Cando Sturgeon TerminalProject Description under CEAA 2012

NW and NE 35-055-22 W4M Sturgeon County, Alberta

Cando Rail Services Project No: 17M-01224-07



SLR Project No: 203.50152.00000

February 2019





CANDO STURGEON TERMINAL PROJECT DESCRIPTION UNDER CEAA 2012

NW and NE 35-055-22 W4M Sturgeon County, Alberta

SLR Project No: 203.50152.00000

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February 28, 2019

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ACRONYMS AND ABBREVIATIONS

ACIMS Alberta Conservation Information Management System

AEP Alberta Environment and Parks (formerly ESRD)

AER Alberta Energy Regulator

AIHA Alberta's Industrial Heartland Association

ABWRET-A Alberta Wetland Rapid Evaluation Tool - Actual

CN Rail Canadian National Railway Company

Cando Cando Rail Services Ltd.

CEAA 2012 Canadian Environmental Assessment Act, 2012

CEA Agency Canadian Environmental Assessment Agency

CEMS Cumulative Effects Management System

EPA (U.S.) Environmental Protection Agency

EPEA Environmental Protection and Enhancement Act

ESA Environmentally Sensitive Area

ESRD (Alberta) Environment and Sustainable Resource Development

FWMIS Fisheries and Wildlife Management Information System

FWIMT Fish and Wildlife Internet Mapping Tool

ha hectare(s) km kilometre(s)

MBCA Migratory Birds Convention Act, 1994

N/A Not applicable

NCIA Northeast Capital Industrial Association

Pembina Pembina Pipelines Corporation

Pers. Comm. Personal Communication

PPE personal protective equipment

QWSP Qualified Wetland Science Practitioners

SLR SLR Consulting (Canada) Ltd.

SARA Species At Risk Act
WSP WSP Canada Inc.



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APPENDICES

Appendix A: Biophysical Assessment Report

Appendix B: Land Titles

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1. GENERAL INFORMATION AND CONTACTS

This Project Description document has been prepared pursuant to the *Canadian Environmental Assessment Act, 2012* (CEAA 2012) (Government of Canada 2012a) to conform with requirements under CEAA 2012 and the associated *Prescribed Information for a Description of a Designated Project Regulations* (Government of Canada 2012b). This Project Description has been prepared with reference to the Canadian Environmental Assessment Agency (CEA Agency) guidance document (CEA Agency 2015) to support the CEA Agency in its determination of whether a federal environmental assessment is required for a proposed designated project under CEAA 2012.

1.1 NATURE OF THE DESIGNATED PROJECT AND PROPOSED LOCATION

1.1.1 NATURE OF THE DESIGNATED PROJECT

The Proponent, Cando Rail Services Ltd. (Cando) is an integrated solutions provider for the railway sector and bulk handling industries. Cando's business focusses on industrial switching, material handling, logistics, terminal transload services, engineering and track services, rail car storage, rail car repair and short line operations. Cando was founded in 1978 and operated under the name of Cando Contracting Ltd. until 2013 when the company name was changed to Cando Rail Services Ltd. Cando is the largest independent rail car storage and staging company in Canada, with more than 5,000 car spots located in yards and sidings across Canada.

Cando is proposing to develop a rail car storage yard at a property located in the North half of Section 35, Township 55, Range 22, West of the Fourth Meridian (N½ 35-55-22 W4M). The property is approximately 17 kilometres (km) south of the town of Redwater in Sturgeon County, Alberta, and across the North Saskatchewan River and 10 km north of Fort Saskatchewan, Strathcona County.

According to section 2, subsection 25(b) of the *Regulations Designating Physical Activities* (SOR/2012-1471) established under CEAA 2012, CEAA 2012 applies to:

"The construction, operation, decommissioning and abandonment of a new [...] (b) railway yard with seven or more yard tracks or a total track length of 20 km or more."

The proposed project, which includes the construction and operation of more than seven rail yard tracks, is considered a designated project.

The proposed Cando Sturgeon Terminal (the Project) will consist of the development and operation of a rail car storage yard in a staged approach, including the following components:

- Construction of a loop track and 32 storage tracks (south yard);
- Connection to the Canadian National Railway Company (CN Rail) line;
- Construction of the onsite stormwater management system; and
- Construction of up to 32 additional rail tracks (north yard) to increase the storage capacity of the rail yard.

The purpose of the Project is to provide a transportation support facility, providing options and flexibility, for industry directly within Sturgeon County, Strathcona County, and other adjacent municipalities where needed. Due to the growth of industry within the Alberta Industrial Heartland, additional rail capacity is required for industry to prosper and grow.

A rail yard facility requires connection to existing railway infrastructure to be functional; limited opportunities are available for development of this type of facility. Cando has identified this site within



Sturgeon County as a best fit considering industry requirements, railway connections, and Sturgeon County zoning and infrastructure. The Project location is adjacent to an existing CN Rail line; a spur line providing frequent train service to industry in the area.

The Project site is located on land zoned "I5 - Heavy Industrial" under the Sturgeon County Land Use Bylaw 1385/17 (Sturgeon County 2017). The Project site comprises most of two quarter sections and is approximately 123 hectares (ha) in area. The site is bounded by Township Road 560 to the north, Range Road 222 to the west, a CN Rail line and rail yard to the east, and arable land to the south. The southern boundary of the site coincides with a CN Rail right-of-way.

The Project site is currently under agricultural use and includes a residence, farm buildings, and yard in the northwest corner, two dugout excavations and, primarily, fields cultivated in grain.

Proposed Project Location

The Project will be located on private land in N½ 35-55-22 W4M owned by Cando, pending final land acquisition. The regional setting of the Project is shown on Figure 1-1 (Regional Location) and the Project site is shown in Figure 1-2 (Project Location).

The Project's latitudinal and longitudinal co-ordinates (from the centre of the Project site) are as follows:

- Latitude 53°47'58.54"N
- Longitude 113° 9'43.55"W.

1.2 PROPONENT INFORMATION

1.2.1 NAME OF THE DESIGNATED PROJECT

The name of the designated project is the Cando Sturgeon Terminal.

1.2.2 NAME AND ADDRESS OF THE PROPONENT

The name and address of the proponent is:

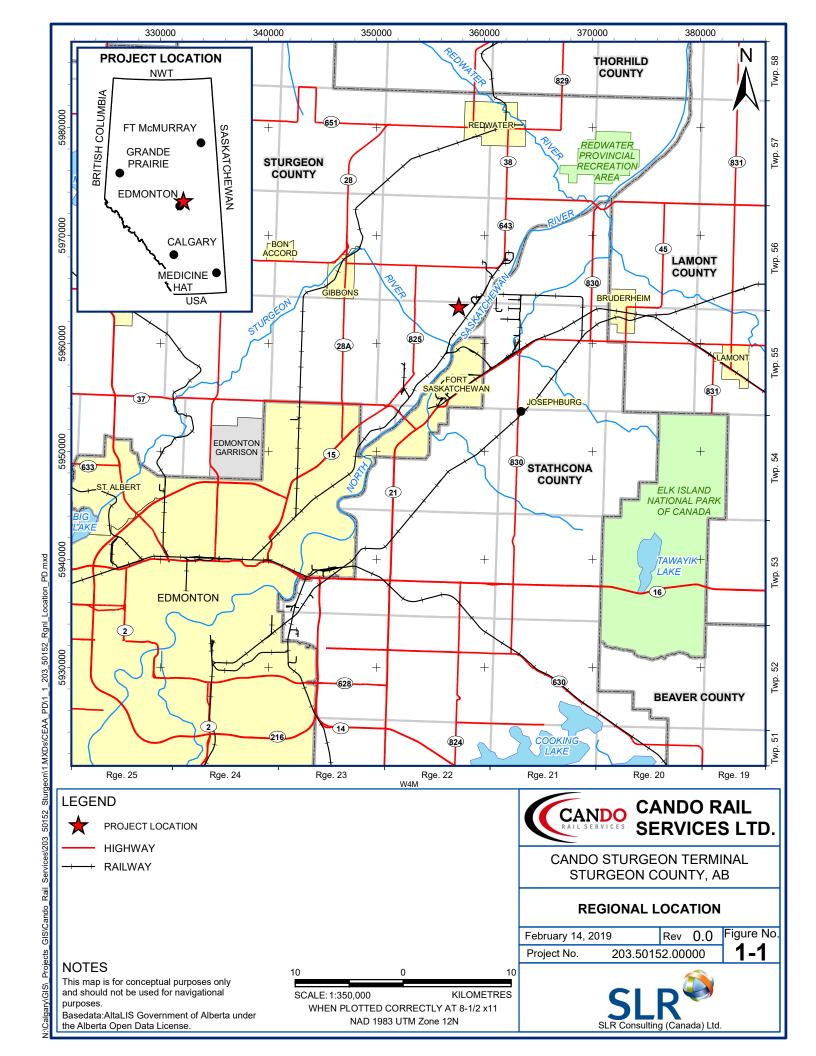
Cando Rail Services Unit 400 – 740 Rosser Avenue Brandon, Manitoba R7A 0K9

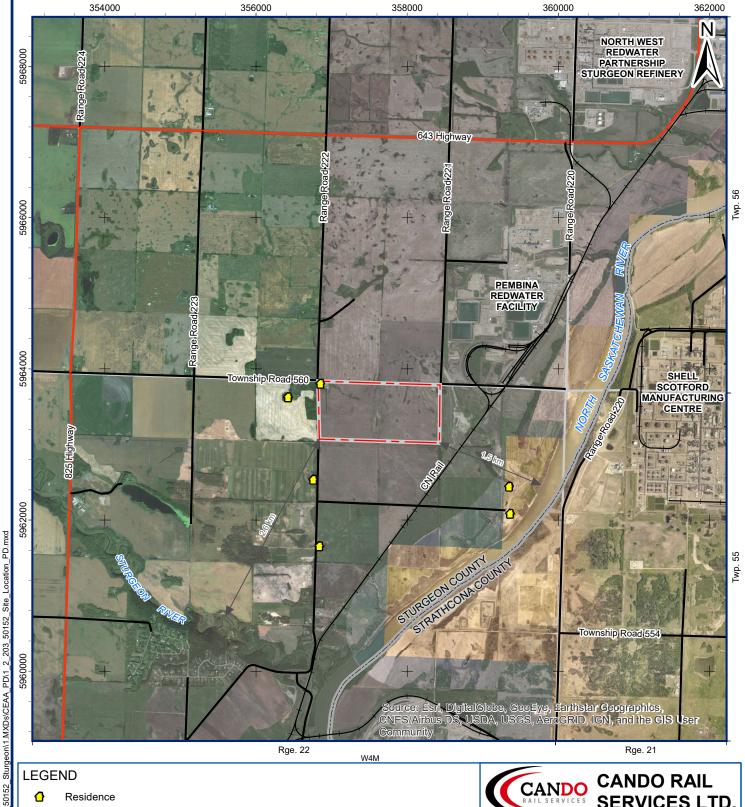
1.2.3 CHIEF EXECUTIVE OFFICER OR EQUIVALENT

The executive representing Cando is:

Terry Carlisle, BA, CGA Chief Financial Officer Terry.Carlisle@candorail.com

Phone: 204-725-2627 Cell: 204-725-6464





HIGHWAY

LOCAL ROAD

PROJECT SITE (NW & NE 35-55-22 W4M)

RAILWAY

NOTES

This map is for conceptual purposes only and should not be used for navigational

Basedata: AltaLIS Government of Alberta under the Alberta Open Data License.

