than, of course, the maintenance factor. But to answer your question very, very specifically: it essentially deals with the manpower component, yes.

MR. PAYNE: How many sups do I get?

MR. CHAIRMAN: Well, I'm going to be somewhat flexible.

MR. PAYNE: Well, I shall seize upon the Chairman's offer of flexibility then.

Could I ask the minister, Mr. Chairman: is he satisfied? That is to say, does he feel that the number of people for whom we provided this \$2.7 million a year ago is adequate to monitor the air quality picture of the province?

MR. KOWALSKI: I think it is, Mr. Chairman. In addition to the monitoring stations that exist in the Edmonton region, the Calgary region, and throughout the province and some of those other spots that I talked about, and the several hundred machines, the instruments that are there, we have, in addition, one major mobile bus that operates on a provincewide basis. It's located in Edmonton.

I'm sorry. I guess the documents we're talking about today relate to the 1985-86 fiscal year, but if the Chairman would permit, I would make a comment of where we're at today, which is out of the time frame.

MR. CHAIRMAN: I think that would be acceptable to the committee.

MR. KOWALSKI: We have one of these mobile units, and they cost approximately one-third of a million dollars. It's a very, very sophisticated machine. It's got all kinds of computer instruments in it, and it will take out readings, and much of the stuff comes in a science I don't understand. It's a mathematical science and a scientific chemical analysis.

But to come to the bottom line of the whole thing, he's saying: do we have enough in place? I think we do have enough in place. However, there are events that occur periodically which cause me to question that, and I'm looking at the question of whether or not we should have purchased a second such mobile facility and have it located in the Calgary region for southern Alberta. There's nothing to suggest at the moment that the unit that we have operating out of Edmonton has not been able to meet the needs of the people of Alberta. There may be a perception, however, in some people's minds that: "Well, okay; that's fine. You say that. On the other hand, why don't we have one? We want one, too, for our part of Alberta," kind of thing. Edmonton is still in the southern part of the province of Alberta, but I guess citizens who live in Calgary and south somehow think Edmonton's in the northern part of the province of Alberta. So I'm looking at the possibility of that, and it may very well be that in the spring of 1988, should I remain as the Minister of the Environment, I may very well be standing before the House and asking for approval to purchase a second such

mobile unit and have it located in the Calgary region.

MR. PAYNE: Well, Mr. Chairman, as the Calgary member I'd be the last one to agree that Calgarians pursue that kind of approach; that is, they'd like to have everything matched that Edmonton has. But having said that, I would certainly pledge my support to the minister's bid in a subsequent year for the mobile unit such as he's described for Calgary. [interjections]

MR. CHAIRMAN: We're getting a little bit off topic and out of order, hon. member.

MR. PAYNE: One final supplementary.

MR. CHAIRMAN: One final supplemental, but I think it should be directed to the '85-86 Public Accounts.

MR. PAYNE: Mr. Chairman, I'd like to do that. I appreciate the direction.

Vote 2.7, chemical and pesticide management, the same question, Mr. Minister: for that \$2.1 million, what did we get?

MR. KOWALSKI: Sorry, Mr. Payne, I was shuffling paper here because -- which one was that again?

MR. PAYNE: Same page -- 10.2, vote 2.7, chemical and pesticide management, \$2.1 million, which seems like a quite appropriate investment, but what do we get for it?

MR. KOWALSKI: What we get, sir, for that basically is an approach to the manpower requirements with respect to the complete licensing and the training of applicators, dealers, with respect to the utilizations of herbicides, pesticides, insecticides in the province of Alberta. In addition to that, we are involved in the pesticide container collection system. What we're talking about are basically now essentially plastic containers that the industry has gone to when individuals mostly in the agricultural community are doing their spraying and the like. Those in the industrial vegetation management area are doing their work in terms of spraying. We have to provide licensing requirements. People have to apply to get a licence. We have to ensure that they are bona fide and trained in that particular area, and it deals with that whole administrative network that's put in place in this area.

Ongoing with it, of course, as well, is the need to be in a position to provide information to those individuals in Alberta who want to get information with respect to a particular pesticide, insecticide, or herbicide. Alberta Agriculture is also involved in this, but Alberta Environment basically is the licensee.

Also included in the whole program and process is the need to constantly monitor and evaluate with the federal regulatory authority those numbers of chemicals which now -- we don't have 80,000 different ones in the province of Alberta, but members have heard me talk about between 80,000 and 100,000 known chemicals that exist in the world. We don't have that many in our province. The number is considerably smaller than that, but the subject matter is absolutely incredible, because most of those particular chemicals -- really I think that the world has not been very vigilant in the past. While many of these chemicals have been allowed to be put on the market, the question of how you dispose of them has never really been addressed until recent years. And so one of the things that's also happening under our little administration of chemical and pesticides

management group is our push on a national level to become increasingly more sophisticated: how do we deal with the disposal of these things?

You've heard the concept -- the life cycle approach, or the cradle to the grave concept -- with chemicals and chemical management, and the position that we want to take in the province of Alberta as the government of Alberta is that before a particular chemical is licensed for sale on the market, that the company, the person who obtains the licence to allow to sell that particular chemical, must also tell us how that chemical must ultimately be disposed of. I guess if originally that had all started and that had been put in place, we wouldn't have the concerns that do exist in the world with respect to all of these chemicals.

MR. CHAIRMAN: Mr. Downey.

MR. DOWNEY: Thank you, Mr. Chairman. Mr. Minister, there's some concern in parts of the province and parts of my constituency that soil acidification is becoming a growing problem and potentially limiting to agriculture. I was wondering if you could speculate on how much of that is caused by fertilization, and what your department is doing in the area of acid rain monitoring in the province?

