



Legislative Assembly of Alberta

The 29th Legislature  
First Session

Standing Committee  
on  
Public Accounts

Tuesday, October 20, 2015  
1 p.m.

Transcript No. 29-1-3

**Legislative Assembly of Alberta  
The 29th Legislature  
First Session**

**Standing Committee on Public Accounts**

Fildebrandt, Derek Gerhard, Strathmore-Brooks (W), Chair  
Gray, Christina, Edmonton-Mill Woods (ND), Deputy Chair

Barnes, Drew, Cypress-Medicine Hat (W)  
Bhullar, Manmeet Singh, Calgary-Greenway (PC)  
Cyr, Scott J., Bonnyville-Cold Lake (W)  
Dach, Lorne, Edmonton-McClung (ND)  
Gotfried, Richard, Calgary-Fish Creek (PC)  
Hunter, Grant R., Cardston-Taber-Warner (W)  
Loyola, Rod, Edmonton-Ellerslie (ND)  
Malkinson, Brian, Calgary-Currie (ND)  
Miller, Barb, Red Deer-South (ND)  
Panda, Prasad, Calgary-Foothills (W)\*  
Payne, Brandy, Calgary-Acadia (ND)  
Renaud, Marie F., St. Albert (ND)  
Turner, Dr. A. Robert, Edmonton-Whitemud (ND)  
Westhead, Cameron, Banff-Cochrane (ND)

\* substitution for Grant Hunter

**Also in Attendance**

Aheer, Leela Sharon, Chestermere-Rocky View (W)  
Schneider, David A., Little Bow (W)

**Office of the Auditor General Participants**

Merwan Saher	Auditor General
Robert Driesen	Assistant Auditor General
Brad Ireland	Assistant Auditor General
Eric Leonty	Assistant Auditor General
Doug Wylie	Assistant Auditor General
Mary Gibson	Business Leader, Systems Audit Practice

### Support Staff

W.J. David McNeil	Clerk
Robert H. Reynolds, QC	Law Clerk/Director of Interparliamentary Relations
Shannon Dean	Senior Parliamentary Counsel/ Director of House Services
Philip Massolin	Manager of Research Services
Stephanie LeBlanc	Legal Research Officer
Sarah Amato	Research Officer
Nancy Robert	Research Officer
Giovana Bianchi	Committee Clerk
Corinne Dacyshyn	Committee Clerk
Jody Rempel	Committee Clerk
Karen Sawchuk	Committee Clerk
Rhonda Sorensen	Manager of Corporate Communications and Broadcast Services
Jeanette Dotimas	Communications Consultant
Tracey Sales	Communications Consultant
Janet Schwegel	Managing Editor of <i>Alberta Hansard</i>

## **Standing Committee on Public Accounts**

### **Participants**

Ministry of Environment and Parks

Matthew Machielse, Assistant Deputy Minister, Operations

Bill Werry, Deputy Minister

Ministry of Municipal Affairs

Brad Pickering, Deputy Minister

Gary Sandberg, Assistant Deputy Minister, Municipal Services and Legislation

**1 p.m.**

**Tuesday, October 20, 2015**

[Mr. Fildebrandt in the chair]

**The Chair:** Good afternoon. Thank you for coming. I'm chairman of the Public Accounts Committee, Derek Fildebrandt, and I will call this meeting to order and welcome everyone in attendance.

I will ask members of the committee and those joining the committee at the table to introduce themselves. First, I would like to note for the record that Mr. Prasad Panda is attending as a substitute for Mr. Grant Hunter. I'll start to my right. I'll ask our deputy chair to please introduce herself.

**Ms Gray:** Christina Gray, MLA for Edmonton-Mill Woods.

**Ms Payne:** Good afternoon. Brandy Payne, MLA for Calgary-Acadia.

**Mr. Malkinson:** Brian Malkinson, MLA for Calgary-Currie.

**Ms Renaud:** Marie Renaud, MLA for St. Albert.

**Mr. Westhead:** Cameron Westhead, MLA for Banff-Cochrane.

**Dr. Turner:** Bob Turner, MLA, Edmonton-Whitemud.

**Mr. Dach:** Lorne Dach, Edmonton-McClung, MLA.

**Ms Miller:** Barb Miller, MLA, Red Deer-South.

**Mr. Loyola:** Rod Loyola, MLA for Edmonton-Ellerslie.

**Mr. Barnes:** Drew Barnes, MLA, Cypress-Medicine Hat.

**Mr. Gotfried:** Richard Gotfried, MLA, Calgary-Fish Creek.

**Mr. Machielse:** Good afternoon, everybody. Matt Machielse, assistant deputy minister of Environment and Parks, operations division.

**Mr. Werry:** Good afternoon. Bill Werry, deputy minister, Environment and Parks.

**Mr. Pickering:** Good afternoon. Brad Pickering, deputy minister, Municipal Affairs.

**Mr. Sandberg:** Good afternoon. Gary Sandberg, assistant deputy minister, municipal services and legislation.

**Ms Gibson:** Mary Gibson, office of the Auditor General.

**Mr. Saher:** Merwan Saher, Auditor General.

**Mr. Leonty:** Eric Leonty, Assistant Auditor General.

**Mr. Ireland:** Brad Ireland, Assistant Auditor General.

**Mr. Cyr:** Scott Cyr, MLA, Bonnyville-Cold Lake.

**Mr. Panda:** Prasad Panda, MLA, Calgary-Foothills.

**Dr. Massolin:** Good afternoon. Philip Massolin, manager of research services.

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

**Ms Bianchi:** Giovana Bianchi, committee clerk.

**The Chair:** Very good.

If we can ask those who are joining us via telephone to introduce themselves, please.

**Mr. Bhullar:** Good afternoon. Manmeet Bhullar, MLA, Calgary-Greenway.

**Mrs. Aheer:** Good afternoon. Leela Aheer, MLA, Chestermere-Rocky View. We're having a very hard time hearing all of you people.

**The Chair:** Noted.

**Mr. Schneider:** Good afternoon. Dave Schneider, Little Bow, and I would agree with Leela.

**The Chair:** All right. A few brief housekeeping items. The microphone consoles are being operated by *Hansard* staff, so members do not need to activate them themselves. Please keep your cellphones and BlackBerrys off the table as these may interfere with the audiofeed. Audio of committee proceedings is being streamed live on the Internet and being recorded by *Hansard*. Audio access and meeting transcripts are obtained via the Legislative Assembly website.

I would like to start by again thanking Mr. Geoff Dubrow and Ms Lesley Burns for being here. They're going to sit through this meeting after our training session this morning and provide us with feedback about what we've done right and how we could improve.

If there are no additions to the agenda as presented, would a member like to move that the agenda of the October 20, 2015, meeting of the Standing Committee on Public Accounts be approved as distributed? Moved by Mr. Dach. Discussion? All in favour? Opposed? Approved. [interjection] Carried. I will learn.

We have the minutes from our last meeting for approval. If there are no amendments, I would suggest that a member move that the minutes of the September 30, 2015, Standing Committee on Public Accounts meeting be approved as distributed.

**Mr. Loyola:** I so move, Mr. Chair.

**The Chair:** Mr. Loyola.

**Mr. Cyr:** Just a second.

**The Chair:** Yes.

**Mr. Cyr:** I would like an amendment done. Mr. Malkinson has been honoured with my first name in the minutes.

**The Chair:** Sorry; come again?

**Mr. Cyr:** Mr. Malkinson has been honoured with my first name in the minutes, so maybe change it from "Scott" to "Brian."