SCALE: 1:50,000 KILOMETRES WHEN PLOTTED CORRECTLY AT 8-1/2 x11 NAD 1983 UTM Zone 12N



CANDO STURGEON TERMINAL STURGEON COUNTY, AB

PROJECT LOCATION

Figure No. February 15, 2019 0.0 Rev 203.50152.00000 Project No.





1.2.4 PRINCIPAL CONTACT PERSON FOR THE PROJECT DESCRIPTION

Terry Carlisle, Chief Financial Officer (identified above) is also the primary Cando contact for this Project Description.

1.3 SUMMARY OF ENGAGEMENT CONDUCTED TO DATE

Cando has initiated an engagement program with Indigenous groups, and regulatory and public stakeholders. The goal is to provide information about the Project, allow for feedback, and respond to any questions or concerns. Communication and engagement activities and responses are being documented in a record of communication.

Both Indigenous and public engagement will continue during the regulatory review process and throughout the life of the Project.

A summary of the results of engagement undertaken for the Project to date is presented in Section 6 (Indigenous) and Section 7 (Regulators and Other Stakeholders) of the Project Description.

1.3.1 INDIGENOUS COMMUNITIES

The Indigenous groups listed in Table 1-1 were identified, as recommended by the CEA Agency, as those who may have asserted Traditional territory in the Project area, or whose traditional land use activities or Aboriginal and Treaty Rights may be affected by the Project. A Project notification letter has been sent to all groups listed (16 First Nations, three Métis settlements, and three Métis regions), as described in Section 6.

Table 1-1: Indigenous Groups Potentially Affected by the Project

- Alexander First Nation
- Alexis Nakoda Sioux Nation
- Blood Tribe
- Buffalo Lake Métis Settlement
- Enoch Cree Nation
- Ermineskin Cree Nation
- Foothills Ojibway First Nation
- Gunn Métis Local #55 (Lac Ste Anne Métis)
- Kikino Métis Settlement
- Louis Bull Tribe
- Métis Nation of Alberta Region 1

- Métis Nation of Alberta Region 2
- Métis Nation of Alberta Region 4
- Montana First Nation
- Paul First Nation
- Piikani Nation
- Saddle Lake Cree Nation
- Samson Cree Nation
- Siksika Nation
- Stoney Nakoda Nation (Bearspaw First Nation, Chiniki First Nation, and Wesley First Nation)
- Tsuut'ina Nation
- Whitefish Lake First Nation #128

1.3.2 REGULATORY AND PUBLIC STAKEHOLDERS

The regulatory and public stakeholders listed in Table 1-2 were identified as those who may have an interest in or be affected by the Project. Engagement about the Project has been initiated with all stakeholders listed (regulators and municipal authorities, regional industrial associations, and adjacent individual and industry landowners), as described in Section 7.



Table 1-2: Regulatory and Public Stakeholders

	GOVERNMENT AND MUNICIPAL REGULATORS
•	Canadian Environmental Assessment Agency (CEA Agency)
•	Alberta Environment and Parks (AEP)
•	Alberta Culture and Tourism
•	Alberta Transportation
•	Sturgeon County
	INDUSTRY AND INDIVIDUAL STAKEHOLDERS
•	Canadian National Railway Company (CN Rail)
•	Pembina Pipelines Corporation (Pembina)
•	Adjacent landowners - Residents, lessees (occupants) and landowners within 1.6 km ^(a) of the Project boundary
•	Alberta's Industrial Heartland Association (AIHA)
•	Northeast Capital Industrial Association (NCIA)
	adius was chosen to align with the notification requirements of the Alberta Energy Regulator (AER) under Directive 56 18), a directive to which many other industrial developments in the Alberta Industrial Heartland are subject.

A Project notification letter has been sent to all regulatory and public stakeholders identified and personal engagement has been initiated with all residents, lessees (occupants) and landowners within 800 m of the Project boundary, and others as relevant.

1.4 REGULATORY FRAMEWORK – OTHER JURISDICTIONS

In addition to CEAA 2012, environmental assessment and regulatory requirements relevant to the Project may fall under the jurisdiction of other federal or provincial regulators, municipal authorities, and regional associations. These are described in this section.

1.4.1 FEDERAL JURISDICTION

Fisheries Act (1985)

- The *Fisheries Act* protects fish including freshwater and marine species and fish habitat through the prohibition of serious harm to fish, and pollution prevention provisions. The Project must not harm fish that are part of or support a commercial, recreational or Aboriginal fishery.
- The Project site does not provide habitat for fish and therefore the provisions of the *Fisheries Act* are not triggered.



Migratory Birds Convention Act, 1994

- The *Migratory Birds Convention Act, 1994* (MBCA) prohibits the harming of migratory birds and the disturbance and destruction of their nests and eggs.
- Potential exists for migratory birds to be present in the Project area. To avoid contravening the MBCA, vegetation clearing activities will be scheduled to avoid potential nesting of migratory birds (Government of Canada 2019b).
- Cando will comply with the prohibitions described in the MBCA during all phases of Project development.

Species at Risk Act (2002)

- The Species At Risk Act (SARA) prohibits killing, harming, harassing, capturing and the take of species listed under this Act, with some exceptions.
- Species at risk that may occur near the Project are discussed in Section 5.1.8. Due to heavy industrial and agricultural land use in the Project area, it is not expected that species at risk are present.
- Cando will comply with the prohibitions described in SARA during all phases of Project development.

Railway Safety Act

Refer to the provincial *Railway (Alberta) Act* in Section 1.4.2 under Alberta Infrastructure and Transportation.

1.4.2 PROVINCIAL JURISDICTION

Alberta Culture and Tourism

Clearance by Alberta Culture and Tourism is required under the *Historical Resources Act* to acknowledge that the potential for historical and archaeological finds has been adequately assessed.

- An application for clearance approval involves a review of the relationship between the Project footprint and known historical resources, as defined under the Act, or areas of potential for discovery of historical resources.
- *Historical Resources Act* approval for the Project has been granted based on the application submitted on behalf of Cando, as described in Section 5.1.11.

Alberta Environment and Parks

Alberta Environment and Parks is the provincial authority responsible for environmental assessment of non-energy resource related projects, pursuant to the *Environmental Protection and Enhancement Act* (EPEA). No specific operating 'Approval' or 'Registration' for the Project is required under EPEA.

- The Project is not subject to an environmental assessment under provincial jurisdiction. The
 development of an industrial rail yard is not considered an activity for which an Environmental
 Impact Assessment must be conducted, pursuant to Schedule 1 of the Environmental
 Assessment (Mandatory and Exempted Activities) Regulation under EPEA, to receive
 provincial approval.
- The Project does not constitute an activity identified in the *Activities Designation Regulation* under EPEA for which an approval, registration or notice is required.



The Project is subject to environmental regulatory requirements or must adhere to requirements under other provincial legislation.

- The Alberta Wildlife Act, section 36 (1) states that "A person shall not willfully molest, disturb or destroy a house, nest or den of prescribed wildlife..." Cando will comply with this Act throughout all Project phases.
- The Alberta Wetland Policy requires that an approval under the *Water Act* be obtained to modify or remove wetlands. Cando has submitted a *Water Act* application, as described in Section 5.1.5, to allow the removal of two wetlands on the Project site.

Alberta Infrastructure and Transportation

Under the Railway (Alberta) Act — Railway Regulation, an industrial rail yard requires completion of a 'Notice to Construct New Railway Works'; this notice includes preliminary design information and must be submitted to the Alberta Transportation Railway Administrator to comply with the Act. Following receipt of a letter from Alberta Transportation accepting the proposed new works Cando must prepare an 'Operating Approval Application', which includes information on Project design, and Cando's safety management system and security management program for the Project. The Operating Approval is granted for a three-year term. The Railway (Alberta) Act also requires compliance with the federal requirements identified in the Rail Safety Act and the Transportation of Dangerous Goods Act.

Under the federal *Rail Safety Act*, Cando must operate in a manner that provides for the safety and security of the public and personnel, and the protection of property and the environment.

Under the federal *Transportation of Dangerous Goods Act*, Cando must operate in a manner that promotes public safety when dangerous goods are being handled, offered for transport, or transported.

Cando complies with provisions under these Acts, and will continue to do so in relation to the Project.

1.4.3 MUNICIPAL JURISDICTION

The Project is subject to the following management entities under the jurisdiction of Sturgeon County:

- Alberta's Industrial Heartland Area Structure Plan Bylaw No. 1118/07 (Sturgeon County 2007);
- Capital Region Land Use Plan (Capital Region Board 2009);
- Sturgeon County Municipal Development Plan Bylaw 1313/13 (Sturgeon County 2014); and
- Sturgeon County Land Use Bylaw 1385/17 (Sturgeon County 2017).

The Sturgeon County Land Use Bylaw 1385/17 regulates and controls the use and development of land within Sturgeon County. The Project is located on land designated "I5 – Heavy Industrial District" under the Land Use Bylaw. This zoning district has been reserved under the Sturgeon County Municipal Development Plan and Alberta's Industrial Heartland Area Structure Plan for major industrial uses likely to have significant impact on non-industrial users. No future residential development is planned for this district due to potential effects from appearance, noise, odour, risk of toxic emissions, and explosion hazards associated with heavy industrial operations (Sturgeon County 2017).

The proposed rail yard land use is an allowable activity under the county plans and bylaws. In accordance with the Land Use Bylaw, a Development Permit will be obtained from Sturgeon County to develop the Project.



1.4.4 REGIONAL INDUSTRY ASSOCIATIONS

The Project falls within Alberta's Industrial Heartland, an area covering approximately 580 square kilometres (km²) in the Edmonton Capital Region (including portions of the city of Fort Saskatchewan, Lamont County, Strathcona County, Sturgeon County, and northeast Edmonton) that supports a variety of industrial activities, primarily focused on hydrocarbon processing. Alberta's Industrial Heartland Association and the Northeast Capital Industrial Association (NCIA) have interest in the industrial region.

1.4.4.1 Alberta's Industrial Heartland Association

Alberta's Industrial Heartland Association is a non-profit organization of the city of Edmonton and five municipal partners adjacent to and northeast of the city that guides industrial development in the region. The association supports industrial development, considering the interests of the community, industry and environment in the region (AIHA 2018).

1.4.4.2 Northeast Capital Industrial Association

The NCIA is a non-profit organization of business leaders and professionals who represent the interests of industry in Alberta's Industrial Heartland; and works with other associations, government agencies, and community groups to address environmental concerns related to industrial operations and development in the area and to minimize industry's impact on the environment (NCIA 2018a).

The NCIA has been involved in developing regional environmental regulatory and monitoring initiatives to support management of cumulative effects in the region (NCIA 2018a). These initiatives are described in Section 3.3.3 (Cumulative Regional Environmental Management).

1.5 RELEVANT ENVIRONMENTAL STUDIES

The Project is not located in a region that is the subject of a regional environmental study as defined in CEAA 2012, section 73 or section 74 (CEA Agency. 2019. Pers. Comm.).

The Project is located within Alberta's Industrial Heartland where provincial studies and initiatives are being carried out under regional environmental frameworks as described in Section 3.3.3 (Regional Cumulative Effects Management).

2. PROJECT INFORMATION

This section presents details of the Project including physical components and activities during construction and operation to provide context for the effects assessment completed in Section 2.4 (Emissions, Discharges and Waste) and Section 5 (Environmental Effects).

2.1 PROJECT DESCRIPTION

The petrochemical industry located in Sturgeon and adjacent Strathcona County largely uses rail - predominantly tank and hopper cars — to transport products to customers. Tank cars are privately owned and require rail facilities to keep cars when they are not actively in use at either a production facility or a user's facility. The Project will facilitate the storage and grouping of rail cars from various industries to consolidate rail staging operations in one area; thereby, removing the need for each individual industry to provide its own staging facility.



