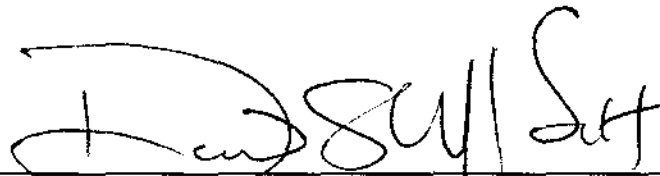

This is Exhibit B
to the Affidavit of Neal Ferguson
sworn this 2⁹ day of November, 2005



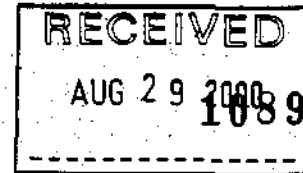
Commissioner for Taking Affidavits, etc.

GREEN & CHERCOVER

B a r r i s t e r s & S o l i c i t o r s

Barrie Chercover • Janice Chung • Ian J. Fellows • Maurice A. Green • Gary Hopkinson • Susan Luft
Julia McNally • Brendan J. Morgan • Joshua S. Phillips • Sonia Pylyshyn • Susan Ursel • Cynthia Wilkey

August 29, 2000



By Fax 327-8782

Mr. Justice Dennis O'Connor,
The Walkerton Inquiry,
180 Dundas Street West,
22nd Floor,
Toronto, Ontario,
M5G 1Z8

Dear Mr. Justice O'Connor:

Re: **Professional Engineers and Architects of the Ontario Public Service
(PEGO)
Our File PEGO 023**

We act for the Professional Engineers and Architects of the Ontario Public Service
(PEGO).

Further to our letter of August 23, 2000 from Mr. Green, please accept the following as
our revised application with respect to standing and as an application for funding
pursuant to the Notice of Hearing and the Commission's Rules of Procedure and
Practice.

***The Nature of PEGO's Interest, Proposed Involvement, and Special Experience
and Expertise***

As noted in our previous correspondence, PEGO is the recognized bargaining agent for
over 400 professional engineers in the Ontario public service, including those members
employed as water engineers in the Ministry of Environment. PEGO represents the
collective interests of these members with respect to labour relations and professional
aspirations as they affected by labour relations issues.

PEGO believes that the knowledge and expertise of its members presently or
previously employed as engineers in the Ministry of Environment involved in the
provision of public drinking water in Ontario are relevant to both Parts I and Part II of
the Inquiry.

30 St. Clair Avenue West, 10th Floor, Toronto, Ontario M4V 3A1
tel: 416-968-3333 fax: 416-968-0325 e-mail: inquiry@greenchercover.com

First, the Association will be able to provide an overview of the role played by professional engineers in the various divisions and departments within the Ministry of the Environment involved in the provision of public drinking water.

Second, PEGO believes that its knowledge of budgetary realities and constraints in the Ministry of Environment obtained through dealing with the labour relations issues of its members will be valuable to the Inquiry. PEGO is well placed to explain the impact of budgetary cuts on the Ministry of Environment, whereby approximately 300 engineers were reduced to the approximately 90 currently employed and whereby approximately 90% of the engineers in the Ontario Clean Water Agency were cut. The Association believes that, in part, the problems that were encountered by the local authorities in Walkerton can be traced to the fact that there has been insufficient professional oversight by the Ministry of the Environment of crucial issues of which its members have knowledge and expertise.

Third, PEGO is equally well placed to explain the ongoing attempt by the current government of Ontario, and previous governments, to "de-credentialize" professional positions within the Ministry of Environment, whereby professional engineers are being replaced with non-professional employees who do not possess the professional judgment, expertise, or responsibility required to adequately deal with the exigencies and contingencies involved in the provision of safe public drinking water.

With respect to Part II, PEGO would hope to be able to provide evidence and information on how flaws in the current system for providing drinking water in the province could be addressed and how the system could be improved so that the tragedy that has occurred is not repeated. Such information may include, but would not be limited to, explaining staffing needs within the Ministry as well as the need for professional expertise and judgment in given positions.

Last, PEGO seeks standing to monitor and address the accuracy and implication of any adverse evidence that may be presented at the Inquiry touching on the role, responsibilities and activities of its members employed in the Ministry of the Environment during periods material to the Inquiry's mandate.