**The Chair:** All right. We have a motion that the minutes of the September 30, 2015, Standing Committee on Public Accounts meeting be approved with an amendment that Mr. Malkinson's name be corrected. Is there a motion to that effect?

**Mr. Malkinson:** Yes.

**The Chair:** Moved by Mr. Malkinson. Discussion? All in favour? Opposed? Carried.

All right. I will briefly mention here at the suggestion of the deputy chair that we will try to divide the two sections of our meeting into roughly equal 45-minute sections, between Alberta Environment and Parks and Municipal Affairs and between flood mitigation and dam safety. Members should all have a copy of the briefing documents prepared by committee research services and the Auditor General.

I would like to officially welcome our guests from Alberta Environment and Parks and Alberta Municipal Affairs here to discuss the recommendations from the Auditor General's report of March 2015, relating to flood mitigation systems and systems to regulate dam safety. We'll begin by having each of you make opening statements of no more than five minutes on behalf of your respective departments. The remaining time is for the committee to ask you questions.

We will start with Deputy Minister Bill Werry on behalf of Alberta Environment and Parks.

**Mr. Werry:** Thank you, Mr. Chairman. It's a pleasure to be here with you this afternoon to discuss the Auditor General's reports and recommendations pertaining to flood mitigation and dam safety. I do have a support team behind me, and I may call on them from time to time. Rather than going through introductions, if they have the opportunity to speak, I'll introduce them at that time.

Obviously, Alberta Environment and Parks is a department that's dedicated to serving Albertans, and we work hand in hand with communities to protect and manage our province's air, water, land, and biodiversity. We are committed to ensuring that our natural resources are developed responsibly and sustainably. We also work hard to ensure that Albertans are able to enjoy the beauty of our province through our parks and public lands.

A large part of our work of the past two years has related to the recovery from the 2013 flood in southern Alberta and to moving forward a significant amount of work to protect communities from future flood events. That brings us to some of the items in the March Auditor General's report, that you've asked us here to discuss.

We have a number of outstanding recommendations, more than I'm comfortable with, and we've initiated a very aggressive plan to address them. We take our responsibility seriously and have had a very good dialogue with the Auditor General's office about his recommendations to our department and what our plans are. I am pleased to say that we are on a clear path to reduce the number of recommendations and implement action at a much brisker pace. This progress was evident in the Auditor General's October report, when three recommendations related to water were recorded as implemented.

In terms of our flood mitigation, flood hazard maps, and mapping guidelines the Auditor's recommendations were to map flood areas not currently mapped but at risk of flooding communities, update and maintain flood hazard maps, and update flood hazard mapping guidelines. We know that flood hazard studies provide information to help build safer communities in Alberta, and we're currently working with staff across government to develop an appropriate flood mapping policy. Our new policy is expected in the spring of 2016.

We've also worked hard the past two years to complete flood hazard studies for the province. We expect river hazard studies along the Bow, Elbow, Highwood, Sheep, and Peace River basins to be completed by March of 2017. These projects will cover about 70 per cent of Alberta's populated areas.

In terms of our systems to assess risk, the Auditor's recommendation was to conduct risk assessments to support flood mitigation decisions. The government identified seven strategies to reduce the impact of future flood events: first of all, overall watershed management; second, flood modelling prediction and warning systems, which have been updated since 2013; flood risk management policies; water management and mitigation infrastructure; erosion control; local mitigation initiatives by municipalities; and individual mitigation measures for homes. The department is working to integrate flood risk assessment needs into the government's risk management approach, and guidelines for

conducting these assessments are expected to be completed by March of 2016.

For our designated flood hazard areas the Auditor recommended that we identify flood hazard areas for designation by the minister, and my colleague from Municipal Affairs and I are working together to establish such a process.

To assess the effects of flood mitigation actions, the Auditor recommended that we establish processes to assess what will be the cumulative effects of flood mitigation actions in communities when approving new projects and initiatives, and work is ongoing to develop the processes to track and share cumulative impacts of mitigation measures.

The March report also focused on dam safety, and I'll speak to that for a few moments now, if I might, Mr. Chair.

**The Chair:** Carry on.

*1:10*

**Mr. Werry:** The Auditor General recommended that we develop a plan to regulate dams and report on the results of our regulatory activities, maintain a reliable registry of dams, obtain sufficient information to assess the risk, retain evidence of regulatory activities, and follow up to ensure that owners correct deficiencies. We've submitted a comprehensive implementation plan to the office of the Auditor General. The majority of the items, including operational and strategic plans, a dam safety expert panel, and updates to the dam safety guidelines and websites, are scheduled to be complete by March 31 of 2016. An update to our database for dam safety will be completed by November of 2016.

The department is also working closely with the Energy Regulator to ensure that regulatory outcomes for all dams are consistent and focus on operational and public safety. I just want to be clear that public safety is of the utmost importance to my department. We take our responsibility of dam safety oversight seriously and have a solid record with respect to the safe operation of dams. This record is built on a historically strong regulatory system, with Alberta being the first in Canada to establish dam safety legislation. There are comprehensive systems and standards in place, including our legislated standards as well as established guidelines and best practices.

Albertans should feel confident that dams in their province are built, maintained, and operated in a safe manner, aligned with national and international standards and practices. What this audit pointed out to us was that we needed to improve our transparency through more effective record keeping and reporting, and we are working hard to meet our responsibility in this matter and are making good progress.

In summary, we acknowledge that we have a lot of work still ahead of us, but we've set a path and are determined to follow it.

Thank you. I'd be pleased to answer questions. I'm assuming I can give my colleague a few moments to make a couple of comments as well.

**The Chair:** Could the members who are joining us by phone let us know if their situation has improved?

**Mrs. Aheer:** Much better, thank you. We can hear.

**The Chair:** Very good.

Which of your colleagues wanted to make a statement?

**Mr. Werry:** Mr. Pickering from Municipal Affairs.

**The Chair:** Very well.

**Mr. Pickering:** Mr. Chairman, Municipal Affairs is involved in the recommendations made by the Auditor General as they pertain to controlling and prohibiting land use and development within flood hazard areas. In December of 2013 there was an amendment to the Municipal Government Act which provided for regulation-making powers by the government with respect to restricting development in floodway areas.

In the fall of 2014 there was a task force established, which involved the Alberta Urban Municipalities Association, the Association of Municipal Districts and Counties, the Urban Development Institute, and representatives from Edmonton, Calgary, High River, Canmore, to basically assist us in preparing a discussion paper, which was posted on our web page, and we received feedback on that. Basically, we anticipate in the fall of this year having the policy discussion with the government and anticipate bringing the regulation into play in March of 2016.

Those are my comments, sir.

**The Chair:** Very good. Thank you.

I'll invite Mr. Saher, our Auditor General, to make an opening statement on behalf of his office.

**Mr. Saher:** Mr. Chairman, I don't have a prepared statement today. I would prefer to leave the time for the committee to ask its questions.