MR. KOWALSKI: We have in Alberta Environment vote 5, which covers the research projects that have been put in place. In looking at vote 5 of these particular estimates, members will note that certain dollars were allocated for certain types of research. One of the major research projects that we have is one called the acid deposition project. Basically, it deals with the so-called question of acid rain in the province of Alberta. Now, we don't have an acid rain problem in the province of Alberta, but a number of years ago we committed as a government to a major research program called the industry acid deposition research program to look at the effects of acid-forming gases on the environment and human health, and they were assessed. That program started in 1983-84 and the subject matter we have today before us is the third year of it. It's a joint venture between the government, the petroleum industry, the Energy Resources Conservation Board, and the electric utilities, and you can see the commitment that was part of it.

In addition to that, by way of rather sophisticated biophysical research, which concentrates on the agricultural areas essentially in the southern part of the province of Alberta, inventories have been taken with respect to the impact of all of this on soils and the like. It doesn't appear that there are any major problems today in the province. However, we are continuing with our commitment to this acid deposition program. You'll note the estimates of 1987-88 maintain exactly the same dollar figure as occurred in the last year, and we're going to maintain that commitment. Periodically reports are released, tabled in the House, and released to the public, which show the state of the art with respect to this particular matter.

In addition to that, sir, we have at Vegreville, the environment research facility which is geared totally to applied research. In fact, Mr. Chairman, I'd like to make a suggestion that members of the Public Accounts Committee might want to take a little field trip out one of these days to see exactly some of these projects that are in place, because in Vegreville we have one of the most sophisticated applied research laboratories that anybody will see anywhere. It's applied research. It's not esoteric research; it's basically problem-related research. Some-

body brings in and says, "What would happen if certain things were to happen to my soil?" and is dealt with on an ongoing basis, on a one-to-one basis, and it deals with that kind of matter. In addition to that, sir, we maintain a good contact with Alberta Agriculture that has, of course, researching projects with respect to that, and are involved with the Energy Resources Conservation Board on a continuing monitoring of all applications which come before that board.

Just one last comment on gray-wooded soils, which are essentially found in northern Alberta. I've attended a number of public hearings in the last several years, particularly public hearings that were conducted by the Environment Conservation Authority in the province of Alberta on the land base of the province. A fair number of agricultural experts who live in northern Alberta say that because of the gray-wooded soils that we have in the northern part of the province, sulphur emissions are healthy and actually improve the quality of the soil. Now, that's a complete flip of the argument that you hear coming out of central Canada with respect to the acid emissions. And one last comment. Members will also know that last summer we tabled a major report on the utilization of low-sulphur-content western Canadian coal for central Canada.

MR. CHAIRMAN: I'd just like to perhaps provide the hon. member with a little direction. I'm not sure whether you were here when I mentioned earlier that I think we should direct questions to a specific vote in the estimates, and instead of asking broad questions that give rise to albeit interesting answers about policy, I think we are here to examine the public accounts.

MR. DOWNEY: Mr. Chairman, if I could just comment specifically on that, I think the minister's perfectly capable of relating my questions to the vote, which he very capably did in this case.

MR. CHAIRMAN: I don't want to get into prolonged debate about a point of order, but it's been the practice of the committee to deal with specific expenditures.

MR. DOWNEY: Supplementary question, Mr. Chairman. And again, I'm not specifically relating to a vote; I'm relating to matters of interest to the Stettler constituency. We're also concerned about the integrity of our groundwater supplies and the danger of contamination from either surface seepage or energy-related activities. I was wondering what initiatives were taken in the 1985-86 year regarding groundwater protection.

MR. KOWALSKI: You will note in vote 4 that essentially groundwater protection is extremely important. We have two existing situations. When you deal with a department like the Environment and you deal with a physical environment like Alberta, you almost have to deal with it in terms of two separate little geographic entities. There's a certain area in the province of Alberta that basically is in a deficit position with water, and the other part of Alberta is in a surplus position with water. So on the one aspect we have the water management aspect -- we do periodic assessments. Since 1967 there have been four major inventories taken with respect to water usage. Members who were in the House last Friday recall that there was a question addressed to the Premier with respect to overall water management. The Premier responded that it was only in the last number of days that I had penned a letter to every industry in the province of Alberta asking them to identify what their water usage is

today and what they anticipate it would be into the future. That's one of the things that occurs under vote 4 in terms of water management.

The second item is basically a periodic testing that's been put in place. We had, in this particular year 1985-86, a major commitment, a major concern with respect to the water quality of the Bow River. Certain steps were taken in consultation with the city of Calgary that basically led to the opening last summer, an opening that I participated in with the mayor of the city of Calgary, of a new phosphorous removal plant in Calgary. It was an expenditure level of nearly \$100 million. Some dollars had come from the province of Alberta; the vast amount of dollars came from the taxpayers in the city of Calgary. A major concern with respect to that.

Under this vote 4 we've already talked about the initial special warrant that went out with respect to a couple of dam projects and water management projects in the southern part of the province. And it was in this fiscal year that we began the initial discussion and debate with respect to a revised groundwater policy for the province of Alberta. Now, a groundwater policy basically looks at the use of potable water. Potable water is that water that basically is drinkable, and the question that has always been raised is: "If at all possible, should industry avoid the usage of potable water?"

The process of evaluation, which occurred in the 1985-86 year, has now gone through 10 policy drafts. Not in government. We sent out a proposal to the Alberta Association of Municipal Districts and Counties, to the urban municipalities, to industry, to the Fish & Game Association, to those involved in agriculture, and the debate is continued. We are now into revised policy number 10, and I intend on putting it on my agenda for review and discussion in the months of May and June of this year. But it was an initiative that occurred in that year; it's just taken a whole period of time in order to try and resolve it. It arose out of a drought condition. Two years have gone by and today we don't face the drought condition, so the intensity of the issue is not as pronounced in our minds as it was. But the issue is pronounced in our minds because, in essence, we not only have to deal with the management of the environment in 1987 but have to look to the year 1995, the year 2000, the year 2010.