Criteria for Funding

(a) *standing*

We understand that any application for funding is contingent on first obtaining standing in at least one of Part I or Part II of the Inquiry.

(b) *financial resources*

PEGO has insufficient financial resources to enable it adequately to represent itself and

assist the inquiry in the manner indicated above.

Attached as Exhibit "A" please find the year 2000 PEGO budget prepared in March 2000.

As can be seen, PEGO's sole income source is the bi-monthly membership fees and interest on these fees. Assumptions with respect to expenses based on recent patterns and anticipated costs indicate that the entire 2000 income will be required to meet PEGO's operating expenses.

While the 2000 budget shows a surplus balance of \$515,359 being carried forward from 1999, this represents a contingency fund maintained by PEGO, built up over several years, to support its members during a strike or lockout by management.

It should be noted that the current PEGO collective agreement expires at the end of this year and PEGO is just about to begin bargaining for a new agreement with Management Board.

Should collective bargaining be unsuccessful, PEGO members will be in a strike position and the employer in a position to lock out its members early in the new year. It is not possible, as a result, for any of the contingency fund to be set aside to fund participation in the inquiry.

(c) use of funds

The requested funds would be used to finance the costs to the Association of

- having one or more members take periodic unpaid leave days from their duties to both prepare information to be easily and efficiently used at the inquiry and to attend the inquiry hearings;
- administrative costs of collecting, organizing and preparing information for the inquiry;
- periodic consultation and assistance from counsel with respect to procedural or substantive issues involved in participating in the inquiry, and participation by counsel at the hearings;
- travel expenses to attend the hearings.

We would ask that it be borne in mind that PEGO is governed by an elected Executive Committee of five members (President, Vice President, Secretary, Treasurer, and Past-President), none of which are paid or full-time positions and require the affected member to discharge his/her duties on the executive during non-work hours.

Moreover, only two members of the current executive are employed in the Ministry of

Environment. The burden of co-ordinating information gathering for the Inquiry would fall on these two individuals. Collective bargaining for a new collective agreement that is about to begin will place increased demands on the non-work time of both individuals. Thus, it is to be expected that some non-paid leave days will be required for one or both individuals to gather information and attend the hearings.

Since counsel has been involved in preparing the Association's applications for standing and funding it is also reasonable to expect that counsel will need to be periodically consulted for assistance in preparing information for the Inquiry and to attend the hearings.

(d) administration of funds and accountability

PEGO intends to have all funds received for participating in the Inquiry administered by its Treasurer. All funds will be maintained in a separate bank account and all disbursements from that account will be noted, described and reviewable.

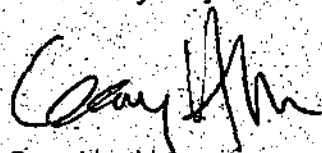
It should be noted that the Association has much experience in handling funds of various kinds on behalf of its members. Moreover, as a democratic organization all funds are managed with the outmost degree of accountability to the membership.

Conclusion

We trust that the above sufficiently outlines both the contribution that the Association will be able to make to the Inquiry and the Association's need for funding to do so.

We look forward to making fuller submissions before the Inquiry on these issues at your discretion.

Yours very truly



Gary Hopkinson

c.c. Paul Cavalluzzo

Aziz Ahmed

Paul Farrace

PEGO

EXHIBIT "A"

Professional Engineers of the Government of Ontario

2000 - Budget

<u>Revenue</u>	<u>2000</u>
Memberships based on 410 members/\$390/year)	159900
Interest from \$490000 TB	24500
Total Income	184400
 <u>Expenses</u>	
Legal and Consulting	40000
Office Salary	37000
Board Meetings	20000
Wage Costs and Benefits	5500
Rent	8000
Office Supply and Expenses	6000
Postage	4000
Printing	5000
Office Equipment Rental and Maintenance	3000
Accounting and Bookkeeping	2500
Advertising and Promotion	1000
Insurance	500
TB's Purchase	35000
Contingencies	26900
 Interim Expenses	 194400
Deduct Recovered from FESA	-10000
 Total Expenses	 184400
 Balance Forward	 0
 Balance, End of 1999 (see 1999 Financial Report)	 515359
 Capital End of 2000 (to be confirmed by the 2000 Financial Report)	 550359

Prepared By: Paul Farrace, P. Eng.
Treasurer, PEGO

Date: March 21, 2000