**The Chair:** Very good.

In that case, I will open the floor to questions from members. As a reminder, we are trying to keep this as informal as we can, keep questions to one of two categories. To get my attention, put your hand up and do one of two things. If your question refers to a new line of inquiry, put your hand up with your fingers wide open. If you want to interject or follow up something very specific or follow up on what is being discussed at that specific time and you absolutely must follow up, then pinch your fingers together. So I will keep two separate speaking lists. Members on the phone will have a more difficult time participating in this fashion. If you can, just mention your name when you want to speak after someone has completed their statement or question.

**Mr. Westhead:** Thank you very much for your report, and thank you very much to the department for coming to talk with us today. Obviously, flood mitigation is something that's near and dear to my constituents in Banff-Cochrane. The floods in 2013 caused significant damage to many communities throughout my riding and throughout southern Alberta as a whole. Some of the most significant damage that happened specifically in Canmore, as one of the larger populated areas, was caused by steep creeks and debris floods and debris flows. On page 77 of the report geohazard risks such as this have been excluded from flood risk mapping.

I know through my work with the municipal government in Canmore that they've been taking a lead on steep creek mitigation and hazard risk assessment, and they've also been specifically singled out by the Auditor General as a shining example of a municipality taking a lead on this type of flood risk assessment, that is not necessarily being done by the department. Given that Canmore is taking a lead on this and has been used as an example, is there an opportunity for the Department of Environment and Parks to partner with municipalities who are taking a lead on this, learning from them, working together with them in collaboration so that that type of information can be used elsewhere in the province?

**Mr. Werry:** I'll respond briefly, and then I'll ask ADM Matt Machielse to fill in, MLA Westhead. Thanks for the question. Our approach throughout this response to the 2013 flood has been one

of trying to work directly with all of the communities that were impacted and making sure that our folks are informing citizens and the elected leadership within those communities of the kinds of things we're considering and the places that we're trying to go in order to mitigate future flood risk.

In relation to the steep creek specifics I'm going to ask ADM Machielse to respond.

**Mr. Machielse:** Thank you, Deputy Minister Werry. I guess the government and we learned a lot in the 2013 event and the impacts of our communities that are nestled into the mountains. We've worked very, very closely, particularly with the city of Canmore, to actually investigate: what is the risk? What are some of the mitigation measures that could be undertaken? Some programming was put in place for Canmore to put up trash barriers to reduce some of the future impacts of that. Also, recognizing that our current floodway policy did not incorporate the steep creek issue, on the go-forward the government is preparing to engage with Albertans on the floodway policy, and that will include an investigation of: what is the steep creek, and what is essentially the mapping that may be required and any regulatory oversight that may be required or considered to that risk?

**Mr. Westhead:** Thank you.

**The Chair:** Ms Payne.

**Ms Payne:** Thank you. I think it's safe to say that the 2013 flood is a hot topic in this particular group of MLAs given the number of us that are representing affected communities. One of the things that I found surprising in the report was the comments on pages 76 and 77 about some of the out-of-date flood maps. I was curious to find out – it sounds like there was a process that was being followed to update the flood maps – if there were any attempts at flood mapping that were unfinished and if that boiled down to a lack of leadership, a lack of resources, an oversight. What might have been some of the causes for maps being as old as they are?

**Mr. Werry:** The process that was being followed prior to the flood of 2013 was a process that updated the maps over a 10- to 20-year cycle, so at any one point you'd be updating a certain number of those maps. Subsequent to 2013 the department received \$8.7 million of additional resources to accelerate the mapping process in light of the 2013 flood, so we have a very aggressive program under way.

**1:20**

We do have maps that are nearing the stage of being updated, but there is a public engagement process that goes along with that mapping process. We don't simply just develop the maps and send them out; we do engage with communities. Some of our flood hazard mapping that's been technically completed is actually in that engagement stage at the moment, and that includes draft studies for Whitecourt, Banff, Penhold, Rycroft, Thorsby, Two Hills, Irvine, Walsh, and Pine Creek, which is in the Calgary area. All of those pieces are technically complete, but they're in the public consultation phase. So we are moving forward fairly aggressively with some additional resources.

**Ms Payne:** Then my follow-up question would be: how does the 10- to 20-year cycle that we had previously compare with what is done in other jurisdictions?

**Mr. Werry:** Well, in the past that would have been a fairly sort of standard procedure of working through the process, but I'm going to ask ADM Machielse to speak to a bit more detail there.

**Mr. Machielse:** The mapping process that was prior to 2013 was really focused on natural flows. Regardless of what mitigation may be in place, the hazard and the risk were identified through a natural flow. Unless we have a catastrophic event like we had in 2013, those maps would actually be accurate for an extended period of time. I guess what is up for consideration right now is that given that there has been substantial mitigation, that community-level armament has been done in and around the communities, that's why we're really focused on the southern communities right now for remapping. There are about 520 kilometres that will be technically initiated this year, and that will inform any new maps that are developed. The focus, really, is on the Bow, the Elbow, the Sheep, the major basins that were inundated in 2013. I guess a decision will need to be made on: how are we going to identify what the hazard is through the policy?

**The Chair:** A follow-up from Mr. Cyr?  
Mr. Panda.

**Mr. Panda:** I just have a follow-up question. What are the guidelines to identify an area as a high-risk flood area? Also, what's the lifespan of any flood map?

**Mr. Machielse:** What are the criteria for identifying hazard? I think there's a tremendous amount of technical information that's required as far as the hydrology, the topography, the volumes of flow. They all go into the modelling that's required to really identify a return period, meaning depending on what a typical storm may generate: 1 in 20 years, 1 in 50 years, 1 in 100 years. Right now our mapping is based on 1 in 100. That was the national standard, and that's what really guided. All of the standards that were in our previous maps were guided at the federal level and informed by those federal conversations.

Sorry. The second part of your question?

**Mr. Panda:** What's the lifespan of a flood map?

**Mr. Machielse:** Once a policy is done, generally these maps would likely be considered current for 15, 20 years where there isn't fundamental change in it. If we do move away from natural flows, then that means that any infrastructure that's built within a basin would impact what that inundation looks like, so the map would then have to change.

**The Chair:** I'd just remind members that if you're doing a follow-up or interjection, it should be directly related to the question that we were on. If it's a new question, indicate that it's a new question. You will be put on the list and given an opportunity to ask.

We have a follow-up from Ms Renaud.

**Ms Renaud:** Thank you. How much of the \$8.7 million that was allocated for the flood mapping has been used to date?

**Mr. Machielse:** I think that by estimate we've probably spent between 2 and a half million dollars and \$3 million of the \$8.7 million. Really, the majority of the funding has gone to RFPs that were released probably in the last six, eight weeks. The majority of the technical work is just getting under way right now.

**The Chair:** A follow-up from Mr. Westhead.

**Mr. Westhead:** I know that often the risks in the maps that you're speaking of deal with overland flow, but there's also a risk by groundwater inundation, and I know that happened in one of the communities in my riding, in Morley. Besides focusing on the

vicinity directly around the rivers, with the flood fringe or flood zone, are these maps contemplating groundwater inundation?

**Mr. Machielse:** Right now the maps do not. We don't have that connection to the groundwater. Since 2013 we have initiated a couple of studies on trying to determine what that connection is to groundwater and the levels and even the monitoring of the groundwater prior to that event. We're really trying to get some expert opinion on how that may inform, again, the future policy for this.