MR. DOWNEY: Specifically, a further supplementary, Mr. Chairman. There is serious concern in certain areas of the province about a long-term trend in the dropping of the water table. Is the minister exploring any initiative or . . .

MR. KOWALSKI: That's an ongoing monitoring situation, and basically the information that we have -- and I tabled in the Legislature not too many months ago a motion for a return that was requested with respect to ambient air quality and levels. Members will recall it took, I think, three pages to carry out the documents that went with it. But they are the registered readings that we have in terms of the water supply here there and everywhere throughout the province of Alberta. Our water is fed to us essentially from the mountains and from rain.

We also have interprovincial agreements which govern the use of how much water we can have in our province. As an example, 50 percent of the water that exists in Alberta . . . I'm sorry. Of all the water that we have in Alberta, if it moves to Saskatchewan we must give Saskatchewan 50 percent of the water. In other words, a system that develops in the Bow River system -- water flows from the Rocky Mountains right past the city of Calgary. Alberta must deliver to Saskatchewan 50 per-

cent of that water. Saskatchewan must, in turn, deliver to Manitoba 50 percent of that water. These are arrangements that have been developed over the years; they have avoided our going to interprovincial war in terms of the protection of the water, and we don't have any range warfare.

So we're governed in terms of what we can do as a province, as a people in this Alberta. We're governed as to how much industry we can have in terms of how many people we can allow to live in those water system basins, how much agricultural development there will be. So our approach in terms of water management is to make sure that of the 50 percent of the water that we get, we manage it to the maximum utilization and ensure that the least amount is lost through evaporation or seepage or just useless runoff. And it's a real question as to how we deal with that. North of Edmonton we've got all kinds of water. South of Edmonton we don't have all kinds of water.

MR. CHAIRMAN: I'd like some direction from members of the committee. We're here to examine the public accounts. I've found the last series of questions very interesting, and the answers interesting, but they really have very little to do with public accounts. Would the committee prefer that I continue to show a considerable kind of flexibility with respect to questions? Or would you rather that I came down a little harder and ruled certain lines of questioning out of order?

MR. R. MOORE: I think the guideline should be that it relates to that given year. We don't want to get into current. I'd like to see you watch that we don't get into the current area, because a future Public Accounts will look at this current session. I think the dividing line is: what is current, and what transpired in the year that we're examining? That will take it right down to a minute deal in a book, but as long as we hold it to that year.

MR. CHAIRMAN: And expenditures in that year. Would you add that as well, Mr. Moore?

MR. R. MOORE: Yes, that's right. That is what we're examining, so that we don't get into the . . .

MR. CHAIRMAN: The next questioner is Mr. Jonson.

MR. JONSON: Yes, Mr. Chairman, this relates to expenditure in '85-86, but I am not able to meet the requirement as to exactly what vote it would be in. With respect to the irrigation system and the delivery of water to the irrigation districts, could the minister outline the degree to which the cost of delivering water into the irrigation system is offset by fees?

MR. KOWALSKI: Offset, sir?

AN HON. MEMBER: By the fees paid by the users.

MR. KOWALSKI: Well, Mr. Chairman, the irrigation estimates come under the Alberta Heritage Savings Trust Fund, and I appeared before that committee last fall and went over the whole scenario under those estimates. Now, I want to be guided by the directions you've just given. Just a little clarification further than that.

Essentially what Alberta's environment is involved in is the creation, the development of the basic headworks systems; in other words, the dams, the reservoirs, and the like. Each of the various irrigation districts then operates a system within their

own jurisdiction, and it's Alberta Agriculture that gets involved in that component and that aspect. There are some small fees that come into play with respect to water usage, but the debate essentially is an internal one. But maybe I'll just make a general comment, and then you can tell if I've got to quit or if I can go forward.

The fees with respect to irrigation are very, very minimal that Alberta Environment would assess, and essentially the only fees and permits and licences that we're involved in are those fees that individual users might have to get from a so-called provincial waterway. They're based on a small fee, generally in the neighbourhood of approximately 25 cents per acre for water power rent.

MR. JONSON: Well, I'll leave it at that, Mr. Chairman.

MS LAING: I'd like to refer you to section 10.9 and the overall estimates for the department. I note that the estimates which would have been passed by the Legislature are for \$99 billion. In fact then there was a request for \$21 billion or 20 percent of that in special warrants, which does not go through the Legislature, or a total of 17 percent of the total estimated for authorized budget. And of that then, \$9 billion was not spent, which is again approximately 17 percent of the budget.

I guess my concern is the lack of accountability to the Legislature itself in terms of the amounts of special warrants that were given and then the fact that the special warrants exceeded by nearly 50 percent that amount which was required through special warrant.

MR. KOWALSKI: Okay. Hon. member, we're talking about millions rather than billions. But the points that you make with respect to the allocations during the fiscal year are certainly there.

In terms of those special warrants, I did make some comments with respect to them a little earlier, and I guess one has to go back in their mind to fix themselves in the '85-86 fiscal year. I've talked about the drought-related program, an emergency response program, which I guess is one of those things that you cannot plan for, in the same way that the forest fighting cost is never budgeted.

When the minister of forestry comes forward with his estimates, there are no dollars allocated for the fighting of forest fires because no one really has any idea of what the cost is going to be. The tradition that basically we followed is that the minister is instructed to resolve the problem, fight the problem, and then come back with a special warrant. The same principle extended last summer when we had the flooding situation. As the Minister of Alberta Public Safety Services, I certainly was not in a position to, say, budget or ask the Legislative Assembly to provide a certain amount of dollars for flooding. But the recognition was that if this is an emergency situation, you come back and seek the approval, and you seek the approval basically through Executive Council to resolve and to get on with it, which we did.

The point the member makes with respect to the level in that particular year is one that I think we should all be very cognizant of. But in those circumstances where we do have emergency situations, I certainly hope that the flexibility will still remain with us to attempt to resolve them as quickly as we can.