The Project is being developed to operate independently of other industrial facilities, and is not a component of a larger project that is not listed in the *Regulations Designating Physical Activities*.

The primary purpose of the Project is to provide temporary storage for rail cars for industry and railways in the Sturgeon County and Fort Saskatchewan areas. The facility will also be used for switching cars and assembling trains to meet customer needs. Empty rail cars will be stored and staged for delivery to industrial users and loaded rail cars will be staged and inspected as required before leaving the yard.

The Project will be constructed on land owned by Cando, pending final land acquisition, and Cando will be responsible to build, operate, maintain and eventually decommission all tracks within the Project site. Departure and receiving tracks within the Project site that connect to the CN Rail line will also be built, operated and decommissioned by Cando.

The Project will be developed in two stages, with the timing of staging dependent on market conditions and customer demand. The first stage will consist of the construction and operation of a series of parallel tracks on the southern portion of the property (south yard); a loop track; connection to the CN Rail line; and development of a surface and storm water drainage system on the Project site. The second stage will consist of adding a second series of parallel tracks on the northern portion of the property (north yard).

2.2 A DESIGNATED PHYSICAL ACTIVITY

The Project is a designated activity as described in Section 1.1.1 of this Project Description. The Project includes the construction, operation and eventual decommissioning of a railway yard with up to 64 tracks (i.e., more than seven yard tracks) and, therefore, in accordance with section 2, subsection 25(b) of the *Regulations Designating Physical Activities (SOR/2012-1471)* it is considered a designated project.

2.3 PROJECT COMPONENTS AND ACTIVITIES

This section provides a description of the components and activities associated with the Project.

2.3.1 PHYSICAL WORKS

The main physical works associated with the Project are the rail tracks and associated components, site access and internal roadways, and surface drainage infrastructure. An overall site layout is provided in Figure 2-1, with more detail shown in the engineering drawing in Figure 2-2. The locations of the Project components described below are shown on Figure 2-2.

- A loop track will be constructed inside and close to the property boundaries. A series of parallel storage tracks will be constructed within the loop track; the number and capacity of the tracks are as described in the following section (2.3.2 Anticipated Size and Capacity). Switches will be placed at appropriate locations on the track for effective operation of the rail yard.
- Rail connection will be constructed from the Project site to an existing CN Rail spur southeast of
 the site. The connection will use CN Rail's existing right-of-way as much as possible to limit the
 need for added land. The rail connection will consist of two tracks (wye and lead) over
 approximately 1.4 km.
- Roadway access will be constructed for crews to access the site by personal vehicle, for truck traffic to enter to refuel locomotives, and for service vehicles to provide water and remove waste products. An existing access (approximately 55 m in length) from Range Road 222 to the office trailer will be re-purposed to accommodate Project traffic, and a second (emergency) access will be constructed from Township Road 560, approximately 154 m to the loop track and an additional 1,744 m to the office trailer to meet the requirements of Sturgeon County.



- Internal gravel service roads will be constructed beside the tracks to allow for inspections and light maintenance of rail cars. The service roads will be reverse-crowned to provide positive drainage away from the rail tracks.
- Drainage ditches and culverts will be placed strategically in accordance with the stormwater management design to collect and direct surface runoff and stormwater to the onsite stormwater management pond, and into the County's stormwater management system off the Project site.
- A fence will be installed around the perimeter of the Project site along the property line, and will consist of a standard 6 feet high chain link fence.

Besides the tracks and supporting infrastructure described above, no other permanent facilities will be constructed on the Project site during the first development stage.

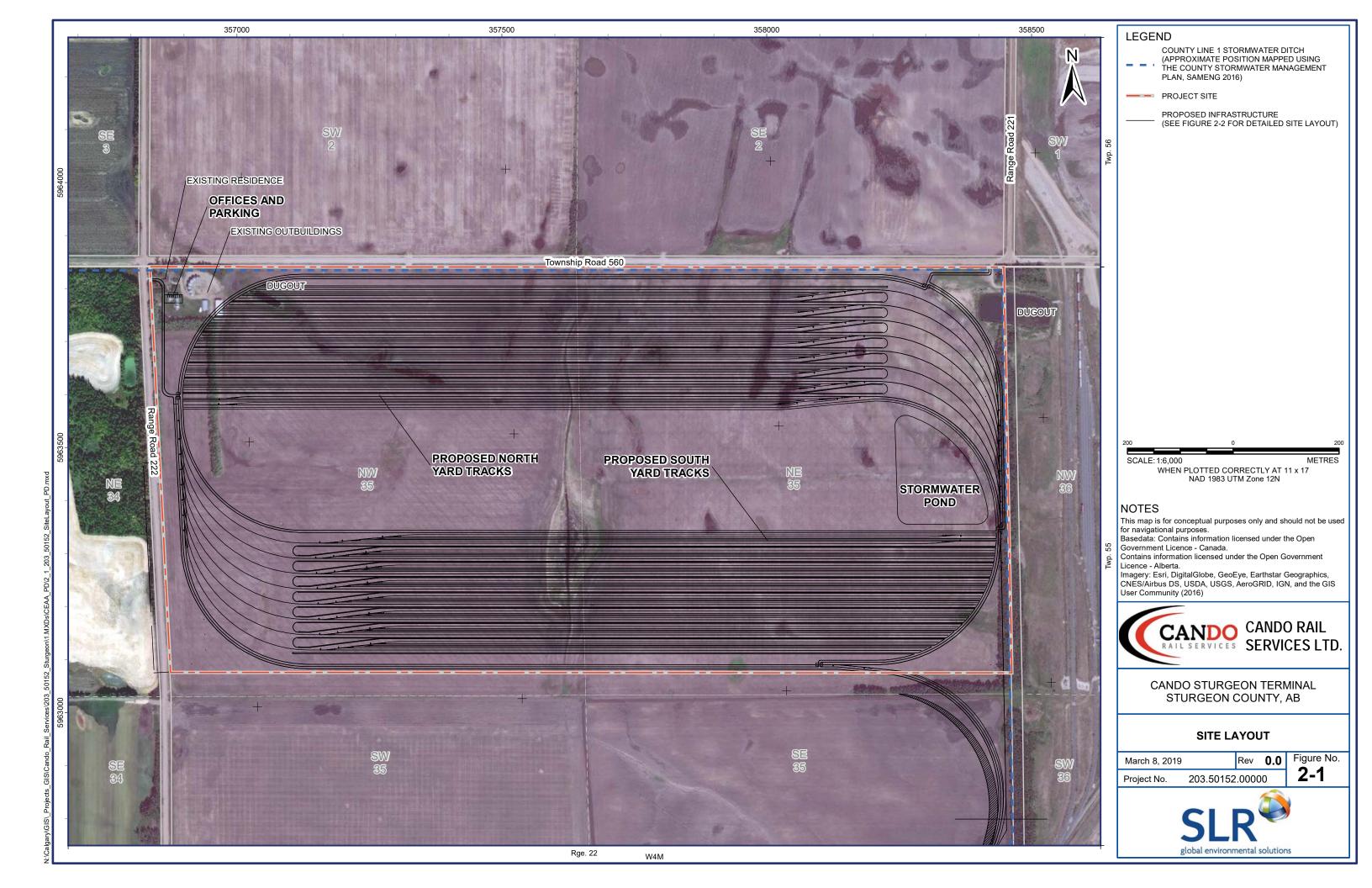
Offices used during Project construction will be housed in a trailer brought onto site during preconstruction set-up. An office trailer, approximate dimensions of 18.3 m by 3.7 m (60 feet by 12 feet) will be installed in the northwest corner of the site for use during Project operation, and vehicle parking will be in an area approximately 20 m by 40 m, located at the south side of the office trailer. Storage or holding containers for potable water, liquid waste including domestic wastewater, and solid waste will be located in the northwest corner of the site, where access is available for delivery and removal of materials and waste.

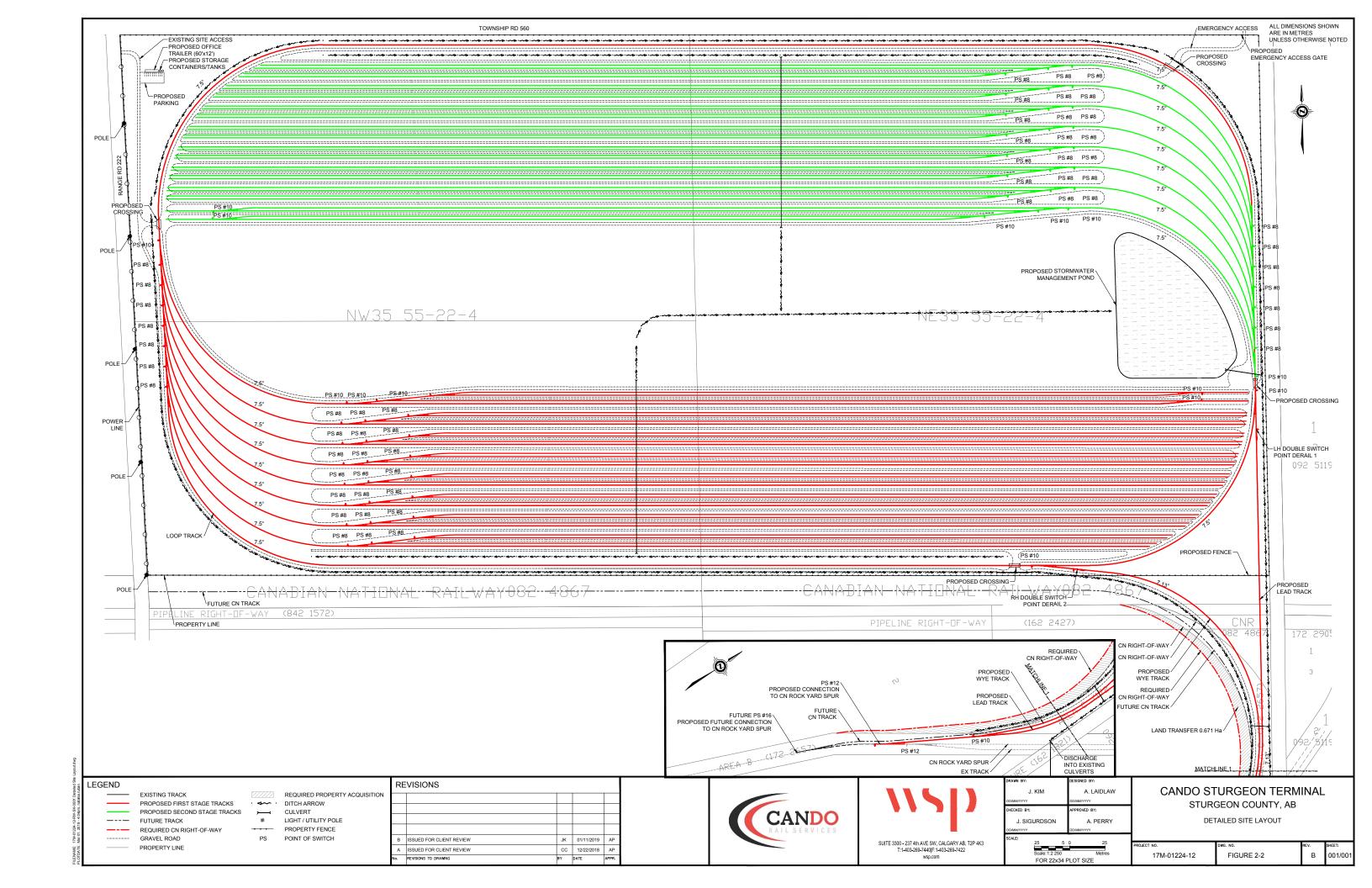
Services including electrical power and internet will be connected to the Project site from existing sources to support the Project. Electrical power for the Project will come from the existing power line along Range Road 222; a transformer will be installed to decrease the power voltage and provide power to a new onsite power line from the county road to the northwest portion of the site, where the office will be located. The connection and new power line will be constructed and operated in accordance with an arrangement between Cando and the electrical service provider. Similarly, the internet connections will be installed and operated in agreement with a third party provider.