**The Chair:** A follow-up from Mr. Cyr.

**Mr. Cyr:** Going back to that \$8.7 million, how did you come up with that figure? Is this just something you pulled out of the air? Why not \$9 million? Why not \$8 million? When you come up with these numbers, what optics are you using to create them?

**Mr. Werry:** First of all, when we met with the Auditor General initially after the report was created on this particular circumstance, we made it clear to the Auditor General that we were going to be taking a risk management approach to updating our maps. What we did first of all was that we looked at the historical evidence around where we'd had persistent flooding in the past and determined a risk assessment approach on where we would allocate the resources. Then our technical staff estimated the cost of undertaking that mapping work based on past practice and current costs in the marketplace. As ADM Machielse mentioned, we estimated that cost based on what it has cost us in the past, what the current marketplace is, and then we've gone through the process on an RFP-by-RFP basis.

**The Chair:** A follow-up from Mr. Cyr.

**Mr. Cyr:** You've said that you've spent about \$2.3 million or \$2.4 million, and we're going into the third year pretty soon here. You've spent a quarter of the money, approximately. I guess my question is: what's taking you so long to move this process forward? Is this a 10-year cycle for this \$8.7 million, or is there just some kind of problem that you didn't see or identify ahead of time?

**Mr. Werry:** No. It's based on how long it will take to map those critical risk areas and how much money it would take to map those critical risk areas. Those will be mapped by March 2017. The process itself is a technical process and does take some time, and that's why the costs are what they are. It's not like you can send people out on a landscape and, you know, three weeks later you've got a flood hazard map. It does take some time to undertake that mapping process. As soon as we were able to move that forward and get the resources, we started down that road.

**The Chair:** I would ask: do you have a timeline for when you expect that to be completed?

**Mr. Werry:** As I indicated, we anticipate the mapping will be done by March 2017.

**The Chair:** Mr. Cyr, we're going to try and wrap this line of questioning up soon.

**Mr. Cyr:** So all of that \$8.7 million is going to be spent by that time frame?

**Mr. Werry:** By March 2017.

**Mr. Cyr:** So there's not going to be any of it left? Are we on budget with that?



**Mr. Werry:** Right now we're on time and on budget with respect to that work. If we manage to save some money along the way, we happily do that.

**The Chair:** I have Mr. Gotfried. Mr. Gotfried, is it a follow-up and a new topic afterwards, or is it just a follow-up?

**Mr. Gotfried:** I'll probably just do a follow-up. It's along the same line.

**The Chair:** Okay. Mr. Gotfried.

*1:30*

**Mr. Gotfried:** Great. Thank you, Mr. Chairman. I'm a little bit uncertain. I heard that \$8.7 million was an additional budget approved, but I'm assuming that there was a regular budget that was also concurrent with that, so the \$8.7 million, from what I understand, was maybe to accelerate the process or to move it forward. From what I understand, there are 66 priority list candidate communities. Eleven have been done, I understand, or thereabouts, and it sounds like they can take from a year to two years to do. So that means that we've got theoretically about another 50-plus to do. I'm just curious about the \$8.7 million and any concurrent budget you have which would have normally been in your budget cycle to achieve this and the timelines, whether you have the capacity and whether those timelines are realistic.

**Mr. Werry:** I'm going to let ADM Machielse manage that question.

**Mr. Gotfried:** Thank you.

**Mr. Machielse:** We've got a dedicated group within Environment and Parks that manages the river forecasting and the flood hazard mapping. Unfortunately, I don't have that budget element of what's dedicated to that group. This goes into our annual planning cycle as far as departmental budgeting to support that group. This \$8.7 million was on top of the existing capacity that we had in the department, and the \$8.7 million was to address the immediate need.

To some of your numbers: between 80 and 85 per cent of Alberta's population has been mapped, so the majority of communities have already been mapped. Now, some of those maps are dated, as has been suggested. The timeline that it takes and the capacity that we have and even the capacity that the consultant community has to move this quicker: we've pretty much maxed that out with our \$8.7 million envelope. Doing 520 kilometres of mapping is a significant piece. What we're planning for our future is to on an annual basis try to move to 400 kilometres per year, build that into the planning horizon for the department.

I don't know if that answered all your questions.

**Mr. Gotfried:** At least partially. Thank you.

**The Chair:** We have a little less than 15 minutes left for this portion, discussing flood mitigation, before we move to dam safety. There are follow-ups. I would ask that we be judicious in their use. For follow-ups we have Mr. Barnes and Mr. Dach. Do you want to keep those on the list, or do we want to move forward?

**Mr. Barnes:** Please. Thank you, Chair. Thank you all for being here today and for your service. Two thousand and ten: a big flood in Cypress county, a 1 in 350 year event. Groundwater was a big issue. Incredibly, eight or 10 families had to actually swim for it, it hit so quickly. Monitoring was the other big issue. The feeling in the community in the area was that monitoring was not provided adequately. Likewise, in the 2013 flood there was a lot of

speculation about monitoring of rainfall, monitoring of the dams. Mr. Werry, I heard you mention that monitoring had been improved in 2013-2014. Could I ask you to elaborate on exactly what's happened, please?

**Mr. Werry:** First of all, with respect to our flood monitoring and flood forecasting we've increased the number of monitoring stations and we've upgraded the capacity of our early warning systems on the monitoring side, on anticipating flood levels. We've also created some other tools for citizens. We actually now have an app – doesn't everybody have an app for something these days? – that you can download to your remote to get an update on what's going on in your community with respect to potential flood hazards, with respect to how much rainfall is anticipated, and so on. We've really kind of increased both the number of stations that we have but also the connectivity of those stations so that we have a more accurate set of forecasts, one of the areas where I'm actually quite proud of our folks and confident that we're in a much better situation than we were in 2013.

**Mr. Barnes:** Okay. Thank you.

I'll just ask as a follow-up: communication is always a concern. The Auditor General is always really good at mentioning that. How's your communication with dam operators, private and public?

**Mr. Werry:** Did you want me to answer that question now, Mr. Chair, or do you want to wait until you're on the dam safety side?

**The Chair:** It's a dam question, but if it's very brief, we can do it now.

**Mr. Werry:** I'll get into more detail on that when the rest of the committee members ask questions. We do have very strong relationships with dam operators in the province and with the professional engineering community that oversees that activity, and we're in the process of updating our website and creating that portal on our website to allow our operators to connect more easily with us. So that's part of our plan going forward.

**The Chair:** All right. We've got Mr. Loyola.

**Mr. Loyola:** Thank you, Mr. Chair. My question is for Mr. Pickering. Thank you for the update on the development of the regulation through Alberta Municipal Affairs. I wanted to ask a little bit deeper about that question on the restricting of the existing development in floodways, and of course this ties to the Auditor General's report and his key finding 2. Can you elaborate on why floodway regulations had not been implemented previously?

**Mr. Pickering:** Yeah. There was a provision in the environment act that dealt with restriction under the Water Act for plans that occurred. There wasn't previously any specific legislation in the Municipal Government Act that dealt with it other than from a broad planning perspective and allowing sort of municipalities – it was not a directive; it was more voluntary with respect to reflecting that in its statutory plans. Up until December of '13 there were no provisions in the Municipal Government Act which provided a power to the minister for a directive type regulation.