MS LAING: I guess I'm unclear, then, at what point you go for the special warrants, because it would appear that you overes-

timated the need. I'm wondering how in fact the money then was saved or how that saving was achieved.

MR. KOWALSKI: Well, let me perhaps just talk about an example with one particular program. Let's talk about the drought-related program, which was basically a situation that was announced that allowed both producers, people who live on farms, bona fide farmers or ranchers, and communities that basically were suffering and experiencing a water situation -- we announced the program in July 1985, and the program is put in place. We had sought approval by way of special warrants, and special warrants cannot be allocated during the time frame that the Legislature sits. As an example, if tomorrow something were to happen, we were to have a dramatic disaster in the province of Alberta and the decision was basically made that we were going to go with that, with the sitting of the Legislative Assembly now in practice, I as a minister would have to come here and seek approval from the Legislative Assembly for those dollars. However, if it occurred when the Legislative Assembly was not sitting, the process I would follow would be to get approval from the Executive Council of the province of Alberta to have those dollars.

Going back specifically to the drought emergency water supply program in July 1985, once you set up the program, once you make the announcements, there of course is the time frame in which you have to get paper printed to all of the individuals who might or might not be affected. Those individuals, either individuals themselves or communities, must then deal with a particular response, and in that particular program, the information I have is that basically some 26, 27 communities in all parts of the province of Alberta were involved.

As an example, the community of Coalhurst, which is located in county No. 26 for Lethbridge, committed to berm construction for temporary surface water storage on the Oldman River. It's not something you get done within three or four weeks, and if they're not in a position to have the claim sent back to us for administration by the end of the fiscal year, then of course those dollars cannot be expended from that particular fiscal year's budget but must go into the following one. It becomes compounded when you have that kind of administration. If it was just one simple project that you committed to, saying: "Okay, we're going to build a 10-mile road. I know we can build a road within three months and have it all processed and paid for within five months." But when you're dealing with hundreds and hundreds and hundreds of projects -- and in this case there were over 2,100 individuals -- it's not a question of hopefully overestimating; I think it's a question of just bringing into play the constraints we have in British parliamentary democracy, that dollars that are allocated in a particular fiscal year can only be expended during that fiscal year.

MS LAING: Okay, so in fact the book we're saving is a result of the money not being expended within that year.

MR. KOWALSKI: I suspect that periodically there are administrators within our system who -- and I hope I'm not speaking out of turn, and I hope I'm not insulting anybody, because there's certainly no intent to insult anybody. I would suspect that periodically administrators, even administrators who come under my jurisdiction of responsibility, if I ask them how much money we need to resolve the problem, would tend to so-called cover their whatever that phrase in the vernacular is, and would tend to estimate 10, 15, 20, 25 percent more than what it really

is, so that when it does come in, I can go back to them and pat them on the back and say: "Gee whiz, you administered that program really well. You came in under budget." I hope that is not wide scale. I certainly hope it isn't wide scale, and I have no evidence to believe whatsoever in terms of the people we're dealing with in the '85-86 fiscal year in the department I have responsibility for that that in fact happened. I've just got to believe as a human being that that tends to happen too, hon. member.

MS LAING: That answer makes me kind of nervous. I guess I would say I can understand the special needs that arise, but it seems to me -- and certainly in the year '85-86 there was a long period between the times the Legislature sat, so in fact that might account for that. It seems to me this use of special warrants needs to be very carefully monitored, because in fact there is no accountability to the Legislature itself.

MR. CHAIRMAN: Okay, Mr. Musgrove.

MR. MUSGROVE: Yes, Mr. Chairman My question is in public accounts for 1985-86, volume 2, on page 10.6. It is indicated that \$2,172,288 was expended in element municipal waste management, vote 2.6.2. Could the minister explain to us what these funds were expended for?

MR. KOWALSKI: That was waste management, hon. member?

MR. MUSGROVE: Yes, municipal waste management.

MR. KOWALSKI: Municipal waste management, item 2.6.2. Okay. Essentially those were to assist those municipalities that have come together to form a regional municipal waste management authority. We have no program to assist simply one municipality that wants to deal with waste -- in other words, garbage collection -- on its own. But our policy basically is that if two or more come together to form a regional waste management authority, we will on a need basis get involved with them. And during the '85-86 fiscal year grants were made to a number of regional waste management authorities to set up a regional waste management system. They included one in the Rocky Mountain House area with expenditure levels of \$548,000; one in the county of Beaver with expenditure levels of \$365,000; one in Chief Mountain, which is the southeastern part of the province of Alberta, of \$580,000; one in the Drumheller area with \$79,000; one in the Provost area with some \$280,000; and one in the county of Lac Ste. Anne area of some \$321,000.

MR. MUSGROVE: Thank you. I noticed that you had a budget for education on pesticide applicators, and I wonder if there are any educational initiatives on municipal waste management. In my area in particular, there are some questions and always some concerns about municipal waste management.

MR. KOWALSKI: Municipal waste management is one of those subject matters that I really want to talk a lot about. In the 1985-86 fiscal year time frame, however, not too much talking took place. So I'd have to flip into another time frame, but I'll just concentrate my remarks on the '85-86 fiscal year. That year was the second or the third year in terms of our policy commitment to getting two or more municipalities to come together.

Basically, the arrangement that was taken was to deal with the Alberta Association of Municipal Districts and Counties and

the Alberta Urban Municipalities Association. Each year, when those two provincewide organizations would hold their annual conventions, someone from Alberta Environment would give a little pep talk about the need to start spending more time, more interest, and more dollars on it. The theme that just began to rise to the surface in the '85-86 fiscal year was one that basically said: "Hey look, we're spending a lot of time finding recreation facilities and cultural facilities, and that's really important and really good. But why is it we're spending so little time and attention taking care of our garbage?"