During the second development stage, additional infrastructure may include the following:

- Permanent office facility to replace the office trailer; and
- Locomotive storage building to provide sheltered overnight storage, maintenance and light repairs.

The design and details (e.g., dimensions, location on the site) of these buildings will be developed at that time, based on demand at the time.







2.3.2 ANTICIPATED SIZE AND CAPACITY

The Project consists of the construction of more than seven tracks; therefore, the Project is a designated activity under CEAA 2012.

The loop track is designed for a capacity of 255 cars (each 60-foot long) over its 4.2 km length. The south yard will consist of 41.6 km of track over 32 parallel tracks with the capacity to store 1,879 cars. Thirty-eight switches are required to operate the loop track and south yard.

The departure and receiving tracks (i.e., rail connection) are designed to allow for easy ingress and egress by locomotives from the CN Rail Rock Yard Spur to the southeast of the Project site, and will consist of two tracks over a total distance of 1.4 km.

Two locomotives will initially operate in the south yard, with additional locomotives assigned, as required.

The north yard, when developed as part of the second Project stage, will consist of an addition of up to 41.8 km of track over 32 tracks with a capacity to handle up to 1,935 additional cars.

At full design capacity, with development of south and north rail yards, the total length of track will be 83.4 km, and the Project will be able to store up to 3,814 rail cars.

Storage containers installed onsite will be sized to accommodate anticipated potable water needs, and temporary storage needs for waste and waste water during construction and operation, and will be based on provisions of the third party provider for the specific delivery or removal service. The conceptual stormwater management pond has an area of approximately 2.7 ha with an active storage depth of 3 m, and is designed to have the capacity to retain runoff from a 1:100 year, 24 hour storm (WSP 2019) while still retaining freeboard.

2.3.3 PROJECT EXPANSION

The Project is not an expansion of an existing facility; it is a new facility identified as a designated project under CEAA 2012 Regulations Designating Physical Activities.

2.3.4 PHYSICAL ACTIVITIES INCIDENTAL TO THE PROJECT

One activity has been identified as incidental to the Project. This is described below.

Sturgeon County Master Stormwater Management Plan has recently upgraded the stormwater infrastructure downstream of the Project site, including an outfall into the North Saskatchewan River. The upgrades are intended to facilitate development with the Industrial Heartland. The County's stormwater management plan includes a county stormwater ditch, identified as "Line 1" (WSP 2019). Cando will be required to construct the portions of the County Line 1 stormwater ditch adjacent to the north and east boundaries of the Project site since the Project is the first development that requires it. The County Line 1 ditch is shown in Figure 2-1. More information on this incidental activity is provided in the table below.

Table 2-1: Incidental Activity Information

Activity description/ nature	Construction of the County Line 1 stormwater ditch.
Subordinate or complementary to the Project	Complementary to the Project.



Care and control of the activity	Cando will construct the County Line 1 ditch, but it will be owned and operated by the County.
Activity solely for the benefit of the proponent or available for other proponents as well	Initially the ditch is being constructed for the benefit of the Project. Once constructed and operational, the ditch will be available to other users within the Industrial Heartland upon approval by the County.
Federal and/or provincial regulatory requirements for the activities	The County stormwater management infrastructure is provincially regulated under the <i>Environmental Protection</i> and <i>Enhancement Act</i> .

2.4 EMISSIONS, DISCHARGES AND WASTE

This section describes emissions, discharges and waste that are likely to be generated as a result of Project construction and decommissioning and Project operation, plans to manage them, and the expected residual effect on the environment.

Project construction and decommissioning are considered together as associated activities and equipment are expected to be similar in nature. Construction activities will include vegetation clearing; soil salvage and grading; surface water management; access construction; track installation; installation or construction of office facilities and holding tanks or containers; and perimeter fence installation. Decommissioning activities would include the removal of tracks and associated components, building and containment structures, fencing and waste materials; followed by surface grading and soil remediation, as needed; and preparing the ground surface for the future end land use.

2.4.1 ATMOSPHERIC EMISSIONS

2.4.1.1 Project Construction and Decommissioning

During the Project construction phase, the major sources of atmospheric emissions are expected to be exhausts from the onsite mobile equipment and fugitive dust. Emissions are expected to be temporary during the construction phase. Mobile equipment to be used during construction includes the equipment listed in Table 2-2.

Air Emissions

The key contaminants from mobile equipment exhaust are sulfur dioxide (SO_2), nitrogen oxides (NO_x), carbon monoxide (CO), hydrocarbons (HC), and particulate matter (PM). The construction phase is planned to extend for a period of seven months (14 hours/day, 6 days/week).

Air emissions were estimated for the entire construction period for the onsite mobile exhausts, and are presented in Table 2-2. Diesel fuel is assumed to be used in the mobile equipment. The emissions estimation was based on the Canadian emission standards for mobile diesel engines, which align with the U.S. Environmental Protection Agency (EPA) (EPA 2009) standards and Canada's *Sulphur in Diesel Fuel Regulations* (Government of Canada 2012c, 2017, 2018).

Dust emissions from onsite roads will be controlled through the application of water using water trucks. Onsite speed limits will be enforced to further control road dust.



Greenhouse Gas Emissions

Estimates of greenhouse gas (GHG) emissions using emission factors and global warming potentials from Environment and Climate Change Canada (ECCC) (ECCC 2018) are presented in Table 2-2. The total amount of GHG emissions during the construction phase is estimated to be approximately 6,767 tonnes of CO_2 Equivalent¹ (CO_2 E).

Table 2-2: Estimated Air and GHG Emissions during the Construction Phase

(2)	# of	# of Assumed	Total Fuel	Air Emissions					GHG Emissions
Equipment ^(a)	Units	Horsepower (HP)	Consumption (L)	SO ₂ (kg)	NOx (kg)	CO (kg)	HC (kg)	PM (kg)	(tonnes CO ₂ E)
Excavator (with thumb, grapple and magnet)	8	290	483,140	12.7	3,342	1,773	682	102	1,329
Loader	8	217	361,522	9.5	2,501	1,888	510	112	994
Bulldozer	4	121	71,995	1.9	1,395	740	285	43	198
Compactor	2	150	44,625	1.2	1,729	917	353	53	123
Truck (10- ton/BTMT with hydraulics)	2	600	209,304	5.5	6,915	5,221	1,411	310	567
Tie spiker gauger	2	140	15,422	0.4	1,613	1,218	329	72	42
Track regulator	2	240	26,438	0.7	2,822	8,749	734	56	73
Track tamper	2	250	27,540	0.7	2,881	2,176	588	129	76
Pick-up Truck	5	410	176,164	4.6	4,725	2,507	964	145	484
Speed Swing	2	160	17,626	0.5	1,844	978	376	56	48
Material Trucks(b)	N/A	600	1,046,520	27.5	7,056	21,874	1,835	141	2,833
			Total Emissions:	65	36,823	48,043	8,067	1,219	6,767

⁽a) Fuel type is assumed to be diesel for all equipment.

2.4.1.2 Project Operation

During Project operation, the main source of air emissions is the combustion of diesel fuel in the locomotives and refueling or supply trucks. These emissions are expected to be SO₂, NOx, CO, HC and PM from the locomotive exhaust. Two GP-9 locomotives will be in use during stage one of the Project development. Each locomotive will operate 260 days per year, assuming an average second throttle position over the period of an eight (8) hour day.

Air emissions from the two locomotives were estimated based on the U.S. EPA fleet average emission factors (EPA 2009).

⁽b) Assumed 10 material trucks will be on site at a time for an average of 20 minutes each throughout the construction.

¹ GHG emissions are expressed in tonnes of CO₂ equivalent (CO₂E). This is because GHGs from the combustion include CO₂, CH₄ and N₂O; and CO₂E is used to represent all these GHG substances. Global warming potentials (1 for CO₂, 25 for CH₄ and 98 for N₂O) are used for the CO₂E calculation. This is a standard method.



Table 2-3 presents the preliminary expected air and GHG emissions from the Project during operation over the course of one year. The air emissions presented in the table are below the National Pollutant Release Inventory (NPRI) reporting thresholds² (ECCC 2019). The total amount of GHG emissions during the operation is estimated to be approximately 549 tonnes of CO₂E annually. This amount is below the provincial and federal reporting thresholds. Compared to the 2016 total GHG emissions for the province of Alberta (262.9 Mega-tonnes) (ECCC 2019), the GHG emissions from the facility are minimal (approximately 0.0002 percent of the total provincial emissions). Should the number of locomotives be doubled in the future, this could result in approximately 1,001 tonnes of CO₂E annually for the Project, and approximately 0.0004 percent of the total provincial emissions.

Table 2-3: Estimated Air and GHG Emissions during the Operation Phase

Emission Sources	Air Emissions Total Annual Fuel (tonnes/year) Consumption					GHG Emissions (tonnes CO ₂ E/year)		
	(L)	SO ₂	NOx	со	нс	PM ₁₀	PM _{2.5} ^(a)	
2 Locomotives	151,424	0.004	6.120	1.113	0.304	0.173	0.173	452
6 refuelling/ supply trucks	36,000	0.001	2.340	7.254	0.608	0.047	0.047	97
Total		0.005	8.460	8.367	0.912	0.220	0.220	549
(a) Assumes all PM ₁₀ is PM _{2.5.}								

2.4.2 LIQUID DISCHARGE

During all Project phases, the liquid discharge associated with the Project will be primarily surface water runoff. Surface water runoff will be directed via a runoff collection system consisting of drainage ditches, an in-situ clay-lined stormwater management pond, and culverts under the rail tracks as presented in the conceptual stormwater management plan for the Project (WSP 2019); stormwater management components are also shown on Figure 2-2. Runoff retained in the onsite stormwater management pond will be discharged through a control manhole to the proposed County ditch at the eastern edge of the site. The control manhole will be equipped with a gate to prevent releases in the event that the water quality exceeds release requirements. The conceptual plan is under review by the County, and provincial requirements are being discussed with the AEP Approvals Engineer.

The stormwater management system is being designed to meet local municipal standards as identified in the Land Use Bylaw (Sturgeon County 2017) and other guideline documents specific to Drainage Basin 7 of Sturgeon Industrial Heartland (identified in WSP 2019); and provincial requirements as identified by AEP and provided in Stormwater Management Guidelines for the Province of Alberta (Alberta Environmental Protection 1999). In the absence of specific water quality discharge requirements, the conceptual design assumes the water quality release limits identified in EPEA Approval No. 9995-02-00 for the Redwater Fractionation Facility stormwater management system to the east (Alberta Environment 2006), which also discharges into the County system.

² The NPRI reporting thresholds for SO_{2,} NOx, and CO are 20 tonnes/year; PM2.5 is 0.3 tonne; PM10 is 0.5 tonne. There is no threshold for HC.



The onsite stormwater management system will be constructed and operated in accordance with the County Development Permit conditions and EPEA Registration. In addition, AEP expects that each stormwater system will be constructed and operated in a manner that meets the Environmental Quality Guidelines for Alberta Surface Water (AEP 2018a). Periodic water quality testing will be conducted by a qualified third-party at the pond discharge point.