**Mr. Loyola:** Thank you.

**The Chair:** Mr. Westhead.

**Mr. Westhead:** Thank you. I'd like to sort of potentially move to another line of questioning, too. On page 82 of the report the

Auditor General describes that there are some communications challenges, again, between the various departments involved in flood mitigation programs. You know, he gives the example of the Department of Infrastructure approving one project that sort of seemingly contradicts another one. I'd like to know what kind of oversight has been implemented to stop these kinds of communication failures from happening and make sure that, you know, there's a co-ordinated effort always being moved forward in the best interest to protect Albertans.

**Mr. Werry:** Thank you. We have established a crossministerial working group to deal with this entire issue with respect to floods and dams and the general managing of our assets. That group is meeting on a regular basis now, so that mechanism is in place. I think that one of the things that has come out of the 2013 event is much more clarity about rules and responsibilities between the departments that are involved in all of this work. So we do have a standing committee in place now at the officials level.

**The Chair:** I long ago missed Mr. Malkinson, so I apologize. The floor is his.

**Mr. Malkinson:** You must have thought I was Scott.

**The Chair:** After this we do have Dr. Turner on the floor, and I think we're going to cut it off after that unless someone's got something absolutely burning.

**Mr. Malkinson:** Okay. On that note, previously in discussions with Mr. Werry we'd been talking about what your department is going to be doing in the future in regard to recommendations in the Auditor General's report. I was just wondering, to sort of look a little bit back in the past and at the time of the 2013 flood event: can you give us an idea of what percentage and number of communities did not have up-to-date flood maps at that time?

**Mr. Werry:** You know, I don't know the answer to that, to be honest with you. I wasn't the deputy minister at the time, so I don't have that information right at my fingertips, but I'd be happy to get it for you afterwards, provide you a written response.

**Mr. Malkinson:** That would be much appreciated.

A follow-up question along that same line: do you have an idea if there are areas of the province currently that are at risk for a flood event that haven't been mapped or don't have their flood maps up to date?

**1:40**

**Mr. Machielse:** I'll try to answer that. To my previous comment: I don't have the number of communities or Albertans that are at risk. I think there's about 15 per cent of the Alberta population that has not been mapped. Just to clarify, the map really is a signal of what is at risk, all Albertans that are at risk. Our ability to mitigate that hazard is really what we're focused on. The mapping and the changes that we're making now – it's full basin mapping; it's not community by community mapping – will also make a difference in some of the gaps that we've got in rural areas or along some of these basin areas. The majority of communities have been mapped.

**The Chair:** We have a follow-up from Mr. Barnes.

**Mr. Barnes:** Thank you, Mr. Chair. I just want to come back to the communication part. Of course, the goal is to maximize public safety and get as much oversight over taxpayer dollars as we can. When I see the "designate flood hazard areas" recommendations by the Auditor General and the fact that some municipalities may

disagree or may not enforce the flood hazard areas that have been designated by your department, I contrast that to the situation as I understand it in Medicine Hat, where, out of a concern for public safety, city council went forward and spent over \$30 million to build some berms and buy some temporary berms. Then I've seen the two departments, you know, talking about working together. So if I could ask you to elaborate on how you're going to communicate with municipalities that are most concerned about public safety, how that's happening, and what your communication plans are going forward to make sure that we maximize public safety and get maximum value for taxpayer dollars.

**Mr. Pickering:** On a go-forward basis in the development of the regulation, as I mentioned, we did have a task force made up of some municipalities to assist us in drafting a discussion document. There also was a symposium that municipalities that were at risk were invited to. So we're in the process of now completing that sort of policy analysis and putting that before the government. On a go-forward basis there's a tremendous amount of interaction between our field officers with the Alberta Emergency Management Agency dealing with a number of risks, floods being one of them, but basically to prepare communities for an all-hazard sort of approach going forward.

**Mr. Barnes:** As a quick follow-up: have you had any discussions with private insurance companies as to their involvement and what all this may lead to for their involvement in helping?

**Mr. Pickering:** Yeah, there has been. It's in its infancy right now. Some insurance companies that are looking at flood insurance, overland sort of flood insurance, need to base that on the basis of hazard mapping, and obviously premiums would flow from that. So it's something that our folks in Alberta Emergency Management Agency who administer the disaster recovery plan are monitoring in conjunction with the Treasury Board and Finance, our insurance folks.

**Mr. Werry:** Just anecdotally, I did speak with the executive director of the Alberta Association of Municipal Districts and Counties, and he indicated to me that the current path we're on with respect to floods was viewed very favourably by the insurance companies that they talked to to try and purchase insurance for their members. He was saying that if we stay on the path that we're on, that will help them access insurance for their members, and that's just based on a conversation I had with him this past week.

**The Chair:** We have a final follow-up from Mr. Cyr and then a final new question, from Dr. Turner. We'll try to keep it there.

**Mr. Cyr:** Underneath the new regulations that came in, you can deem areas as high risk. Now, where are we at with identifying these high-risk areas, and what timeline do we have to implement these high-risk areas? I guess that right now we've got a very strong liability for as long as they're not identified. I would really like to know how soon. How soon can we get to these high-risk areas?

**Mr. Werry:** That's why we're working very closely with Municipal Affairs on the development of the regulation and the mapping. These projects are going forward in tandem, and they're linked together. As I indicated, the vast majority of the risk for the province will be mapped by March 2017, and the regulation that's being developed and will ultimately be discussed with folks down the road contemplates that mapping being an important feature in the support of the regulation, so that's why we're continuing to

work together. The bottom line is that we expect to be substantially complete by March 2017.

**Mr. Cyr:** So that means you are going to be deeming areas of Alberta as high risk soon?

**Mr. Werry:** What it means is that we'll have the technical information to be able to do that and that there would be a process that Municipal Affairs will lead around what the regulatory framework is around that mapping. So the role clarity here is that Environment and Parks provides the necessary technical information to provide a clear and scientifically supported assessment of what the risks are through that mapping process. The policy and regulatory frame that goes around that tool is being developed by Municipal Affairs with our input and ultimately will be part of some form of public discussion.

**Mr. Cyr:** Where are we at in the process? I guess: are we halfway done this process with the regulations? Like, where are we at?

**Mr. Pickering:** As I mentioned in my introductory comments, we're basically at the process of having the policy option discussion with government. Just to elaborate a bit on it, through the mapping process there is defined a floodway and a flood fringe, a floodway being where the deepest and most rapidly flowing water is, which is the public safety risk. The regulation that Municipal Affairs is putting in play would deal with the floodway piece, which is that public safety risk. With that regulation, as I mentioned, legislatively that power is there. It's just the completion of the regulation, which we anticipate being completed by March of '16.

**Mr. Cyr:** Sixteen?

**Mr. Pickering:** Yeah.

**Mr. Cyr:** Okay.

**The Chair:** Final question from Dr. Turner.

**Dr. Turner:** Thank you, Mr. Chairman. This is to the Auditor General. I'd be interested in knowing more about the qualifications of the two specialists that you enlisted to help with this audit. This is on page 73. Perhaps to the deputy ministers: a short supplementary about what sort of inquiries you made with other jurisdictions that reside on the Rocky Mountains, such as British Columbia or Montana, in pursuing this sort of activity.

**Mr. Saher:** To the member: I can't elaborate any more than the background information. I mean, at this moment I can't elaborate any further. I'd be perfectly happy to supply, through the committee clerk, the names of the two specialists who were involved in helping us.