Of course, on average each one of us generates five pounds of garbage per person per day in this province, so we're not just talking about a little issue that's going to go away. It's going to continue for ever and ever and ever, and how do we deal with it? Now, that's all that happened in the 1985-86 fiscal year. Since then some very exciting, innovative proposals have come forward. Mr. Chairman, I know I'm on the edge, but just to point out to hon. members that in the first week of May of this year I intend on making public a very, very significant initiative with respect to this whole area, where we have to go. I'm going to basically set up a series of targets that I think we should go in the years to come, waste management recycling and the like.

MR. CHAIRMAN: It would be a good question for the hon. member in question period. You had a further supplementary, Mr. Musgrove?

MR. MUSGROVE: He just answered my further supplementary.

MR. CHAIRMAN: Okay. Mr. Roberts.

REV. ROBERTS: Yes. I have some questions about the Alberta Special Waste Management Corporation. In the public accounts statements, Mr. Chairman, there is just the one figure ever recited, \$9.5 million, I believe, with not much of a breakdown. I'm sorry, I don't have the annual report that the minister has referred to on the Crown corporation. And I'm glad that the director, the gentlemen who is here -- I didn't catch his name.

MR. KOWALSKI: Mr. Mick.

REV. ROBERTS: Mr. Mick. At any rate, some of the questions I have deal with the relationship between the Crown corporation and Bow Valley Resources and Chem-Security Ltd. I'm just wondering how much of the \$9.5 million that was spent for the corporation was actually spent on the operations of the corporation and how much would be spent in terms of the profits of Bow Valley and Chem-Security since they worked with the corporation.

MR. KOWALSKI: Okay. Hon. member, the annual report has now been tabled, and in that particular fiscal year the Alberta Special Waste Management Corporation had received in terms of revenue from the Department of the Environment -- and members will have to recall that that was the time frame during which the Special Waste Management Corporation was being established as a special instrument but before that the Department of the Environment had been involved in certain ways. So there was a grant that was provided from the province of Alberta through the Department of the Environment to the Special Waste Management Corporation of some \$9.5 million, and during that particular fiscal year the expenditure level of the Alberta

Special Waste Management Corporation included expenditures for fixed asset purchases of some \$3.7 million to run the corporation, the initial beginning of participation with the Swan Hills facility of some \$3.555 million. and of course salaries, benefits, consulting services, contract services for the collection and storage operations. These items are identified on page 13 of the Special Waste Management annual report for last year.

The system that has been set up and has now been identified as a result of -- well, all the documents that have now been made public with respect to the Alberta Special Waste Management Corporation basically show that Bow Valley Resource Services, which is an equity partner in the joint venture along with the Alberta Special Waste Management Corporation, is an equity participant to the tune of 60 percent; Alberta Special Waste Management Corporation to the tune of 40 percent. The two shall put the necessary dollars in to build the Swan Hills special waste management facility. Once the special waste management facility is in an operative mode, then dollars can be claimed by both of the partners according to a formula of 60 percent, the equity participation by Bow Valley, 40 percent in terms of the equity participation by Special Waste Management Corporation, and there is a minimum rate of return that is provided for to Bow Valley, which is identified in the joint agreement that has now been made public, which declines basically over a 10-year period but of course only kicks in if there is real utilization or rationalization of it.

REV. ROBERTS: You feel that this equity participation that Bow Valley has is a wise use of taxpayers' dollars in the past fiscal year and that this is going to continue?

MR. KOWALSKI: The equity participation that Bow Valley will put in is not taxpayer dollars. Bow Valley has to find those dollars in whatever market they have. The province of Alberta is not putting in one penny for Bow Valley Resource Services.

REV. ROBERTS: But I suppose my question is: if it was entirely a Crown corporation run by the taxpayers' dollars, would it be more directly efficacious and not have to rely on others perhaps making profits over moneys that would be public dollars?

MR. KOWALSKI: Well, I guess that's part of the philosophic debate that occurred in the 1984-85 fiscal year, and it continues through to today. I guess there are really three alternatives in terms of what the decision could have been. There could have been a solely 100 percent funded Crown corporation set up. The second alternative is that there could have been a solely 100 percent private-enterprise corporation developed. Or the third one was to basically get a blend of both. Essentially the decision of the Legislative Assembly was that it should be the third alternative, based on a principle that the private-sector operator would put in 60 percent of the equity and Special Waste Management Corporation put in 40 percent of the equity, but both partners have 50 percent representation on the board of directors and no decision, no major policy decision, being permitted unless there was 100 percent agreement between both of the partners.

MR. STRONG: My question concerns the savings of \$9 million in your department and further statements by yourself that you had saved a considerable amount of money with respect to the Oldman River dam job. You had indicated that that was good

news for the taxpayers of Alberta, but perhaps it's bad news to the Alberta construction companies that lost the contracts on that job and perhaps for the employees on that site that are being paid less than poverty wages.

My question to you, through the Chair, is: why would you, as Minister of the Environment, go to an outside contractor, a joint venture with a Korean construction company and a construction company out of the province of British Columbia, and award that project to them?

MR. CHAIRMAN: I'm sorry to interrupt the hon. member, but that question is out of order. I mean, that's the dilemma we got into earlier. Either we're going to stick to the public accounts and specific expenditures and ask . . .

MR. STRONG: Well, Mr. Chairman, I had indicated . . .

MR. CHAIRMAN: . . . [inaudible] expenditures, or we're going to turn this into a political forum. What's the pleasure of the committee? Do we want to make this . . .

MR. STRONG: Mr. Chairman, on a point of order.

MR. CHAIRMAN: . . . another part of the Legislative Assembly?

MR. STRONG: Point of order, Mr. Chairman. Now, my point of order is simply this. When I opened my initial question, it was concerning the money saved by this department in the '85-86 year and how this money was saved. Now, was it saved by awarding a construction contract from the provincial government to a contractor from outside the province of Alberta and another one, who is part of that joint venture, from Korea? Is this how we saved this \$9 million?

