



February 5, 2020

SENT VIA ONLINE SURVEY FORM

Government of Alberta
Treasury Board and Finance
budget.feedback@gov.ab.ca

RE: Public comment regarding 2020 Alberta budget

What spending priorities do you think government should focus on?

The Calgary River Communities Action Group (“CRCAG”) is a non-partisan advocacy organization of approximately 1,000 members who were impacted by the June 2013 flood that devastated the City of Calgary. CRCAG’s mandate and information about its efforts to advocate for upstream flood mitigation can be found at www.protectcalgary.com. Since its inaugural meeting in 2013, CRCAG has worked collaboratively with the municipal, provincial and federal governments to raise awareness of issues impacting its membership and to advocate for the protection of Calgary and southern Alberta from flooding by flood mitigation infrastructure.

Having passed the sixth anniversary of the flood last June, the fact that our city is still without critical flood mitigation infrastructure is quite outrageous. Yes, our municipal government has committed \$150 million to flood mitigation and resilience (recently reduced to \$69 million as noted below), and mitigation work within the city has reduced Calgary’s exposure to flood damage by about 30 per cent compared to 2013. However, we still have a long way to go, and the science clearly shows that the most effective mitigation is upstream.

Our spending concerns relate primarily to the need for large-scale, upstream flood mitigation infrastructure to protect Calgary on both the Bow and Elbow rivers, but also to local flood mitigation and policy.

Our specific requests for the 2020 Alberta Budget include:

1. Ensure allocated funds for the Springbank Off-Stream Reservoir (SR1) remain in place
2. Fund phase 2 of the Bow Basin Water Management Options project (BBWMO)
3. Restore Alberta Community Resilience Program (ACRP) funding for Calgary
4. Renew the Alberta Environment and Parks agreement with TransAlta for modified operations of the Ghost Reservoir

[Springbank Off-Stream Reservoir](#)

The Springbank Off-Stream Reservoir (SR1), is a “dry reservoir” on the Elbow River that will store water temporarily during a flood. It will work in tandem with the Glenmore Reservoir in Calgary. Together, the combined storage capacity would accommodate water volumes equal to the 2013 flood. In the last 100 years, SR1 would have seen some degree of water storage 8 times, the largest of which would have been 2013, but protecting Calgary in each instance.

The most recent cost estimate for SR1, announced in August 2017, is \$432 million if every landowner accepts the province’s offer to purchase their entire land parcel, and not just the area within the SR1 footprint. However, any unused land will be resold after the project is complete, resulting in an estimated net cost of \$372 million.

The current government’s total capital plan funding for province-wide flood projects is stated to be \$386 million, for the next four years, which is essentially the previous budgeted capital expenditure number less the almost \$50 million spent to date on SR1. Although we are seeking further clarification from Transportation as to the specific capital budget breakdown (to understand what is dedicated for SR1 in particular), we have been given assurances that the project will be completed.

Since SR1 was first announced in 2014, the province has set these funds aside in its capital budget for the project and this item has not been encroached upon despite the significant budget challenges since that time. Both prior provincial governments have understood the existential threat that the next inevitable major flood poses to Calgary and southern Alberta, and that the millions of dollars spent on it already would be wasted if the project did not proceed apace.

If SR1 experiences no further delays, it is projected to be fully operational in 2023 – an entire decade after the 2013 disaster. Having come this far and spending this much, and for a host of reasons, we believe that any deviation from the current path will very likely result in no mitigation on the Elbow River at all. That is simply not acceptable.

Therefore, we request that the funds allocated for SR1 remain in place for the 2020 budget and through to project completion.

Bow Basin Water Management Options project

As part of the Bow Basin Water Management Options (BBWMO) project, the conceptual assessment to identify the three most promising options for new upstream flood mitigation on the Bow River has been progressing since November 2018 and is expected to be completed in Q1 2020; but that is just phase 1.

The BBWMO project is divided into four phases and each phase of the project will require a discrete decision by government to progress to the next phase. Currently, funding has not been allocated to proceed to phase 2 – the feasibility study – and, without approval of funds, a delay in the project may occur.