Potable water and domestic wastewater systems will not be developed on site. During all Project phases, potable water will be trucked in for use by Cando personnel; and domestic wastewater will be collected and contained in an above ground concrete holding tank located in a graveled area in the northwest corner of the Project site. The holding tank will be sized to accommodate assumed growth during the first stage development (2-5 personnel); the tank will be pumped out by a qualified third party contractor with spill prevention or containment measures in place as part of the contract, and the sewage disposed of at an approved disposal facility.

No fuel or hazardous substances will be kept onsite. Refueling of equipment during construction will be conducted in a designated area by a qualified third party provider with spill prevention and containment measures in place. Measures include placement of an impermeable barrier or berm around the graveled refueling area, and automatic shutoff valves during the fuel transfer operation to prevent fuel release onto the ground. Similarly, fueling of locomotives during operation will be completed in a designated location by a qualified third party provider with similar spill prevention and containment measures in place. Any associated liquid waste (e.g., oil, solvents or other liquid discharges) will be collected by the service provider and disposed of in an approved licensed facility.

In the event that a potentially contaminating liquid substance (e.g., fuel, used oil or solvent) is temporarily stored onsite, it will be stored in a storage tank that will conform to the *Guidelines for Secondary Containment for Above Ground Storage Tanks* (Alberta Environmental Protection 1997, as amended).

In Cando's experience, liquid discharge from locomotives or rail cars at a rail yard facility is not a common occurrence during normal operations. In the event that rail cars storing potentially contaminating liquids remain on site for a period of time, they will be visually inspected periodically (every 48 hours after five days) until their departure from the facility (within 30 days) to meet recommendations of the Railway Association of Canada and industry standard. In the event an unplanned incident occurs, spill response and containment measures as identified in the Emergency Response Plan for the Project will be implemented to prevent the liquid discharge from entering the stormwater system. Measures include using readily available spill kits, booms for containment, personal protective equipment (PPE) deemed necessary to safely handle specific products, and reporting in accordance with the established protocol. A spill kit includes materials designed to contain and absorb spills, and cover drains, and PPE (Cando 2019).

During Project construction, erosion and sediment control measures will be implemented where warranted, with the goal to prevent sediment laden or contaminated water resulting from construction activities from entering low lying or wet areas or leaving the Project site. Stormwater drainage ditches are being designed with native clay material and side slopes shallow enough to prevent erosion. Where required, erosion protection will be used in the ditch design to manage steeper slopes and higher velocities. Erosion protection (e.g., rip-rap) will be installed at the stormwater management pond outlet from the Project site to prevent localized erosion at the discharge point.

Anticipated liquid discharges generated by the Project, the planned method of disposal and expected residual effect on the environment are presented in Table 2-4. Adverse residual effects on the environment from Project liquid discharges are not expected to occur.



Table 2-4: Liquid Discharges Generated by the Project

Liquid Waste	Containment	Disposal Method	Expected Residual Effect on the Environment
Surface runoff water	Ditches and clay- lined stormwater management pond	On site stormwater management system, and drainage via culvert to County stormwater management system off the Project site	None
Domestic sewage	Above ground concrete holding tank	Pumped out by qualified contractor for disposal at an approved licensed facility	None
Used oil and other solvents (hazardous waste)	Oil containment area established by third party provider	Removed by qualified contractor for disposal or recycling at an approved licensed waste facility	None

2.4.3 SOLID WASTE

During all Project phases, the Project will generate solid waste — both recyclable and non-recyclable. All solid waste materials will be contained on site and removed from the site by a licensed contractor and transported for disposal at an approved, licensed facility. Wherever possible, waste will be diverted from disposal at a municipal landfill to a waste recycling stream. Waste streams will be disposed of in accordance with provincial Waste Control Regulation (EPEA Regulation 192/1996) and requirements for each specific waste as classified in the *Alberta User Guide for Waste Managers* (ESRD 1996).

The types of solid waste expected to be generated by the Project, method of waste disposal and expected residual effect on the environment are presented in Table 2-5. Adverse residual effects on the environment from Project solid waste generation are not expected to occur.

Table 2-5: Solid Waste Generated by the Project

Waste	Containment	Disposal Method	Expected Residual Effect on the Environment
Non-recyclable material (domestic garbage, non- recyclable material packaging)	Dedicated covered containers	Removal by construction contractor or third party for disposal, in accordance with existing legislation, at an approved facility	None
Metal and recyclable material	Separated and stored in dedicated marked containers	Removal by third party for recycling at an approved recycling facility	None
Oil filters (hazardous waste)	Oil containment area established by third party provider	Removal by third party for disposal or recycling by a qualified contractor at an approved licensed facility	None

2.5 PROJECT CONSTRUCTION, OPERATION, DECOMMISSIONING AND ABANDONMENT PHASES AND SCHEDULING

This section provides a description of the timeframe in which the Project is to be developed and identifies the primary activities to be undertaken during key Project phases.



2.5.1 PLANNED SCHEDULE

Project development consists of the following phases: Site Preparation, Construction, Operation, Decommissioning and Reclamation, and Abandonment. Project phases and their planned duration are presented in Table 2-6. The planned dates are, however, dependent on the timing of regulatory approvals, procurement of materials, and ongoing stakeholder engagement. The construction schedule (e.g., for the north yard) may also be accelerated based on customer demand.

Table 2-6: Planned Project Development Schedule

Project Phase	Planned Timeframe	
Vegetation clearing (to be conducted with landowner approval prior to the migratory bird breeding season)	March 2019	
Site Preparation (includes earthworks)	Mid-May to mid-July 2019	
Construction of south yard and associated tracks	Late May to end of November 2019	
Construction of north yard	To be determined based on market conditions	
Operations	40 years ^(a)	
(a) The Decommissioning and Reclamation, and Abandonment phases will be conducted over the period necessary to meet standards and requirements at the time.		

^{2.5.2} PRIMARY ACTIVITIES

The main activities to be undertaken by Cando during development of the Project are described in the sections below.

2.5.2.1 Vegetation Clearing

Limited clearing is required on the Project site since the majority of the site has been cultivated. Trees will be cleared from the windbreaks around the farmyard in the northwest corner of the site and along the eastern and southeastern border of the site. Trees will be cleared only as needed to allow for construction of infrastructure.

2.5.2.2 Site Preparation

Removal of Existing Structures

Site preparation will be initiated upon receiving the required Project approvals. The existing residence, foundations for grain bins and other existing structures and their contents will be removed and materials disposed of by a qualified third party contractor at a waste disposal facility certified to handle the specific type of waste.

Based on the Phase 1 Environmental Site Assessment completed for the Project site (SLR 2018a), minor remedial action may be necessary in the farm yard area (i.e., shallow excavation or scraping of surface soils with subsequent confirmatory soil sampling) in locations identified as having the potential for contaminated soils.

Utility Locates

The location of any existing utilities will be identified by flagging to alert all workers to avoid, thereby avoiding damage or interruption of utility service delivery during Project construction.



Soil Salvage

During site preparation, soil salvage activities will be conducted in accordance with applicable regulatory requirements including the separate salvaging and storage of topsoil and subsoil, as appropriate. Topsoil will be separated from subsoil via scraping using dozers and the salvaged topsoil will be stockpiled as needed for use during construction or, potentially, removed from the site as part of the construction contract to be used as a productive growing medium elsewhere.

Provincial requirements for topsoil storage for later replacement do not apply to private land; however provincial approval may be required to remove topsoil from the site. Cando will obtain the necessary authorization before removing topsoil, in accordance with provincial requirements and to meet expectations of Sturgeon County.

If deemed necessary during construction of the first stage, topsoil will be stored on the north half of the Project site until it can be removed from the site. However, Cando does not plan to stockpile topsoil on site for future use in site reclamation as the eventual future use is expected to be industrial also.

Grading

The site will be graded as necessary to provide level ground for track installation, positive drainage away from the proposed tracks, and a safe work site. Grading will be completed to meet design requirements. Initial excavation of surface water control ditches will also be undertaken.

Access roads, including primary and internal access will be constructed by surfacing the routes with gravel during site grading. Aggregate will be sourced from an approved site.

Fence and Security Installation

Site access control will be developed. A standard 6 foot high chain-link fence will be installed around the perimeter of the Project site to limit access to the rail yard. Locking gates will be installed at the points of road access as well as at points of rail access.

In Cando's experience, the perimeter fence has deterred wildlife from accessing the rail yard at other sites, and Cando is not aware of incidents involving wildlife in their rail yards.

2.5.2.3 Project Construction

The primary construction activities are described below.

Construction Infrastructure

Staging and laydown areas will be developed for the delivery, storage and deployment of equipment and materials:

- Tracks and associated components will be stored and sorted throughout the construction period;
- Holding tanks and containers for storage of liquid and solid waste will be placed; and
- Office trailer(s) for engineering and construction management, construction contractors, and security will be installed. These offices will also be used during Project operation. No permanent buildings are being constructed for the first stage.

The following services will be tied in to support the Project:

- Standard 120 volt electrical power for yard and office lighting and services;
- 675 volt 3-phase power drawing about 100 amps for locomotive heating requirements; and



Internet access to connect the site for data exchange and security measures.

Some construction infrastructure will be temporary (i.e., staging and laydown areas), while other infrastructure will remain on site during Project operation (i.e., office trailers, holding tanks).

Track Subgrade Preparation

- Survey for track alignment will be conducted prior to installation of subsurface infrastructure.
- Existing subgrade material will be used where possible and graded to the required elevation and slope for sub-ballast placement. A geotechnical investigation will be carried out to determine the suitability of subgrade material and the cut depth required to remove unsuitable material.
- Sub-ballast consisting of 12" depth of crushed or screened pit run gravel containing no more than 3% organics will be placed and compacted.
- Sub-ballast will be graded, compacted and surveyed.

Track Installation

- Track materials will be delivered to the laydown area(s) throughout the construction period.
- Track will be laid and connected immediately on the sub-ballast to create the skeleton track.
- The skeleton track will be flooded with railway ballast (2" crushed rock ballast) meeting or exceeding the CN Class 2 Crushed Rock Ballast Specification (Canadian National Railway Specification 12-20C), then lifted, lined and tamped to final alignment and elevation.

Surface Water Management

- A conceptual stormwater management plan (WSP 2019) is currently under review by the County, and provincial requirements are being discussed with the AEP Approvals Engineer for Sturgeon County. The design will be completed, and the system constructed according to the approved designs. The conceptual plan includes an overland drainage network to convey runoff from the developed portions of the property to a stormwater management pond. The stormwater management plan design includes erosion management and considerations to reduce water infiltration. Water will be released from the stormwater management pond to the County stormwater management system according to release rates and qualities in accordance with the County Development Permit. The pond release will be conducted through a control manhole to a proposed County ditch at the eastern edge of the site. The control manhole will be equipped with a gate to prevent releases in the event that the water quality exceeds release requirements. More detail is provided in Table 5-2.
- Development of the onsite system will require construction of a portion of the County's proposed Line 1 ditch which will extends along the north and east borders of the Project site (WSP 2019). Cando will be responsible to construct the required portion of the Line 1 ditch since the Project is the first development that requires the ditch.
- The dugout in the northwest corner of the Project site will be drained following grading work
 on the property. Draining of the dugout is planned to occur between May and August and will
 be conducted based on discussion with AEP.

Vegetation Management

Throughout Project construction, Cando will comply with the Alberta Weed Control Act; all
construction equipment arriving on the Project site will be cleaned to be free of vegetation,
seeds and debris to limit the establishment and spread of noxious weeds within and off the
Project site.



 Undeveloped portions of the site (i.e., ground surface not covered with ballast for track installation or road) will be re-seeded as necessary using an approved weed-free seed mix following track installation.