MR. CHAIRMAN: This question may be in order, and we'll let them . . .

MR. KOWALSKI: The answer is no, because, as I explained a little earlier this morning, there were no major construction contracts awarded in the fiscal year that we're dealing with this morning, that basically the reason that there was a reduction in expenditure is that certain dollars had been allocated for the purchase of certain land. The purchases of these lands were not concluded by the end of March 31, 1986. There has been no savings as a result of the awarding of any contracts, because none were made in this particular fiscal year. The hon. member has also asked that similar question to me during the estimates of Alberta Environment, and I had indicated that when I come back before the Committee of Supply, I'd be very, very pleased to deal with that matter.

MR. STRONG: That is perhaps, Mr. Minister, if you ever get back before the Committee of Supply. But to carry on, the engineering for this project: were any engineering contracts awarded for this project in 1985-86, and were those engineering jobs performed by Albertans, or was the engineering for this project done over in Korea or British Columbia?

MR. KOWALSKI: Mr. Chairman, 100 percent of the engineering work with respect to the Oldman River dam is conducted by Alberta engineers. What we have set up is a consortium of consulting engineers in the province of Alberta which is spear-

headed by an Alberta firm by the name of UMA Engineering. UMA has taken under its umbrella group a series of several dozen Alberta-based engineering firms that work with UMA as the major project manager, and they are responsible for all of the engineering work with respect to the Oldman River dam. I met with the consulting engineers in the province of Alberta, along with a large number of members of the government caucus, only several weeks ago, and they were very pleased when we had reviewed the mechanism.

I can't answer the second part of the question unless I flip to another time frame. But the engineering component of the dam itself is under the auspices of UMA Engineering in the province of Alberta. These are Alberta engineers, and the component is Alberta engineers.

MR. STRONG: Thank you, Mr. Minister. Could the minister further indicate if the money that was saved in his estimates for '85-86 accounted for any of the money that was paid to employees on that project who didn't receive any health coverage or any pension coverage on that project? Is that how we saved this \$9 million?

MR. KOWALSKI: Mr. Chairman, I've already responded to that question on at least two occasions earlier this morning, and the answer, once again, is no.

MR. CHAIRMAN: Mr. Ady.

MR. ADY: My question was on the appropriateness of the previous questions. It was a point of order or so . . .

MR. CHAIRMAN: You want to make it? I mean, I think the committee members might be interested in hearing your . . .

MR. ADY: Well, I'd like [inaudible] to the question, but to get into political philosophy tied to it, I felt was out of order.

MR. NELSON: He can't help himself.

MR. STRONG: Speaking to the point of order.

MR. CHAIRMAN: Well, I let Mr. Ady speak to it, so you should be extended the same privilege.

MR. STRONG: The member should be listening very attentively to see how we're saving all this money, because it's being saved off the backs of working Albertans and at the cost of Alberta companies in this province who aren't getting some of these construction projects.

MR. CHAIRMAN: Thank you for your further political statement. I think we'd better rule this whole line of discussion out of order.

Mr. Brassard.

MR. BRASSARD: Thank you, Mr. Chairman. I'd like to come back to a discussion we were having on vote 2.6 on page 10.2. It's broken down on page 10.6 a little further, but it deals with management of our garbage, I guess. I would like to know how much of that went into the plant at Wainwright, if any, or if any of the funds were expended to find a better way of dealing with our garbage than digging a hole and burying it. Were some of those funds in this period expended to promote a better way of

dealing with our garbage than what we're doing now in most municipalities?

MR. KOWALSKI: A very small amount during this -- but that particular fiscal year, for the Wainwright incineration project, those funds were carried under the last fiscal year. Again, I'm repeating myself, that I indicated there was only a modicum of interest shown in the new direction that has now been accelerated and that you'll be hearing more about.

MR. BRASSARD: I'm sorry; I missed that. Thank you.

MR. CHAIRMAN: Is that it? Mr. Mitchell.

MR. MITCHELL: Thank you, Mr. Chairman. I would like to direct this question to Mr. Mick, if I'm able to do that, but I guess that's at the discretion of the minister.

MR. CHAIRMAN: Through, I think, the minister.

MR. MITCHELL: Could the minister or Mr. Mick please confirm whether the board of the Special Waste Management Corporation ever recommended the agreement with Bow Valley to build the special waste management facility in Swan Hills? We know that Mr. Mick's predecessor didn't recommend it. We know that it is the mandate of that corporation to protect the interests of Albertans with regard to special waste management, and we therefore know that it was incumbent upon that group to recommend either for or against. Could the minister or Mr. Mick please indicate whether they did, and if so, how they recommended?

MR. KOWALSKI: There were a series of meetings, and of course I was not a member of the board of directors of the Alberta Special Waste Management Corporation in the 1985 fiscal year, nor associated with the Alberta . . .

MR. MITCHELL: Maybe Mr. Mick wants [inaudible].

MR. CHAIRMAN: If I may interrupt, there's a point of order that takes precedence.

MR. NELSON: Mr. Chairman, on this point of order, I'm concerned that the question -- first of all, I'm trying to fathom out how it relates to the estimates, number one; and number two, whether it's an area of policy for the government that we might be dealing with rather than in these estimates.

MR. CHAIRMAN: Mr. Mitchell, do you want to respond to the point of order?

MR. MITCHELL: Yes, I do. Mr. Chairman, the fact is that the decision to go with this agreement was made during the 1985-86 fiscal year, which we are now considering. It was a decision with economic consequences at that time, and it was a decision that was made by people who are paid during that fiscal year by this government under the purview of this department of the Swan Hills waste management corporation. There is no question but that this question is in order.