The objective for the feasibility study is to complete a thorough study of all three shortlisted

projects and come to a selection of a single preferred option. A phased approach will include technical drilling, multiplied by three sites and will involve windows of time where it is preferred to drill (summer will be important); making the study particularly time-sensitive. The study is estimated to cost \$15M and the fastest it could be done is two years (without any financial or political barriers). The estimated timeline for completion of an upstream reservoir on the Bow River is 12 years, thus any delays to the BBWMO project this early on are unacceptable.

Considering the critical nature of the project, we request that funding be approved to allow phase 2 to proceed without delay and that it be approved for a two year timeline.

Alberta Community Resilience Program

The 2019 budget saw a serious reduction in the ACRP funding allocation for Calgary, from \$150 million to \$69 million which will impact many of the local area projects the City had planned. Now, much of the City's flood defense on the Bow River will need to be major upstream mitigation and not local area mitigation such as berms.

The province's 2014 Respecting the Rivers report outlines a commitment to a layered flood mitigation approach (which includes local mitigation), however, the revised 2019 budget dollars do not appear to enable this commitment. While CRCAG supports new upstream mitigation projects to keep the huge volumes of water out of the city entirely, completion of an upstream project on the Bow River is at least a decade away and SR1 is still three years away (at best). Viable and effective local area mitigation could be the only mitigation in the foreseeable future.

We request that funding for the ACRP be restored in the 2020 budget so the City of Calgary and the rest of Alberta can advance work on local flood mitigation projects as planned before these recent funding cutbacks.

TransAlta Agreement

In 2016, TransAlta signed a five-year agreement with the Government of Alberta to manage water on the Bow River at its Ghost reservoir facility to aid in potential flood mitigation efforts. The agreement expires in early 2021 so, unless it is renewed, 2020 is the last flood season that will see these protections in place. We understand that negotiations to extend or renew the TransAlta agreement have not yet commenced.

The TransAlta operating agreement is a key Bow River flood mitigation strategy utilizing the existing infrastructure available to protect this Calgary and downstream communities, and is the lowest cost and most easily attained.

Continuing an arrangement with TransAlta is imperative (at the very least until other infrastructures are developed on the Bow), therefore we request that negotiations to renew the agreement commence asap.

Where do you think government could find savings?

During the flood, downtown Calgary was forced to shut down for nearly one week. By the time flood water receded and the downtown was safe to reenter, the economic toll had only just begun. In the final two weeks of June 2013, the extensive flooding experienced throughout Southern Alberta resulted in approximately 5.1 million hours of work lost and \$485 million in lost economic output by the private sector. Overall, the reduction to Canadian GDP totaled approximately \$2 billion and recovery cost upwards of \$6 billion.

In Calgary, 32 communities were fully or partially evacuated and approximately 80,000 residents were forced out of their homes. Nearly 60 per cent of all large businesses in Calgary were impacted by the 2013 flood, while 23 per cent of the smaller businesses were impacted, with 79% of impacted businesses closing their offices for a period of time (Calgary Chamber of Commerce, 2014). The Provincial Flood Damage Assessment Study for the City of Calgary (IBI Group, 2015) estimated a total \$1.8 billion in damages.

Flood damages in Calgary cost insurers \$1.9 billion in claims, and the insurance industry has expressed that, in the current environment, it cannot protect at-risk properties, and that there “has to be a concerted effort by various stakeholders, including government” to protect our cities. It is important to note that in 2013, flood insurance was not available for residential homes, although it was available for commercial enterprises. The insurance payouts to homeowners were primarily in relation to sewer back-up coverage. For most impacted homeowners, this covered only a fraction of their actual losses sustained. That is, \$1.9 billion in claims is not anywhere near representative of the actual losses sustained by Calgary home and business owners.

If a 2013-level flood were to happen again, there would be nearly \$700 million in immediate damages along the Elbow River alone. The backwater effect caused by the confluence of the Elbow and Bow Rivers risks billions more in the short-term. Long-term, a flood of this level would likely permanently damage the economic future of the region.

Beyond the economic impacts of the flood, there have been far-reaching social impacts for Calgarians. Tragically, one person lost her life in Calgary and four more in southern Alberta were killed. More than half of the 100,000+ Albertans evacuated during the flood suffered from some kind of mental health issue, whether that be PTSD, depression or anxiety. Many still suffer today, and some of the lasting effects of the stress can be expected to linger for years to come.

How should government support job creation and economic growth?

CRCAG does not provide any comment.