

Springbank Off-Stream Reservoir Project

NRCB Hearing

March 22, 2021

OPENING STATEMENT OF ALBERTA TRANSPORTATION

1. Good morning Mr. Chairman and members of this Board, as Mr. Kruhlak indicated, my name is Matthew Hebert and I am the Executive Director for the Springbank Off-Stream Reservoir Project and an employee of Alberta Transportation. I am the lead policy witness for Alberta Transportation and will chair the proponent's witness panels in each topic session.
2. I have been personally involved in this project for the last two years, since the spring of 2019. During that time, I have met with numerous stakeholders, responded to various regulators and have overseen our consulting team to be able to present this application to you for your review.

2013 Flood

3. Mr. Chairman and members of the Board, the reason we are before you today with this Project is in direct response to the massive flooding in 2013 in Southern Alberta and the City of Calgary which resulted in significant economic and personal costs for this province and its citizens. You will have heard that there were five fatalities and over five billion dollars in damages. In Calgary, the flooding of the

Bow and Elbow Rivers resulted in some 88,000 people being displaced, 14,500 homes damaged, 3,000 other buildings flooded and 4,000 businesses damaged. Other communities, including Bragg Creek, Redwood Meadows, Canmore and Banff, were also heavily impacted. Over half of High River was inundated and numerous other communities and First Nations felt its effects. It was a terrible event that will always be remembered by those who lived through it.

4. The Government recognized that it had to take timely action to prevent that catastrophic event from reoccurring as history has shown that a flood of some magnitude is expected on the Elbow River every 8-10 years. It was an imperative of the Government of Alberta to mitigate the recurrence of the long term personal and economic effects by pursuing flood mitigation on this river and in other communities.

Project Background

5. As a result, the Government immediately started a review process to identify possible flood mitigation options for Calgary and southern Alberta. This included a process to identify the location of another reservoir on the Bow River and the construction of berms for the Bragg Creek Community.
6. To address the flood mitigation needs on the Elbow River, the Government of Alberta initiated what became a series of technical reviews of various options and assessments of the pros and cons of each. Out of those reviews the Springbank Project, or SR1, was selected as the preferred option having regard to numerous criteria. While the selection was made primarily on technical, environmental and

economic grounds, consultation with key stakeholders was carried out during this process.

7. As is the case with decisions of this magnitude, the selection of SR1 resulted in concerns being expressed by some stakeholders, in particular by local landowners and residents in the Springbank area. A number of them told us we'd picked the wrong project and asked us to reconsider other options, like an in-stream dam on the Elbow River at McLean Creek. Because of this, the decision to select SR1 was reviewed and subsequently re-affirmed by two successive provincial governments, most recently in 2019 by the current government.

Alberta Transportation

8. The Government determined that Alberta Transportation would be the proponent of the Project to seek the necessary regulatory approvals as well as oversee construction. Alberta Transportation has extensive experience overseeing the construction of major infrastructure projects across the province. After construction is completed, Alberta Environment and Parks (or AEP) would then assume the operation of the Project. AEP operates many other dams and similar infrastructure around the province.
9. Alberta Transportation acknowledges that it may have initially underestimated the extent of the regulatory process that a public safety project of this nature might be subject to, both federally and provincially. This caused it to have to resubmit some of its regulatory materials. Nevertheless, and despite the urgent need for the

project, Alberta Transportation has been diligent in completing the various steps of the regulatory process.

10. In 2019, the department commissioned an independent review by a regulatory expert, Mr. Martin Ignasiak, who identified certain improvements that could be implemented in the approach Alberta Transportation was undertaking to advance a project of this nature. I note for the record that Mr. Ignasiak's report has been filed on the record by the SCLG, as part of Exhibit 275.
11. Alberta Transportation released Mr. Ignasiak's report to the public and adopted his recommendations in bringing additional specialized resources to respond to the SR1 application and enhance its consultation with stakeholders and Indigenous communities. As a result, Alberta Transportation believes its application responds to both the requirements of the regulatory process and the concerns and expectations of stakeholders and Indigenous groups.

IAAC

12. At this stage I am pleased to see that the Impact Assessment Agency of Canada's draft decision indicates that, taking into account the implementation of the key mitigation and follow-up program measures, the Project is not likely to cause significant adverse environmental effects as defined under the *Canadian Environmental Assessment Act 2012*.