**Dr. Turner:** Thank you.

**Mr. Werry:** Just to respond to the latter part of the question, interprovincial comparisons and crossjurisdictional analysis are a routine part of our business. We do that with virtually everything that we do, especially in these technical areas. We do have working groups within the Canadian Council of Ministers of the Environment, where our officials get together and work together on these issues. So we did check in with our colleagues in other jurisdictions.

**Dr. Turner:** Would you be able to provide written information on those consultations? I think all Albertans are vitally interested in this matter.

**Mr. Werry:** We'll certainly go back and ask our staff to pull out the records from that. I'm happy to do that.

**Dr. Turner:** Thanks.

**The Chair:** We would ask our committee clerk to follow up on that.

All right. Well, that is it for our line of questioning on flood mitigation. We're going to now turn towards dam safety, and we'll open up the speakers list anew. No dam questions? I was waiting to say that.

All right. Ms Payne caught my eye first, but just keep your hands up if you want to go. We'll head to Ms Payne, but keep your hands up to get on the list.

**1:50**

**Ms Payne:** With respect to the dam safety report page 88 notes that the regulatory activities of the dam safety department "are primarily influenced by the consequence ratings of dams" that are assigned by dam owners. Given that regulatory oversight is a concern that is noted by the Auditor General, I'm curious to hear if there is any and what type of verification is conducted by the department to ensure that the consequence ratings that are assigned by owners are appropriate and accurate for the dam in question.

**Mr. Machielse:** There are four consequence ratings for the dam for a structure. We follow the guidelines from the Canadian Dam Association, who set out the criteria for those consequence ratings. When applications are made, if it's a government facility, we would be doing that review and identifying what that consequence rating is. If it's a private piece of infrastructure held by a corporation in Alberta, then they have the sign-off. It's required that they provide the engineering expertise to identify what that consequence rating is. Upon review, depending on what the consequence rating is, the level of return or review of that structure – if it's annual, biannual, every five years – would be one of the considerations of: has that changed?

**Ms Payne:** A follow-up. Kind of carrying on with the questions around the regulatory work, page 90 of the report mentions that there's legislation in place for dam safety to carry out regulatory work of the dams but that there's no specific plan that was noted by the Auditor that outlines what regulatory activities and what assessments would enable the department to assert that "owners are doing what they should to ensure the safety of dams," so I'm curious to hear if the department is moving forward with that recommendation or where you are at in developing some of that regulatory background.

**Mr. Werry:** We've provided a detailed implementation strategy to the office of the Auditor General, and with respect to that particular recommendation around a plan to regulate dams and report on the result of its regulatory activities, that is to be completed by the fourth quarter of '16-17, so by March 2017 that plan will be completed.

**The Chair:** I will use my privilege as chair to ask a question as it relates to my constituency, related to that directly. The Bassano dam is really the lifeblood of my constituency, and people in my constituency don't know very much about what the status of that dam is. There's currently work being done on it. Is there any public resource where people can go online and find out what the safety status of a dam is?

**Mr. Werry:** That's part of the update that we'll be doing, creating that better website information portal so that people can go and

check up on that. That's part of the development work that's under way right now.

**The Chair:** A follow-up from Mr. Dach.

**Mr. Dach:** Thank you, Mr. Chair. On page 91 the report says that 650 dams were not expected to have inspections unless the owner requested them, and I think it would be of significant concern to all Albertans that the owners have to request these and that otherwise they're not going to be inspected. Now, how does the department know that owners have the expertise to carry out their own inspections?

**Mr. Werry:** First of all, in order to have the authority to build, own, and operate a dam, you have to have certain levels of credentials, and there are engineering requirements for certain types of structures. Some of the older structures that are really low consequence don't have the same level of requirement, but professional engineers are required to sign off on these matters. Obviously, as a profession they're held to a certain standard and a certain code of conduct. Engineers in our department perform an audit or inspection function to verify that those other engineers have been acting according to their code of professional practice. So we do rely on the code of professional practice of engineers as part of our regulatory process.

I'm going to let Matt supplement that.

**Mr. Machielse:** I think the Auditor did identify that we had a gap in our inspection program as it relates to the low consequence and that 600 number that you've got, and we took an initial step of moving all of those to a high level, which prescribes an inspection reporting back into the department as a first step. That will be further informed by – we've hired on an expert panel to review what guidelines we are using and the approaches that we're taking, and that will drive the changes that will be in place by March 2016.

**Mr. Dach:** Once those changes are implemented, how long could a private owner possibly go without having his dam inspected?

**Mr. Machielse:** That will depend on the guidance that we receive from this expert panel. But for low consequence right now it is on the call of the owner. That may change to 10 years or five years, depending, again, on what the expert panel comes back to us with.

**Mr. Dach:** It would be a low consequence if it's not your farm that gets flooded but a pretty high consequence if it is. I mean, most people are concerned that these regulations allow private owners to avoid having the dams inspected for lengthy periods of time, and hopefully it's a priority to make sure that regularity and timeliness are the priority.

**The Chair:** I'm just going to take this opportunity to remind us all that when we have follow-up questions or interjections, they are very, very, very specifically related to the subject matter at hand. Members of all parties have been loose with it. It's our first meeting; I think we're doing pretty well with it. But this is a reminder. I would suggest that when you're beginning a question, in the first words you say, "On the topic of X," and when there are follow-ups, you begin with, "This is still on the topic of X" so that we can appropriately structure these questions and bracket them.

The next question, new topic, is to Mr. Panda.

**Mr. Panda:** No. It's a follow-up question.

**The Chair:** A follow-up question to Mr. Panda.

**Mr. Panda:** Yeah. The information about questions and concerns related to dam safety was removed from the department website, as noted by the Auditor General. Why was it removed? When will it be reinstated? Will it be done by March 2017, or is there any timeline for it?

**Mr. Machielse:** The communication and the creation of the system to manage all of the information regarding dam safety: we're undertaking that work right now. Our current target timeline for having that information available to Albertans is March 2016.

**Mr. Panda:** Thank you.

**The Chair:** A follow-up from Mr. Loyola.

**Mr. Loyola:** On the topic of privately owned dams from the Auditor General's report it shows that dam safety spends most of its time working on government-owned dams, and that's a concern to me. My question is: how many inspections has dam safety concluded on privately owned dams in the previous five years, in the lead-up to the audit?

**Mr. Machielse:** Sorry. I'll have to follow up. We'll give you that in writing. I don't have those numbers of what was actually inspected in the last five years on the private side, but we'll follow up with that.

**Mr. Loyola:** Okay. Thank you very much. I'd appreciate that.

**The Chair:** A follow-up from Mr. Cyr.

**Mr. Cyr:** With that follow-up can we find out generally what you found in those inspections?

**Mr. Werry:** Yes.

**The Chair:** A question from Mr. Dach.

**Mr. Dach:** How does the private operator self-reporting and risk assessment compare to other jurisdictions and ...

**The Chair:** On the topic of ...

**Mr. Dach:** Pardon me?

**The Chair:** On the topic of ...

**Mr. Dach:** On the topic of dam safety and self-reporting how does private operator self-reporting and risk assessment compare to other jurisdictions?