Emergency Response

Based on its corporate Emergency Response Plan, Cando has prepared a preliminary Project-specific Emergency Response Plan for use, if necessary, during construction. The preliminary plan, described below under Project Operation, has been presented to Sturgeon County for review and discussion.

2.5.2.4 Project Operation

The Project will come into service following staged construction, commissioning, testing, and operation. The expected operational life of the Project is 40 years. An operating and maintenance plan will be completed for each operational stage. Operation of the rail yard will be coordinated between Cando and CN Rail.

The onsite stormwater management system will be constructed, operated and maintained by Cando. The offsite planned County regional stormwater management ditch (Line 1) will be constructed by Cando and managed by the County.

Two locomotives will initially operate in the south yard, with additional locomotives assigned, as required. Equipment refueling trucks and miscellaneous supply vehicles will access the site as required. During the first development stage, traffic is not expected to exceed six trucks per day.

Cando has prepared a preliminary Project-specific Emergency Response Plan (Cando 2019) for use, as necessary, during operations. The plan is currently being reviewed by the County emergency service team and will be finalized before Project development. The plan includes emergency notification, communication and evacuation procedures; as well as protocols and measures to be implemented in response to unplanned incidents; and incident reporting procedures. Environment related events addressed in the plan include spill response and containment and incidents involving dangerous goods.

Personnel

Staff employed at the site will include a supervisor and two-person train crews. At start-up, one crew working eight (8) hours per day and five days per week will be required. As Project operational demand increases, additional crews could potentially be working at any time and the number of people working at any one time will be dependent upon customer demands for service.

Commodities and Environmental Risk

Cando is conducting an overall risk assessment that will determine what type of commodities will be accepted. Commodities that the cars may carry include bio-diesel, hydrocarbons (e.g., crude oil, diesel, ethanol, propylene), and minerals (e.g., phosphate rock) or fertilizers (e.g., ammonium nitrate, monoammonium phosphate).

Rail cars, whether empty or loaded, may contain petroleum based products that will carry an environmental risk if the rail cars suffer an uncontrolled vessel release. Locomotives will be refuelled on site by a third party service provider, and any fuel spills will be managed. The following measures will be implemented to avoid such a release, and prevent soil and water contamination:

 Rail cars will be visually inspected before being placed on the track; cars with hazardous goods will be placarded while on the rail yard.



- Regular inspections of the rail cars staged or stored at the facility;
- Training in safe handling of loaded dangerous goods storage rail cars;
- Refuelling procedures will be followed, including using containment berms around the locomotive and automatic shut-off valves to prevent spills;
- · A Safety Management System for the safe handling of dangerous goods; and
- Individual risk assessment for each new commodity to be stored at the facility.

If rail cars require cleaning, Cando will engage a third party such as Clean Harbours or Water X to employ a Gama Jet cleaning system and arrange for appropriate disposal of the contaminated solutions.

An empty rail car is generally not purged unless a different commodity will be loaded into it on next loading. Rail car customers may purge rail cars which would then be clear of any contaminants, or cars may not be purged.

2.5.2.5 Decommissioning and Reclamation

Decommissioning and reclamation will be completed in accordance to requirements at that time. During decommissioning, it is anticipated that utilities will be disconnected and surface infrastructure will be removed or recycled to various approved third party licensed facilities. The preferred decommissioning method, if the option exists, is to salvage and recycle or re-use materials where possible. Following the removal of surface infrastructure, subsurface infrastructure will be removed and disposed of appropriately.

Site remediation activities will be undertaken as needed to remove contaminated materials. The rail yard will then be graded as necessary to allow for natural drainage and to accommodate the future designated end land use. It is anticipated that the yard and infrastructure and materials will be repurposed for other industrial activity; that the end land zoning and use will remain as heavy industrial use unless amended by Sturgeon County.

3. PROJECT LOCATION

3.1 LOCATION DESCRIPTION, SITE PLAN, REGIONAL MAP(S) AND PHOTOGRAPHS

3.1.1 GEOGRAPHIC COORDINATES AND LEGAL LAND DESCRIPTION

The Project is located in NW and NE 35-55-22 W4M in the municipal district of Sturgeon County, Alberta. The site comprises almost two guarter sections and is approximately 123 ha in area.

The geographic coordinates for the Project (from the middle of the Project site) are as follows:

- Latitude 53°47'58.54"N
- Longitude 113° 9'43.55"W

3.1.2 MAP(S)

The regional setting of the Project is shown in Figure 1-1 (Section 1.1.1). In addition to the Project site identification within the province, the following are notable features:



- Federal lands³ including Elk Island National Park, and Edmonton Garrison (Canadian Forces Base);
- Nearby North Saskatchewan River and Sturgeon River; and
- Nearby communities.

The local Project setting is shown in Figure 1-2 (Section 1.1.1). In addition to an aerial view of the Project site, the following are notable features:

- North Saskatchewan and Sturgeon rivers and adjacent native vegetation (Environmentally Sensitive Areas);
- Transportation infrastructure including highways, local roads and the adjacent CN Rail line; and
- The extent of industrial facilities in the immediate vicinity of the Project.

Sensitive areas are shown in the following figures:

- Figure 1-1 (Section 1.1.1) National Parks, cities and recreation areas;
- Figure 1-2 (Section 1.1.1) nearest rivers and residences on and around the Project site;
- Figure 3-1 (Section 3.2.6) nearest Indigenous communities; and
- Figure 5-1 (Section 5.1) wetlands, trees and nest activity.

3.1.3 SITE PLAN

The overall layout of Project components is shown in Figure 2-1, with more detail shown in Figure 2-2 (Section 2.3.1). The site plans present the layout for the first stage of development (south yard) including the construction of the loop track, the wye and 32 storage rail tracks. The second stage (north yard) is shown as a conceptual site plan, including development of up to 32 additional storage rail tracks on the north portion of the property.

3.1.4 PHOTOGRAPHS OF THE PROJECT SITE

An aerial view of the Project site is provided in Figure 5-1. Field photographs taken to show the condition of the Project site are included in the Biophysical Assessment Report (SLR 2018b), which is included as Appendix A of this Project Description. The following features are noted:

- Area of cultivated fields throughout (Photo 1 in Appendix A Photographs, of the Biophysical Assessment Report⁴);
- Farm yard with residence and out buildings in the northwest corner (Photo 4);
- Fringe wetland associated with the excavated dugout (northwest corner)(Photos 6 and 7);
- Enhanced north–south drainage and central wetland (Photos 5 and 8); and
- Tree windbreaks extending south of the farm yard and along the east site boundary (Photo 10).

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³ The locations of Indigenous communities and groups with potential interest in the Project are identified on Figure 3-1 (Section 3.2.3).

⁴ Photo number identification refers to the photo number in Appendix A of the Biophysical Assessment Report, appended to this Project Description as Appendix A.



3.2 NEARBY RESIDENCES, TRADITIONAL TERRITORIES AND FEDERAL LANDS

3.2.1 ZONING DESIGNATION

As described in Section 1.4.3, the Project is located on land designated "I5 – Heavy Industrial District" under the Land Use Bylaw. This zoning district has been reserved under the Sturgeon County Municipal Development Plan (Sturgeon County 2014) and Alberta's Industrial Heartland Area Structure Plan (Sturgeon County 2007) for major industrial uses likely to have significant impact on non-industrial users. No future residential development is planned for this district due to potential effects from appearance, noise, odour, risk of toxic emissions, and explosion hazards associated with heavy industrial operations (Sturgeon County 2017).

3.2.2 PERMANENT SEASONAL OR TEMPORARY RESIDENCES

The farm house on the far northwest corner of the property is being leased by the current owner and is occupied full-time by the lessee. The residence will be vacated prior to Project development. Cando has initiated engagement with the occupant regarding the proposed development by way of direct contact (January 9, 2019) and the Project notification letter.

Three (3) other residences are located within 1.6 km of the Project site. Cando has initiated engagement with the residents of these nearby properties by way of direct contact (January 9, 2019) and the Project notification letter.

3.2.3 CITIES, TOWNS AND HAMLETS

The Project site is located approximately 20 km northeast of the Edmonton city limits. The following municipalities are closest to the Project site; all are shown on Figure 1-1.

- The city of Fort Saskatchewan is approximately 2.5 km south of the Project, on the east side of the North Saskatchewan River;
- The town of Gibbons is approximately 9 km west of the Project;
- The town of Bruderheim is approximately 13 km east of the Project, on the east side of the North Saskatchewan River;
- The town of Redwater is approximately 15 km north of the Project; and
- The hamlet of Josephburg is approximately 11 km southeast of the Project, east of the North Saskatchewan River.

3.2.4 TRADITIONAL TERRITORY OF INDIGENOUS GROUPS

The Project is located within the Treaty 6 First Nations area and within the Métis Nation of Alberta Region 4. The locations of Indigenous communities and organizations listed in Section 1.3.1 relative to the Project are shown in Figure 3-1.

The closest First Nation reserves are:

- Reserve 135 (Enoch Cree Nation) located approximately 47 km southwest the Project;
- Reserve 134 (Alexander First Nation) located approximately 47 km west the Project; and
- Reserve 125 (Saddle Lake) located approximately 86 km northeast the Project.

The closest Métis Settlement Areas are:

- Gunn Métis Local 55 (Lac Ste Anne Métis) located approximately 78 km west of the Project;
- Buffalo Lake Métis Settlement located approximately 79 km northeast the Project; and

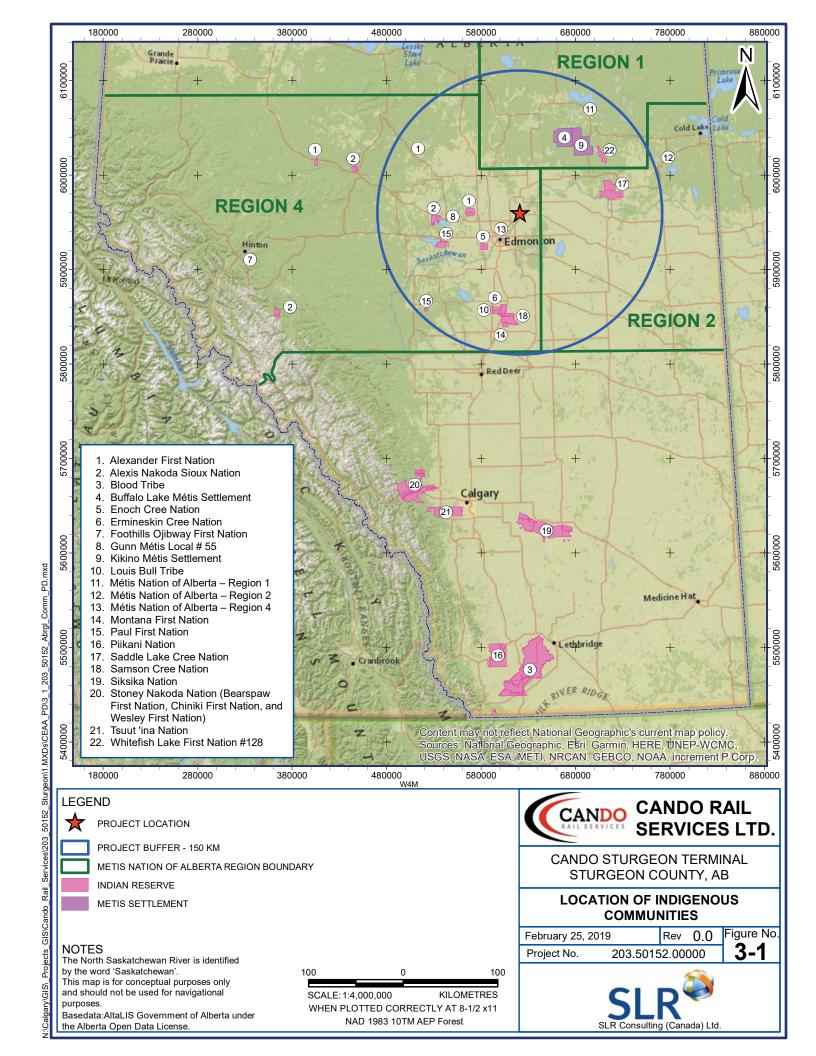


• Kikino Métis Settlement located approximately 83 km northeast the Project.