AEP

13. Further, the Director of Assessment of Alberta Environment and Parks has also deemed the Application complete.

Project Selection

14. We appreciate that the Board understands that Alberta Transportation considered several alternatives to SR1 and those Project alternatives have been discussed at some length in materials previously filed as part of the environmental assessment process.
15. Despite the passage of time and reexamination of various issues, Alberta Transportation remains confident that the Springbank Off-Stream Reservoir Project is the best suited to provide timely, reliable, and effective flood mitigation on the Elbow River to the City of Calgary and other downstream communities.
16. We reiterate the position that Alberta Transportation presented at the pre-hearing conference, which is that Alberta Transportation is only advancing the Springbank Off-stream Reservoir Project and, accordingly, it is the only reviewable Project before this Board.
17. Further, Alberta Transportation remains strongly of the view that SR1 is the right project to deliver flood mitigation on the Elbow River, for the following reasons:
 - It is an off-stream dam and less sensitive than an in-stream dam to impacts from sediment or debris;
 - It will capture more flood waters due to its location further downstream;

- It is closer to operation response teams and access roads;
- It has less environmental impact;
- It has less impact on the Elbow River;
- It is less vulnerable to damage during extreme weather, including catastrophic failure during construction;
- It has less impact on social/recreational values;
- It has less impact on commercial/tourism values;
- It has a positive economic impact; and
- It is years closer to being built than any alternative project.

Project Costs

18. The current budget for SR1 in the Government of Alberta's capital plan is \$432 Million. Alberta Transportation believes this represents a sound investment in important public works infrastructure that will more than pay for itself the first time a flood the magnitude of 2013 occurs.
19. Alberta Transportation is aware that some Interveners believe that the cost of SR1 has escalated to a point that it no longer has an advantage over the MC1 option. Mr. Chairman, Alberta Transportation does not agree. The current cost estimate for SR1 is for a project which has advanced to the detailed design and engineering stage and has undergone extensive stakeholder engagement.
20. By contrast, the cost estimates for the MC1 option were for a project which did not advance beyond the conceptual stage. Therefore, comparing estimates

between current SR1 costs to historical MC1 costs is comparing apples to oranges.

21. Alberta Transportation is closely monitoring SR1's cost estimates to ensure it can deliver this flood mitigation project in a timely and effective manner. Final costs will be based on final design, a competitive construction tender, completion of land acquisition, and conditions set by regulators.

Impacts on Local Landowners

22. Unfortunately, with major projects of this nature there are impacts and Alberta Transportation has attempted to recognize them, consult with impacted parties and work to address and, where possible, mitigate those impacts. I have personally spoken with numerous landowners in the Project area and whenever requested have met with them to better understand their concerns. In addition, this past fall, the project team presented and responded to questions from the community at two information sessions.
23. In some circumstances, where impacts on stakeholders could not be addressed through project design or operational mitigations, such as local landowners whose lands are required for the project, Alberta Transportation has offered to compensate impacted parties. To date, we have successfully acquired approximately 25% of the lands in the Project area through voluntary purchases. I am also pleased to advise the Board that we are in the process of finalizing acquisitions from an additional three SR1 landowners. When finalized, these

acquisitions will increase to approximately 43% the amount of land secured by Alberta Transportation for the Project.

24. When this hearing is over, Alberta Transportation will continue negotiating with the remainder of SR1 landowners with the hope of acquiring voluntarily the balance of lands required for the Project. As stated in the Land Acquisition Program prepared for SR1, AT will not resort to expropriation until after this Board has approved the Project, should it do so.
25. With regard to local landowners whose lands are not required for the Project, Alberta Transportation recognizes and respects their concerns and I can assure this Board that we take them seriously. As you will hear in coming days, Alberta Transportation has proposed numerous mitigation measures to address these concerns and, where appropriate, will endeavor to enhance those mitigations. Alberta Transportation remains open and available to discuss outstanding concerns with these adjacent landowners.

Indigenous Consultation

26. Alberta Transportation takes very seriously its obligation to consult with and, where necessary, accommodate First Nations and Indigenous communities. I have personally attended some 32 meetings with Indigenous communities who are or may be impacted by the Project and attempted to not only ensure we understand those concerns but accommodate them as may be reasonably possible.

27. I believe it is those efforts which have resulted in the recent withdrawal from the hearing of two First Nations. We will continue to work with Indigenous communities going forward to ensure that their issues are addressed should this Project proceed.