**Mr. Machielse:** We followed the Canadian Dam Association requirements and criteria as far as dam safety goes and the consequences and the risk that are in play on them. I think Alberta has led nationally in implementing that dam safety framework. Obviously, some gaps were identified by the Auditor General, and we're working to address some of those gaps now. I am highly confident that nationally we are holding these private owners as well as the government operators to a very high standard.

2:00

**Mr. Dach:** Thank you.

**The Chair:** A new question, from Ms Renaud.

**Ms Renaud:** Thank you. On the topic of dam safety: not splitting them up between private and government-owned dams,

approximately how many inspections does the dam safety unit do per year?

**Mr. Machielse:** Sorry; I do not have that number. The extreme consequence and very high consequence: we do a hundred per cent of those inspections, or the reporting is done on those inspections. So we've been meeting our inspections as far as the legislative or regulatory requirement, but as far as the high and the low I don't have that number for you. We'll follow up, though.

**Ms Renaud:** Okay. Thank you.

Just as a follow-up, the report mentions, I think, that there were approximately eight FTE, or full-time equivalent, positions that are looking specifically at inspections around dam safety. Could you tell us approximately what percentage of this unit's budget is assigned specifically to the staff doing the inspections?

**Mr. Machielse:** The actual inspection work: we've got dam operations, and we've got the dam safety group. The eight FTEs: it would be a hundred per cent of their time that is dedicated to delivering to the dam safety framework as it was set out prior to the audit. The actual inspection days on the ground: that's a really tough number to try to identify, again, even a ballpark of that number, because there's follow-up that's required. There are submissions that are coming in as the self-reporting goes on. So I hesitate to give you an actual percentage number. Sorry.

**Ms Renaud:** Okay. Thank you.

Can I ask one quick follow-up question to the Auditor General?

**The Chair:** Yes.

**Ms Renaud:** Just in your work looking at this particular department or this unit, did your audit conclude at all that there were deficiencies in terms of – was there a lack of resources in this unit to complete the required inspection work?

**Mr. Leonty:** On the top of page 91 in our report we do highlight that through the course of the audit we did get a sense that the dam safety group was pulled in a number of different directions. There were a number of tasks that they had to do, and that's why we focused a recommendation on appropriate planning so a risk-focused plan could be put into place that best directs where the resources will be used in order to complete the necessary monitoring activities. You know, certainly, we did find that the group was doing many different tasks and activities, and they were quite busy.

**Ms Renaud:** Thank you.

**The Chair:** A follow-up on this from Mr. Bhullar.

**Mr. Bhullar:** Thank you, Mr. Chair. It's on the topic of this investigation, the reports. Are all of the reports conducted by the in-house staff alone, or are there any reports or investigations or evaluations that are done by external consultants?

**Mr. Machielse:** Depending on the consequence of the dam, the inspections would be done by either the dam owners and their staff or they would be contracting some of that work. It's not all done by government employees.

**Mr. Bhullar:** Okay. Something I found in my brief time in Infrastructure was that there was often conflict, if you want to call it such, or a difference of opinion between individual third-party contractors that were conducting some of the building audit reports

in Infrastructure and the department or Alberta Health Services, just as a random example. There was conflict in the evaluation. How is that conflict rectified? An example: if there is a government official that is conducting an audit and they say one thing and the private operator says another, how is that rectified? On the other side, what if there's an independent third party that's conducting the audit and the government folks disagree? How is that conflict rectified?

**Mr. Machielse:** Again, the Auditor had identified that the guidelines that we use to inform dam owners of what needed to be done needed to be updated. I think that gets to your point about when we have differences of opinion on what's safe or what the consequences of some mitigations might be. We're undertaking right now to update the guidelines and the guidance that will be provided to all dam owners, so that will remove those discrepancies. It is an interpretation. As a regulator we do have to make those decisions, or the signing director would have to make that decision of what's acceptable or not acceptable.

**Mr. Bhullar:** Forgive me if I'm a bit naive. I don't know the details of all the inspections here. Are these reports or evaluations made public on a regular basis?

**Mr. Machielse:** Right now those reports are not public. I think the guidance from the Auditor General was to at least have a reporting of that to Albertans. That's the system that we're trying to build right now. The team has created, again, under the guidance of the Auditor General an executive reporting of the status of inspections, current issues that are not being addressed. We've received the first copy of that executive reporting following the release of this report.

**Mr. Bhullar:** Okay. The last is not so much a question. Are we allowed to put a comment forward or not?

**The Chair:** A brief one.

**Mr. Bhullar:** Okay. A brief one. My only suggestion is, because it seems that we are embarking here with respect to dam safety on what has been done on the Infrastructure side some time ago, that we may be able to actually learn from some of those processes and bring those forward here. One of the conflicts that I tried to resolve there was when there's an independent third party and a government agency that conflict in their opinions. Make it all public. Make it all public so that we have both parties willing to stand by their decision, and I found that that goes a long ways. Just a suggestion there for the Auditor and yourselves.

**The Chair:** We have a follow-up on this topic from – I'm not sure if it's Mr. Cyr or Mr. Panda or both.

**Mr. Panda:** Sure. Is it still related to dam safety?

**The Chair:** Well, on this specifically, on inspections.

**Mr. Panda:** No.

**The Chair:** Okay. A new topic?

**Mr. Panda:** Yeah.

**The Chair:** Okay. I'll come back to you in order here, then. Actually, you've been on the list for a while. Go ahead.

**Mr. Panda:** What regulatory functions is dam safety responsible for? My other question is: how do you rate the performance of the regulatory systems related to dam safety?

**Mr. Machielse:** How do we rate the performance? I think that gets to what I talked about earlier, the executive reporting, really understanding and making sure that the executive is fully aware of the issues that the dam safety group is dealing with and the number of inspections they've done, of any concerns that are raised, or if there are issues with follow-up. This initial report has focused on that, and the system that we're trying to put in place will somewhat automate that reporting to the executive on a quarterly basis.

As far as the regulatory function, under the dam safety act the department is responsible for ensuring, based on consequence, the kind of reporting that has been done, that if there are deficiencies that have been identified, those deficiencies are directed back to the dam owners, the reporting of completion of those deficiencies, and follow-up as required. I think, again, that the Auditor identified some of the gaps that we've got in our systems of tracking and reporting on that system. We had two or three different databases that could not be pulled easily to get that kind of information for Albertans.

2:10

**The Chair:** Dr. Turner, a new question.

**Dr. Turner:** Thank you, Mr. Chair. I'm going to change the topic slightly to a discussion about the tailings ponds, particularly at coal mines. The Auditor General's report, page 88, says that there haven't been any inspections done on tailing ponds, particularly coal mine tailing ponds, since the 1980s, and just within the last few years there have been several significant events such as the Obed failure, the failure in British Columbia, which was not a coal mine but a different kind of mine. Both of these affected water quality immensely, and I'm surprised that Alberta Environment hasn't really jumped all over that. It's not just the threat to life and limb; it's the threat to the quality of the Athabasca River or other rivers that need to be done. What is the department doing to bring us into the 21st century as far as inspection of these tailing ponds and ensuring that Albertans are safe and our waterways are safe from the toxicity that's loosed on them?