3.2.5 FEDERAL LANDS

The Project is not located on federally designated lands. In addition to the Indigenous communities indicated above, the closest federal lands are as follows:

- Canadian Forces Base (Edmonton Garrison) is located approximately 25 km southwest of the Project.
- Elk Island National Park is located approximately 26 km southeast of the Project, east of the North Saskatchewan River. This park is within the Beaver Hills Dark Sky Preserve and the newly designated Beaver Hills Biosphere Reserve (Parks Canada 2018). The closest boundary of the Beaver Hills Dark Sky Preserve is approximately 20 km from the Project site.





3.2.6 TRADITIONAL LANDS

The Project site is located in Treaty 6 territory and within an area with asserted rights by Métis groups and the Métis Nation of Alberta (Government of Canada 2019). Treaties 7 and 8 First Nations groups may also have traditional territories or potential or established Aboriginal or Treaty rights that overlap the Project site. All First Nation groups may have an interest in traditional land use activities in the vicinity of the Project site on unoccupied Crown land, in accordance with the *Alberta Natural Resources Act* in the respect of the *Natural Resources Transfer Acts*, 1930 (Government of Canada 1930).

The Project site has been privately owned and under agricultural operation for several decades. Similarly, land immediately surrounding the Project has been cultivated over several decades; however, the area is experiencing an increasing level of industrial development. Currently, most land surrounding the Project site has been or is being developed for long term industrial use or is owned by industrial entities. Based on the agricultural and industrial uses in the Project area, the land is not likely to be used currently for traditional activities such as hunting, trapping, and plant harvesting.

3.3 LAND AND WATER – REGIONAL ZONING DESIGNATIONS

In this section, the legal land description and relevant land use and management plans are described, and their relevance to the Project indicated.

3.3.1 LEGAL LAND DESCRIPTION

The Project site is described as the North half of Section 35, Township 55, Range 22, West of the 4th Meridian (N½ 35-55-22 W4M), in the municipal district of Sturgeon County, Alberta.

The Project site will be owned by Cando, pending final acquisition. Two land titles are currently registered for the property:

- North half of NW 35-55-22 W4M and NE 35-55-22 W4M; and
- South half of NW 35-55-22 W4M.

The property title excludes all mines and minerals, and a rail right-of-way adjacent to the south boundary. Copies of the land titles are presented in Appendix B.

3.3.2 LAND USE AND MANAGEMENT PLANS

The Project is located in Sturgeon County on land within the Capital Region and Alberta's Industrial Heartland; and is subject to land use and resource management plans, policies and initiatives under a range of regulatory jurisdictions and non-regulatory organizations. In addition to those introduced in Section 1.4.3 (municipal) and Section 1.4.4 (regional), the Project falls within the boundaries of the North Saskatchewan land use planning region (AEP 2018b).

A description of each land use or management plan and initiative, and its relevance to the Project, are provided in the following subsections. Unless specifically indicated, it is not known whether a plan or initiative described below was subject to public engagement.

3.3.2.1 Sturgeon County

The Project is subject to the following management entities under the jurisdiction of Sturgeon County, as described in Section 1.4.3:

- Alberta's Industrial Heartland Area Structure Plan Bylaw No. 118/07 (Sturgeon County 2007);
- Capital Region Land Use Plan (Capital Region Board 2009);



- Sturgeon County Municipal Development Plan Bylaw 1313/13 (Sturgeon County 2014); and
- Sturgeon County Land Use Bylaw 1385/17 under "I5 Heavy Industrial District" (Sturgeon County 2017).

3.3.2.2 Regional Cumulative Effects Management

The Government of Alberta adopted the cumulative effects management system (CEMS) in 2007; CEMS uses an approach to manage cumulative environmental effects in a comprehensive regional, integrated and collaborative manner, and thereby protect water, air, land and biodiversity in Alberta (AEP 2018c). Within the province, Alberta's Industrial Heartland was identified as a key focus area because of the intensive industrial and municipal development pressure in the region.

The following environmental frameworks and monitoring initiatives have been or are being developed in Alberta's Industrial Heartland. They are described below and their relevance to the Project indicated.

- Regional Noise Management Plan (NCIA 2018b);
- Water Management Framework for the Industrial Heartland (ESRD 2008);
- Air Quality Management Framework for the Capital Region and Industrial Heartland (NCIA 2018c);
- Elemental Sulphur Management Framework for the Industrial Heartland (ESRD 2009, update AEP 2016); and
- Regional Groundwater Management Framework (AEP 2012).

Regional Noise Management Plan

The NCIA Regional Noise Management Plan (NCIA 2018b) and associated Regional Noise Model represent the collaborative effort of the NCIA membership and the Alberta Energy Regulator (AER); the plan covers an area of approximately 700 km² and uses a regional approach to address environmental noise management. The plan is used as a regulatory approved tool to assist in assessing compliance with the AER Noise Control Directive 038 (for regulated NCIA members), and to report publicly on noise, trends and model updates on an annual basis (NCIA 2017). Data from about a dozen large industrial facilities are incorporated into the model. The model is based on predicted noise outputs from industrial facilities, regional road networks, and rail traffic. The facilities that have adopted the plan implement best practices for noise management to address various noise fluctuating scenarios. Model validation measurements are performed on an annual basis to compare model predictions to measured noise levels. Results are reported publicly on the NCIA website. Current model results are expected to be published in the first quarter of 2019.

Rail noise (train shunting and locomotive operational noise) is not regulated by the AER, and Cando's facility is not regulated by the AER. Consequently, the Project will not be subject to the AER Noise Control Directive 038. The interaction between the Project and noise is discussed in Section 5.1.10.

Cando has discussed the Project with the NCIA and received positive feedback. No comments have been received to date with regard to noise effects of the proposed rail facility on regional noise levels.

Water Management Framework for the Industrial Heartland

The Water Management Framework for Alberta's Industrial Heartland and Capital Region (ESRD 2015) was developed to manage industrial water use and water quality and the cumulative effects of various individually regulated projects within the Devon to Pakan reach (includes Alberta's Industrial Heartland) of the North Saskatchewan River. Goals of the framework are to improve water quality from fair to good, minimizing load discharge, and minimizing the impacts on the North Saskatchewan River, and to



maintain sufficient water quantities in the river to maintain aquatic life and support current and proposed industrial development (ESRD 2015).

The Project site is near the reach of the North Saskatchewan River that is subject to management and study under the Water Management Framework, a component of the Capital Region Cumulative Effects Management Framework. Water quality is monitored at four long-term river network monitoring sites (Government of Alberta 2018a). The most recent investigation of water quality trends (1977-2002) measured at the northern (Pakan) and southern (Devon) monitoring locations indicates improvement in water quality due to upgrades in municipal waste water discharges, progressive elimination of combined sewers and improved handling of storm water runoff (Government of Alberta 2012).

Cando has considered the Water Management Framework. The interaction between the Project and surface water is discussed in Section 5.1.2. No adverse effects on the aquatic environment as a result of the Project are expected to occur.

Capital Region Air Quality Management Framework

The objective of the Capital Region Air Quality Management Framework (ESRD 2010) is to regulate air emissions on a regional basis, rather than regulating emissions from individual facilities. Limits have been established for four contaminants of concern: nitrogen dioxide (NO₂), sulphur dioxide (SO₂), PM_{2.5} and ozone (O₃). These limits are based on Alberta's Ambient Air Quality Objectives (AAAQO) for NO₂ and SO₂ (ESRD 2012), and Canada Wide Standards for PM_{2.5} and O₃ (CCME 2000). There are four (4) proactive ambient air quality levels for each contaminant of concern. Triggers at each level lead to management actions that range from baseline monitoring and data gathering to a mandatory plan to reduce the ambient levels below the applicable air quality standard (ESRD 2012).

Air quality in the region is monitored by the Fort Air Partnership, which currently operates nine (9) continuous and fifty-five (55) passive air monitoring stations (Fort Air Partnership 2018).

Cando has considered the Air Quality Management Framework. The interaction between the Project and air quality is discussed in Section 5.1.9. Both air contaminant and GHG emissions are expected to be negligible / minimal during all Project phases. During the construction phase, air emissions will be temporary for the duration of construction.

Elemental Sulphur Management Framework for the Industrial Heartland

The Elemental Sulphur Management Framework is a collaborative initiative involving representatives from government, municipalities and industries. The purpose of the framework is to establish 'world-class' elemental sulphur management in Alberta's Industrial Heartland for regional consumers, handlers and producers. The framework consists of a vision, principles and strategies to improve the management of elemental sulphur (Government of Alberta 2016).

Cando is conducting a risk assessment for all potential commodities to determine the products to be accepted. Cando has considered the Elemental Sulphur Management Framework as sulphur is a potential commodity to be transported.

Regional Groundwater Management

The NCIA is currently developing the Regional Groundwater Monitoring Framework in conjunction with AEP, as part of the North Saskatchewan Regional Planning process (AEP 2012; NCIA 2018d). The framework establishes a groundwater monitoring program with the objective of monitoring for changes in groundwater flow and quality from the established baseline in the Beverly Channel (Strathcona and Sturgeon Counties) Study Area (NCIA 2017).



The monitoring network includes 14 monitoring wells within the NCIA Beverly Channel Study Area (within Sturgeon and Strathcona counties), where surface drainage is generally towards the North Saskatchewan River or Astotin Creek (east of the North Saskatchewan River). Land uses in the study area are agricultural, residential and industrial (NCIA 2018d).

The NCIA has been maintaining a groundwater monitoring program since 2005 (baseline year) to monitor for changes in groundwater flow and quality from the established baseline. The NCIA continues to work with the provincial government to finalize a Groundwater Monitoring Directive for the Alberta Industrial Heartland.

Cando has considered the Regional Groundwater Management initiative, and determined that it is not relevant to the Project. The interaction between the Project and groundwater is discussed in Section 5.1.3. No adverse effects on groundwater quality or quantity as a result of the Project are expected to occur.

3.3.2.3 North Saskatchewan Regional Plan

In addition to the regional environmental frameworks, the Project falls within the boundaries of the North Saskatchewan land use planning region (AEP 2018b). The North Saskatchewan Regional Plan (NSRP) is currently under development. The NSRP Regional Advisory Council has provided their advice to the Government of Alberta on the development of the plan.

The Regional Advisory Council document identifies the North Saskatchewan Region as having sustainable economic development in industries such as agriculture and energy development. The effect of the North Saskatchewan Region being the central dispatch for exports heading south has resulted in the region becoming a hub where pipelines, roadways and railways filled with raw or manufactured product is either shipped south for export markets for north for inputs into further natural resource development (AEP 2018b).

As the plan is currently under development, key recommendations provided by the Regional Advisory Council were reviewed to determine where the proposed Project can align with the recommendations. Two key recommendations included (AEP 2018b):

- Wetlands "implement the full suite of tools it has within the *Water Act* and Alberta Wetland Policy, including addressing the incentives and offsets that are needed to address the economic benefits and challenges of maintaining and restoring wetlands".
- Explore the concept of various wetland creations (e.g., urban stormwater catchments, industrial borough pits) and the possible role they could play in supporting biodiversity and wetland values in a variety of settings.