MR. CHAIRMAN: I would like to say that today I've shown a considerable degree of latitude in permitting members to really raise questions that have to do really with policy matters. I

think that all members of this committee should carefully consider over the period of time until our next meeting just how they would like to see this committee operate. My view is that we're here to look at the public accounts as they were presented by the Auditor General and to have members of each department justify specific expenditures. That is the usual role of public accounts committees in other jurisdictions in Canada, and it would be my inclination to try to keep the committee on that track.

But members of all parties have shown a concern to really raise policy-type questions, and if that's what the members want, then that's what we'll do. But I think we should consider this carefully over the next two weeks and deal with this as an item of business at our next meeting. But because I've shown that latitude today, I will permit you to continue to raise those questions and leave it to the minister to decide whether or not he feels comfortable about answering them. If he chooses not to answer them, then that's clearly his prerogative.

MS LAING: Mr. Chairman, on the point of order. I believe all spending reflects policy decisions and that they underline everything that happens in a department and how that money is spent. So I don't know how we can avoid it.

MR. CHAIRMAN: Well, I would like you, as I say, to consider that carefully, and next day we should discuss that and develop a clear position with respect to that issue. Mr. Brassard, on the point of order.

MR. BRASSARD: Yes. I don't think we have that latitude, to develop new rules for this game. I think that our mandate is to examine the records as they're presented and ask of the ministers various questions, and I think that it is our prerogative, to restrict ourselves to this. I don't think we have the right to grant latitude and get into areas that are debatable [inaudible].

MR. CHAIRMAN: I must say I agree with you, but I'm at the control of the committee.

MR. R. MOORE: Mr. Chairman, on a point of order. Is it in order to make a motion that we examine this issue at the next meeting?

MR. CHAIRMAN: Yes, I think that would be . . .

MR. R. MOORE: I so move that we come back here and discuss this issue at the next meeting.

MR. CHAIRMAN: Okay, there's a motion that we do this. Are you agreed?

HON. MEMBERS: Agreed.

MR. MITCHELL: I restate my question then, and if we want to make it even more precise for expenditures of the 1985-86 year: clearly the Special Waste Management Corporation made a decision to allot staff time and legal time and managerial time to that process through the process of negotiating that agreement with Bow Valley during that fiscal year. And I believe it's in order, and therefore my question stands. Did the Special Waste Management Corporation under Mr. Mick or his immediate predecessor recommend yes or no to accepting that agreement?

MR. KOWALSKI: The Alberta Special Waste Management Corporation in the fiscal year 1985-86 made a decision not to recommend either yes or no. What they did was make a decision to provide a series of recommendations to the government about a possible series of alternatives. So very specifically on the subject matter, "Was a particular agreement recommended, yes or no?", the answer is no. No specific agreement was recommended yes or no because the Special Waste Management Corporation board of directors made a decision to provide to the government a series of recommendations which the government could choose as to which was the most appropriate manner that the government chose to have this go in. That occurred during the 1985-86 fiscal year.

Since that time a series of events transpired, and the matter was brought to a conclusion in January of 1987 when the government chose the alternative, which I made public, and the agreement was penned and made public. And that's the only decision that was made. The board of directors in November of 1986, by way of a motion -- Mr. Mick, if I'm not mistaken -- unanimously endorsed the proposal that we had talked about during 1986 and which we made public in January of 1987.

MR. MITCHELL: The board unanimously endorsed a motion accepting that particular . . . Could the minister or Mr. Mick please inform us as to what the board's thinking was to unanimously endorse such an agreement when that agreement would, of necessity, cost Albertans \$4.5 million a year more to build that plant than it would otherwise have to cost, given the guarantees to Bow Valley, given the fact that they take no risk, given the fact that we cover the interest on their loans, and so on?

MR. KOWALSKI: That decision was made in the fall of 1986, which is outside of the time frame. I think I really have to question the costing figures that the hon. member has brought forward. But I have no difficulty asking Mr. Mick, who was a member of the board of directors of the Alberta Special Waste Management Corporation during the fiscal year 1985-86 and then functioned through much of 1986 as the chairman of the board, to add some additional information with respect to this matter. We're jumping out of the '85-86 fiscal year, but I think it's important to clarify it, because I really don't want any more misunderstandings on this matter.

Mr. Mick?

MR. MICK: Yes. Prior to the end of the fiscal year of '86, the principles of a proposed agreement were accepted by the government. The final agreement, which was announced this year -- it's a requirement of the Act that any agreement must go forth with a bylaw from the corporation. That was done. The corporation passed a bylaw approving the final full-blown agreement, which has since been made public, but the corporation was following the clear direction of government to enter into an agreement that contained the principles that they accepted in March of 1985.

MR. MITCHELL: So the corporation was following the clear direction of government in unanimously accepting a motion to go with this agreement, despite the fact that the corporation's mandate was to review agreements and the activities in the special waste management area in this province to ensure that Albertans' interests are protected. Is that right?

MR. KOWALSKI: What Mr. Mick had basically indicated was that the board had followed through with the principles enunciated by the government. The principles that the government enunciated is that -- there were a series of principles. They're all contained within the joint venture agreement that was made public in 1987, but were also made public in the spring of 1986 and, prior to that, had been made public in 1985.

Principle number one, if my memory serves me correct, is that the most important objective of the Alberta Special Waste Management Corporation is public safety and security; that's a principle. Principle number two essentially identified that there would be a blend or a combination of public-sector involvement and private-sector involvement. Principle number three basically said that there would be one such mechanism, one such system, established in the province of Alberta; however, should a generator of a particular waste want to initiate a process for destruction of that particular waste on site, they could receive approval for that. Part of that same principle was the one that if there was a particular hazardous or dangerous waste that was generated in Alberta that could go to a recycling mechanism, those goods or wastes would not have to go to Swan Hills; they could go into a recycling approach that we want in terms of our future planning about establishing a major recycling component in our province.