**Mr. Werry:** Just to be clear, the regulatory responsibility for tailings ponds and those kinds of circumstances related to mining is actually the responsibility of the Alberta Energy Regulator. In our meeting with the office of the Auditor General we had a joint meeting between ourselves and the Alberta Energy Regulator, and we are working together to operate to the exact same standards. The Alberta Energy Regulator is now responsible for following up on those matters, and we do have an ongoing working relationship with the Energy Regulator from a policy perspective. So we're providing them with dialogue and discussion and policy guidance relative to that, but the actual day-to-day work rests with the Alberta Energy Regulator. They were part of our exit interview with the Auditor and accepted the Auditor's recommendations.

**Dr. Turner:** I really think that Albertans deserve a more fulsome response. Our waterways are under threat, and it's Alberta Environment and Parks that is responsible for those waterways. I'd like to know what the timeline is for these discussions and negotiations with the AER about this. I also want to know why a dam that encloses a tailings pond isn't a dam. I mean, a dam is a dam, in my opinion. I think this sort of shuffling off of the responsibility to another department isn't really serving Albertans very well.

**Mr. Machielse:** I'll try to answer. Upon receiving the report from the Auditor General – I talked earlier about an expert panel being contracted to provide some guidance to our consequence rating

system and what's considered within that. There was a gap as far as the environmental issues that needed to inform that consequence rating. It really was about human jeopardy; that drove the consequence rating in the previous guidelines. We expect that by March of 2016 we'll get that expert opinion on what changes need to be made to our guidelines to inform the ratings.

In addition to that, when I spoke earlier of moving a low consequence to a high, that was part of the initial first step of the tailings dams, that they need to be on a path of constant review and inspection. So we've taken that initial step, but how that guideline actually gets into our formal guidance on a go-forward is what we're working on right now. We've done the full process mapping. We're working very closely, as Deputy Minister Werry said, with the AER so that both regulators are working from the same guidance.

**The Chair:** Would you be willing to report back to this committee with a specific follow-up on your progress on that file?

**Mr. Machielse:** Sorry. Which follow-up?

**The Chair:** On putting in place processes with regard to safety in tailings ponds. Would you send a written report back to this committee when that's complete?

**Mr. Machielse:** Yes, because that will be our guidance document. It likely won't be until March 2016, though.

**The Chair:** All right. We will follow up on that. Is that it, Dr. Turner?

**Dr. Turner:** I'm finished. Thanks.

**The Chair:** Very good.

Mr. Westhead. Is this a new . . .

**Mr. Westhead:** No. It's a follow-up.

I have to agree with Dr. Turner that, you know, our water is critical here in Alberta. Similar to Dr. Turner's question, on page 88 the Auditor talks about how the structure that failed at the Obed mine "was not [being] monitored by Dam Safety even though it appears to meet the definition of a dam." Assistant Deputy Minister Machielse talked about the consequence rating, but I think Albertans need to know that all the dams that are out there that fall under the definition of a dam are actually being monitored. We need a bit more assurance that for all the dams that are out there, we quantify them, we know them, we know where they are, and we know that they're being safely inspected. How can you reassure us that the dams that meet those definitions are actually being quantified and categorized?

**Mr. Werry:** To be clear, when we met with, obviously, the Auditor General on their review of where we're at with respect to dam safety in the province – and I'll leave the Obed incident aside for just a moment – we were clear in our discussions with one another that we did have some challenges with respect to our reporting and the transparency of the work that was going on in our organization, and the first step was to create that plan so that we address those issues. The next step was to bring in the expert panel, that would make sure that we are operating best in class when it comes to, as ADM Machielse has already mentioned, not just the public safety issues but also the environmental safety of the dams that are on the landscape.

We're quite confident that as we move down the road and conclude this work, Alberta will be in a leadership position when it comes to assuring Albertans that dams are, in fact, safe, that they're

being regularly inspected and monitored, and we'll be in a better position than we were prior to the office of the Auditor General raising these issues.

**Mr. Westhead:** I understand that, but if there are dams out there that we don't know about, how can we be sure that they're safe and fall under those world-leading conditions?

**Mr. Werry:** I'm not sure that there are dams we don't know about. Since we started this work, I think we've made some progress on that file, and we're continuing to work with the regulator, who also have staff on the ground who are involved in this kind of work when it comes to tailings ponds and other matters, and we have the same goals, as has been framed by the office of the Auditor General. You know, I can't speak for what happened around Obed, but I can assure you that on a go-forward basis that's where we're going.

**The Chair:** All right. Now we have a follow-up from Ms Renaud. I'll just say, though, that we are in the bottom 10 minutes of our line of questioning here, so let's try to keep it punctual, and if you're going to add questions to the list, make sure they're very pressing.

**Ms Renaud:** This is just a follow-up to the question that Mr. Westhead asked. Are you saying that you will create a dam registry, and will that be available to the public?

**Mr. Werry:** What we're moving towards is a dam safety website that will have all of the relevant information on it and would be accessible to the public. We have some challenges within our own systems that have been in place, the sort of legacy systems that we've been using to track this information. We started that work by creating a manual and executive report of where we're at, and that's going to be moving to an online version, and we're looking to have that portion in March 2016, to sort of have that web portal resolved and be able to make more of that information available to the public.

2:20

**Ms Renaud:** Are you saying that all dams, then, that would be eligible for inspection or self-inspection would be listed on a registry like that?

**Mr. Werry:** Yeah. Much of what the Auditor General did point out was some of the challenges we had around record keeping as opposed to some of the inspection work that was actually going on. Our staff has actually spent some time kind of restructuring the way in which that group is working and working towards this online availability of the information.

**Ms Renaud:** Thank you.

**The Chair:** Mr. Westhead, were you on the list for a new question? You covered it? All right.

Mr. Barnes.

**Mr. Barnes:** Thank you, Chair. I, too, had a question about tailings ponds. Thank you for all your answers. They were very, very informative. A little concern, though, while you were answering. The Auditor General has indicated, you know, in his audit late 2014, or whenever it was, that dams with tailings ponds were being transferred to the Energy Regulator at that time. I've heard others now say that March 2016 is the date that things will be more transparent on the Internet. That's when the experts will have their chance to give some advice. I'm concerned about the time period from when the Auditor General did his audit late in 2014 until March 2016. What is the Alberta Energy Regulator doing? Are they taking your department's old mechanisms to ensure that safety and inspections for tailings pond dams are there? Do we have a communication problem where we may have a mishap?

**Mr. Werry:** In my opinion, we don't have a communication problem where we may have a mishap. We've been working very closely with the Energy Regulator on the transition. Many of the staff who are doing that work for the Energy Regulator were staff who previously worked for us, so they've actually hired away some of our expertise. They do have people working in that domain who have the experience they need to have, and we're continuing to work together. We do have a mechanism for working with the regulator to identify any policy issues that we may identify through this process. So if there are policy gaps, we do have a way of addressing that through the working relationship we have with the Energy Regulator. I'm very confident that the work we're doing will continue to address issues on a go-forward basis.

**Mr. Barnes:** Thank you.

**The Chair:** Are there any other questions?

All right. Well, we have just a brief little bit of housekeeping before we wrap up this session. We will have another session, with the Auditor General, at 2:30, but let's wrap up the formal part of this meeting. Is there any other business?

The date of our next scheduled meeting is right after this, at 2:30 p.m., with the office of the Auditor General. Would a member like to move that we adjourn until that time? Mr. Loyola. Discussion? All in favour? Opposed? Carried. The meeting is adjourned until 2:30.

[The committee adjourned at 2:23 p.m.]











