

September 8, 2006

Honourable Stan Struthers
Minister of Conservation
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Ms. Tracey Braun
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Dear Minister Struthers, Ms. Braun;

Re: Town of Minnedosa Water Supply Upgrade Project – Public Registry File #5205.00

We are writing to express our concerns about the plan to supply more water to the Town of Minnedosa for the Husky Ethanol plant.

We are requesting the Minister to direct the Clean Environment Commission (CEC) to hold public hearings on this project in order to bring enough information forward to determine whether there will be enough water in the Little Saskatchewan River system and Lake Minnedosa to protect the environment and supply water to other users, upstream and downstream of the proposed project. We also urge the Minister and the Director of Environmental Approvals to suspend any environment license issued to Husky Energy for their new/expanded ethanol plant until concerns regarding the adequacy of water supply in the system have been satisfied and the CEC has made its recommendations.

We feel a CEC hearing for the Town of Minnedosa's proposal is strongly warranted for several reasons.

Water Supply and Husky's Environmental Review

The environmental review of Husky's ethanol proposal failed to conduct an evaluation of the area's water supply to determine if there was enough water to supply the proposed ethanol plant. Compounding this major deficiency is the fact that the consultant report (UMA Engineering and Cochrane Engineering) for the Town of Minnedosa proposal indicates that, "the anticipated water

demand by Husky for its new ethanol facility, has increased.”¹ As a result we have a situation where the adequacy of water supply for Husky’s proposal was not analyzed sufficiently in the initial environmental licence review. We now have an opportunity to correct this situation and examine water supply in detail. Given the Manitoba Government’s priority on watershed planning and water management, a CEC hearing to encourage complete technical and community review of the Town of Minnedosa’s proposal is essential.

Information Gaps – Town of Minnedosa Proposal

There are large information gaps and uncertainties associated with the Town’s proposed project to upgrade their water supply.

As part of the assessment the potential environmental impacts within the Lake Minnedosa impact area, North/South Consultants predicts that the proposed draw down scenarios will not have significant adverse effects on the aquatic and terrestrial ecosystems. However, in the Executive Summary (page ii), they acknowledge that “there is considerable uncertainty in the assessment of effects, as the assessment is largely based on qualitative information and professional judgment due to the general lack of empirical data on the biological communities of the study area.”²

Uncertainty also exists concerning river flows and the interaction of the Town of Minnedosa wells with the Little Saskatchewan River. The UMA Engineering Report states that, “in the fall and winter, flows in the (Little Saskatchewan) River are low and the withdrawal of water for this project may have an adverse effect.”³ UMA also indicates the distinct possibility that Wells 1, 2 and 3 interact with the Little Saskatchewan River, based on the inconclusive hydrogeologic studies conducted in the area, which indicate that the alluvial aquifer has a very high transmissivity rate and that groundwater levels correlate to surface water flows.

Both UMA and North/South Consultants identify numerous other data deficiencies in their reports. For example, it has been suggested that Well 2 and Well 3 are deteriorating and their length of continued service is questionable. UMA suggests that options for installing a new well should be explored, but not until a hydrogeologic study is completed to optimize a location that has the required capacity while minimizing the interaction between the river and the alluvial aquifer. Another example of the lack of comprehensiveness of this proposal – and one of the most serious – is that no drought contingency plan and water conservation plan have been developed by the Town, even though their own consultants point out the need for such a plan in their report.

¹ Cochrane Engineering Ltd. *Town of Minnedosa Water Infrastructure Planning Study – Water Demand Update*, February 2006.

² North/South Consultants Inc. *Town of Minnedosa Water Supply Upgrade Project Environmental Assessment Report*. July 2006

³ UMA Engineering, Management, Consulting. *Town of Minnedosa Water Supply Upgrade Project – Environment Act Proposal Submission*, July 2006.

The *Precautionary Principle* tells us that due diligence must be done to address these information gaps. A Clean Environment Commission hearing would enable this to occur in a transparent fashion, including so that local business operators, farmers, and residents would be provided information that is not available to them at this time.

Even putting the precautionary principle aside, there is not enough information to confidently proceed with the Town of Minnedosa's proposed project with any degree of assurance that water supply will be adequate. Further, it is unacceptable economics to expend funds to upgrade a system that may very well fail to address the water supply needs

Watershed Planning

The Town of Minnedosa's proposal does not take into consideration the watershed plan that is currently in the initial development stage. This means that watershed planning in the immediate future will conform to this project (and Husky's ethanol plant water use footprint), rather than this project conforming to a watershed plan. This is poor planning and one must wonder whether this project is being submitted – with its considerable deficiencies and uncertainties – to secure an environmental licence prior to watershed planning being completed. This kind of approach would contradict the government's stated priorities concerning watershed planning and development. A CEC hearing could explore this issue in depth.

Staged Licencing

It should be very apparent that the licensing of the Husky Ethanol plan, without consideration of water supply, followed by a proposal for a 'separate project' to upgrade water systems that supply the Husky Ethanol plant is an obvious example of staged licensing.

An end to staged licensing was a commitment of the Manitoba Government when it first came into office and Manitoba Wildlands has raised this issue on numerous occasions. This sort of circumvention of licensing standards is unacceptable and is another reason to suspend Husky's environmental licence pending the outcome of CEC hearings. Both public policy and the Environment Act need to be upheld, including as instruments to make sure that the water supply is adequate for all current residents and businesses.

Access to Information & Notification

As a small, regional, Manitoba-based environmental organization, Manitoba Wildlands has once again been surprised at the level of effort required to access information about these two linked projects and their proposals under The Environment Act. We are obligated to remind the Department of Conservation that other jurisdictions have internet-based access to proposals and their supporting documentation. To make an even more evident observation, if accessing these materials was onerous for us, it must be even more difficult for affected local communities to have all the information

necessary to provide constructive, informed comments about the proposed Minnedosa water supply project.

Other water users that may be affected have not been notified of the potential implications of the Husky Ethanol Plant increased water supply needs and the Town of Minnedosa proposed Water Supply Upgrade project. Minnedosa Lake has a cottage and tourism sector that could be affected. We would suggest that the Town of Minnedosa may not be fully aware of its own risk in undertaking this proposal without fully informing the local stakeholders. All potentially affected parties should have the opportunity to review and comment on the proposal. The best way to ensure that this occurs is to direct the CEC to hold a public hearing.

Manitoba Wildlands appreciates the opportunity to participate in this environmental review process and we trust that our comments will be considered carefully. We assume that our comments / this letter will be posted to the file in the public registry for this project.

Yours truly,

Gaile Whelan Enns
Director, Manitoba Wildlands