Now, those are principles. Within the parameters given to the board of directors of the Alberta Special Waste Management Corporation was the flexibility of negotiating the best possible deal for the people of Alberta in their discussions with the proponent that had been agreed to as a result of a public international competition asking people to come forward and give submissions to the government. Bow Valley wasn't simply picked out of the air. There was an international competition with respect to this particular matter, and general agreement was given to entertain a negotiation with Bow Valley Resource Services. From that point in time, the board of directors of the Alberta Special Waste Management Corporation met, negotiated, took certain positions. And it took, I guess, really much of 1985 through to 1986, and it wasn't really until I felt satisfied as the Minister of the Environment and the minister responsible for Alberta Special Waste Management Corporation in January of 1987 that approval was given by the government that this would be the agreement.

Now during this time frame, there were stories here and stories there, and messages here and messages there about certain positions taken by certain groups, which is all part of the negotiating process. The only agreement that we are governing ourselves by is the one that was made public in January of 1987 based on principles enunciated in 1985.

MR. R. MOORE: I see it's getting close to adjournment but, as ever, I have another question.

In 1986, Mr. Chairman, there was considerable flooding in my area in central Alberta, and I wonder, under vote 4 of the department, just how much monitoring is done on these waters so that we can warn the people along these rivers that are flooded.

MR. KOWALSKI: Well, Mr. Chairman, we have as part of Alberta Environment a very, very sophisticated little mechanism called the river forecast centre. Individuals throughout the province can contact the river forecast centre and get an update as to an evaluation that's made on what the flooding potential is of all of our rivers. Periodically I issue a statement by way of a news

release that goes to all of the media in the province and all of the newspapers and other media outlets in the province and Members of the Legislative Assembly where we are. It was only several days ago that I just penned the agreement for the April/May time frame -- I'm not even sure if it's gone and cleared the system yet; it's probably going to be made public today or tomorrow or the next day -- which gives you this evaluation.

What the river forecast centre does, and what it did do in 1985-86, is monitor stream flow conditions of all of the major waterways and even some minor waterways which are prone to flooding. It provides flood forecasts for disaster preparation and flood damage reduction. As an example, if during that year it would have been concluded by the river forecast people that a particular waterway in the province of Alberta could experience flooding at a particular time, notification would also have gone to the local municipality and through the local municipality to the local disaster services officer. All municipalities in our province have such an instrument. And those people would then take mitigative action in their own communities.

We monitor the snowpack condition in the Rocky Mountains; that's monitored all winter. We have a good assessment as to what will happen now and what will happen in the next several months. All we can do with the weather is project. We're tied into the information as provided by NASA, the scientific information with respect to weather forecasting, and Environment Canada. We look at the historic records each year in terms of how much snowfall there has been in a particular area, try and get a correlation -- "Okay, fine; we didn't have much snow this year in Alberta" is an example -- and look at the records basically to see: "Well, okay, what happens in years with a minimal amount of snowfall? Do we get a maximum amount of rainfall in May or June?" and the like. All this information is put together, and as best as possible, we then do maps, which are called flood risk maps, which can evaluate the potential.

Recently, as an example, I was in contact with folks in Fort McMurray. At this time of the year one of the major potential flooding problems that occurs in the province is the flooding effect caused by ice jamming in downtown Fort McMurray with the confluence of two rivers. We are also concerned at this point in time about possible flooding in Alberta in the High Level-Rainbow Lake area in a little isolated community called Assumption. And in addition to that we have on an ongoing basis identified those rivers which are prone to major flooding and have provided those communities with ongoing information that they can deal with.

Be that as it may, the best we ever are, of course, is just in a position to judge several days ahead of time that a certain bit of flooding will occur. Six weeks ago we did have a flooding situation at Dunvegan on the Peace River, a totally unexpected flood situation because of the warmth of the winter. The ice had melted, basically from Peace River going back towards Dunvegan. It got cold then for several weeks, so the ice pack started building up from Peace River going back to Dunvegan. The water continued to flow out of British Columbia into the Peace

River. It hit the ice pack that was established at Dunvegan. Some of the water went beneath the ice pack, some of the water went over the ice pack, so we had to take mitigative action. We contacted the cultural people, contacted farmers in the area. And as an example, at the little historic site at Dunvegan, the materials inside the historic site were taken out of the building in the event that the flooding would continue. We made contact with the people who operate the Bennett dam in British Columbia, so I guess . . .

I'm sorry; I don't want to ramble, but there is a very sophisticated mechanism in place, and for the most part, we escape most of these situations. But Mother Nature is more powerful than any person I know, and Mother Nature will still determine when she wants to decide to have some fun.

MR. CHAIRMAN: I would like to thank the hon. minister for his comprehensive answers.

MR. R. MOORE: Well, I have a couple more questions, Mr. Chairman. However, I enjoy the in-depth replies of the minister, and I know that he would go past our time for adjournment. So I'll forgo them and go to his office and get the answers to my two questions. Therefore, I move that we adjourn until April 29 at 10 a.m., when we'll have the Hon. Larry Shaben in attendance.

MR. CHAIRMAN: A motion to adjourn is on the floor. Before I entertain that motion, I'd just like to thank the hon. minister and his guests for coming here today and taking time out of a very busy schedule. All members of the committee appreciate that.

MR. MITCHELL: Mr. Chairman, I raised a point of order before the motion to adjourn.

MR. CHAIRMAN: On a point of order.

MR. MITCHELL: My point of order is whether I could ask the committee to extend the time of this meeting so that I can ask a further three questions on this important matter with respect to the Special Waste Management Corporation.

MR. CHAIRMAN: All members would have to agree to that. Are you agreed?

SOME HON. MEMBERS: No.

MR. CHAIRMAN: The motion to adjourn is in order. Those in favour of the motion to adjourn, please . . .

HON. MEMBERS: Agreed.

[The committee adjourned at 11:30 a.m.]