Stoney Nakoda

28. Alberta Transportation has carefully reviewed the intervention by the Stoney Nakoda Nations and believes that many of the concerns raised by the Stoney Nakoda Nations have already been addressed by Alberta Transportation through the regulatory process, including in the Environmental Impact Assessment, Supplemental Information Requests, and the development of initiatives such as the *Updated Draft Guiding Principles and Direction for Future Land Use*, the proposed First Nations Land Use Advisory Committee and the Project's Indigenous Participation Program.
29. Further, Alberta Transportation is committed to continue to work with the Stoney Nakoda Nations to ensure it can continue to participate not only in the monitoring and identification of areas of cultural significance, but also be a participant in the construction of the Project.

Landowner Interventions

30. Alberta Transportation has closely examined the concerns raised by the Springbank Concerned Landowners Group both prior to the scheduling of this Hearing and their detailed concerns as set out in their submission.
31. It is my belief that the application, together with responses to information requests and the additional information in Alberta Transportation's Response Submission filed with this Board on March 12, 2021, responds to those concerns. We have also carefully reviewed the recommendations made by the independent experts retained by the SCLG. In some cases, this caused us to re-evaluate our information and look at adopting certain of the recommendations made to improve the Project.
32. I remain confident that the issues raised by the SCLG have been recognized and addressed in the design of this Project or, in other cases, the potential impacts of the Project by the construction or its operation have been recognized and will be monitored and mitigated.
33. Our engagement with the local community will not stop because of this Hearing or after approval of the Project, if it is granted by this Board. Alberta Transportation recognizes that it will continue to have an ongoing obligation to engage with the members of the local community and Indigenous groups. In this regard, Alberta Transportation has committed to appointing a community liaison officer to specifically address any issues which may arise during construction of the project

and its operations. Further, we have made numerous commitments to monitoring and mitigation with respect to impacts associated with the operation of the Project.

Calalta

34. In response to the submission filed by Calalta, Alberta Transportation has reached out directly to Calalta and confirmed our willingness to address and where possible mitigate their concerns.
35. In particular, Alberta Transportation is prepared to install an air monitoring station at Calaway Park during construction and share the monitoring information with Calalta. In the event exceedances are recorded that are related to the Project, Alberta Transportation will ensure that steps are taken to address those exceedances so as to mitigate any possible impacts to not only Calalta but all residents in the area.
36. Alberta Transportation is also prepared to monitor and investigate any concerns that Calalta Waterworks may have with respect to identifiable impacts to its water intake system as a direct result of the release of waters from the reservoir once constructed and operated.
37. With regard to Calalta's stated concern about the impact of the Project on its water franchise area, as indicated in our reply submission, we are prepared to review this item with Calalta but submits this is a commercial matter that does not fall within the Board's public interest jurisdiction.

City of Calgary and CRCAG

38. Alberta Transportation acknowledges the submissions filed by both the City of Calgary and the Calgary River Communities Action Group and Flood Free Calgary, which highlight the magnitude of the devastating impacts of the 2013 flood and the need for the timely approval of the Project.

Flood Mitigation Project

39. Mr. Chairman, I think it is important to not lose sight of the fact that this is not a typical development project which might come before this Board or other Boards such as the Alberta Energy Regulator or the Alberta Utilities Commission. Alberta Transportation is not advancing a Project for private gain that may also have incidental public benefits. The sole purpose of SR1 is to deliver the important public benefit of flood mitigation. It is estimated that SR1 will result in flood damage avoidance benefits for a design flood on the Elbow River of almost \$1.5 Billion.
40. Further, SR1 will not result in new impacts that will be experienced twenty-four hours a day, seven days a week, in the Project area. Rather, after construction is complete there will be limited but mitigated impacts during flood operations. The impacts associated with this Project are temporary and would occur periodically, with some likely only occurring every 100 years. I reiterate that without SR1, there would be even greater impacts from unmitigated flooding on local and downstream residents and businesses with the accompanying public and private expense and personal and social effects.

Conclusion

41. Mr. Chairman and members of the Board, Alberta Transportation believes the Springbank Off-Stream Reservoir Project is a vitally important piece of public works infrastructure that will provide significant flood mitigation for the City of Calgary and downstream communities. We believe we understand the environmental and social effects of the project and that the Project has been designed to appropriately to mitigate adverse effects.
42. Alberta Transportation therefore reiterates our request that the Board find the Project to be in the public interest and issue an Approval. While we strongly believe the Project is in the public interest and addresses many concerns that have been raised by stakeholders, Alberta Transportation looks forward, over the next couple of weeks, to discussing with Interveners and the Board other possible mitigations that could improve the Project, and answering any questions that the Board and other hearing participants may have about SR1.
43. Thank you.