Understanding that the parcel of land selected for Project development had two smaller wetlands and a number of low areas where water is retained following snowmelt and heavy rainfall, a relative wetland value was applied to the wetlands that will be removed to accommodate the development. This monetary value will be applied to development of wetlands in another area of the province.

3.3.3 LANDS AND RESOURCES USED FOR TRADITIONAL PURPOSES

The Project falls within lands identified as Traditional Territories for many Indigenous groups and communities as listed in Section 1.3.1 (Indigenous Communities). Locations of Indigenous groups and organizations with potential interest in the Project and with whom Cando has initiated engagement in relation to the Project are shown in Figure 3-1.



As described in Section 3.2.6 (Traditional Lands), due to agricultural use of the Project site, and surrounding residential and industrial land uses in Alberta's Industrial Heartland, it is not anticipated that the Project will require access to, use or occupation of, or the exploration, development and production of lands and resources currently used for traditional purposes by Aboriginal peoples.

To date during engagement, no Indigenous communities have identified specific sites or areas in the Project vicinity that are currently used for traditional use purposes.

4. FEDERAL INVOLVEMENT – FINANCIAL SUPPORT, LANDS AND LEGISLATIVE REQUIREMENTS

4.1 FINANCIAL SUPPORT

No federal financial support to carry out the Project has been proposed by any federal authority, and none is anticipated.

4.2 FEDERAL LANDS

No federally designated lands, including any interest in easements, rights-of-way, or transfers of ownership, will be used for the purpose of carrying out the Project.

4.3 FEDERAL AUTHORIZATION

Federal acts which must be complied with are identified in Section 1.4.1, and the reporting requirements for a designated project as defined under the *Canadian Environmental Assessment Act, 2012* are met by this Project Description.

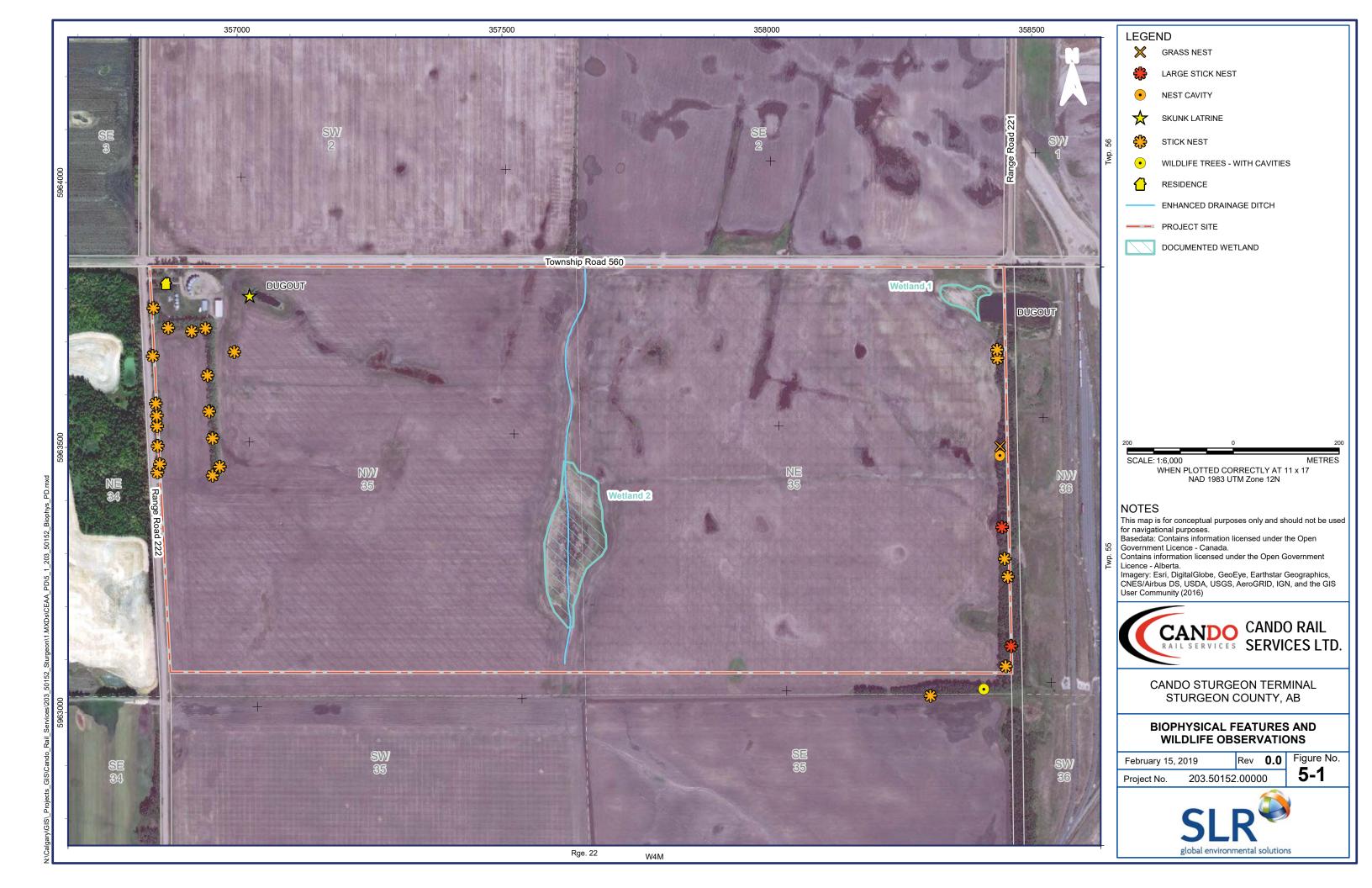
No other federal legislative or regulatory requirement (including any federal license, permit or authorization) is required to carry out the Project.

5. ENVIRONMENTAL EFFECTS

Cando has assessed the baseline physical and biological setting of the Project site; consulted with regulators and others as described in this Project Description; and identified environmental management practices and mitigation measures to support Project development in an environmentally acceptable manner and in compliance with regulatory requirements and environmental commitments.

This section presents the baseline environmental data collected and assessed to characterize the biophysical setting of the Project, a brief assessment of the Project-environmental interactions, and management measures to be implemented to avoid or minimize adverse environmental effects.

The assessment included desk-based review of relevant and available databases and secondary source material; followed by a field investigation conducted by two professional biologists on September 25 and 26, 2018 (SLR 2018b; Appendix A of this Project Description); and consideration of the Project description (components and activities) presented in Section 2. Key biophysical features on the Project site are shown on Figure 5-1. Photographs, taken during the field visit to show the condition of the Project site, are included in Appendix A.





5.1 PHYSICAL AND BIOLOGICAL SETTING OF THE PROJECT

The Project is located in Alberta's Industrial Heartland within an area zoned for heavy industry and increasingly dominated by industrial land uses. The Project site is on agricultural land with wetlands and low wet areas and limited natural vegetation. It is surrounded by arable land to the north, west and south; and heavy industrial facilities to the east and northeast (CN Rail line, Pembina Redwater Fractionation Facility and Rail Yard, North West Redwater Partnership Sturgeon Refinery) and southeast (Shell Scotford Manufacturing Centre, east of the North Saskatchewan River). Immediately adjacent to the southern boundary of the Project site is a right-of-way owned by CN Rail, within which a pipeline right-of-way extends within an east-west aligned easement.

5.1.1 SOIL AND TERRAIN

The Project falls within the Central Parkland Natural Subregion which is usually associated with hummocky till or eolian materials (Natural Resources Committee 2006). The underlying parent material in the Project area is classed as Cretaceous shale, with significant areas of lacustrine and fluvioglacial deposits.

The Project area is comprised of a variety of cultivated agricultural fields and heavily disturbed industrial properties. On undisturbed land, fertile loamy Black Chernozemic soils are extensive, with Gleysolic soils present in poorly drained and lower slope positions (Alberta Agriculture and Forestry 2017). The Hobbema soil series, a fertile Eluviated Black Chernozem formed on Glaciolacustrine over till parent material was identified for the majority of the Project site (Alberta Soil Information Centre 2016).

The field investigation confirmed fertile agricultural soil with topsoil 20 to 30 centimetres (cm) deep over much of the Project site. Soil saturation was variable across the site due to the number of low areas present. Sensitive soils (e.g., acid, saline, solonetzic) that pose potential management issues when handled were not observed.

Potential Project effects on soils include:

- Loss of soil as a result of wind and water erosion;
- Reduced productivity due to compaction and rutting; and
- Reduced productivity due to contamination.

Cando plans to remove topsoil salvaged from the site during earthworks for use as a productive medium offsite as the Project site is expected to continue to be used for a heavy industrial use following Project decommissioning. Management measures outlined in Table 5-1 will be implemented to mitigate potential effects on soil resources. Based on the implementation of these measures, the Project is not expected to cause adverse effects on soil resources.

Table 5-1: Soil Management Measures

ASPECT	MANAGEMENT MEASURE
Soil stripping and management	Limit the area of disturbance as far as practically possible. Strip topsoil and subsoil separately and store in clearly marked stockpiles in accordance with regulatory requirements.
	Salvaged soil may be used during construction if needed, or removed from the site under the construction contract. Obtain the appropriate authorization before removing any topsoil from the Project site.



ASPECT	MANAGEMENT MEASURE
	Stockpiles, if required, will be placed away from natural drainage channels or low lying areas to reduce the potential for sediment deposition into a surface waterbody. Manage stockpiles to prevent erosion and the establishment of invasive plant species by covering with a tarp or seeding with a fast-growing accepted seed.
	Install erosion and sediment protection measures (e.g., earthen berms, silt fences) as needed during construction to prevent loss of soil and prevent silt from entering wetlands. Erosion and sedimentation control devices will be inspected regularly to ensure proper functioning.
	Do not allow dumping of waste on stockpiled soil.
	Whether stored onsite or removed, handle all soils in a manner that conserves soil quality for future productive use.
Contamination	Handle, use, and dispose of all potentially contaminating substances and waste in a manner to prevent surface soil contamination.
	Maintain all vehicles, equipment, and locomotives onsite in good working order to prevent spills and leaks; inspect regularly.
	Contain and clean up spills and leaks immediately. Maintain spill kits (containing absorbent material) on site and train personnel how to use these kits. As necessary, implement spill response and containment measures outlined in the Project-specific Emergency Response Plan.
	Visually inspect rail cars before they are placed on yard track, placard those with hazardous goods, and periodically inspect rail cars staged or stored until their departure from the yard.
	Maintain a Safety Management System for the safe handling of dangerous goods, and train yard personnel in safe handling of dangerous goods in loaded storage rail cars.
	Use a third party service provider to treat contaminated soil in-situ where practical or remove from site and dispose of as hazardous materials.
Reclamation	Remove surface infrastructure and grade the ground surface as appropriate in accordance with the end land use and requirements at the time.
	Ameliorate soil if needed to meet end land use requirements.
	Monitor re-vegetation of the Project site to prevent soil erosion.

5.1.2 SURFACE WATER (WATER BODIES AND DRAINAGE)

The Project site is regionally situated within the North Saskatchewan River watershed (See Figure 1-1). The North Saskatchewan River flows north approximately 1.5 km east of the Project. The Sturgeon River, located approximately 2.6 km south of Project site, flows eastward into the North Saskatchewan River. Both river reaches are designated 'Environmentally Sensitive Areas' (ESAs) by Sturgeon County (Sturgeon County 2014). ESAs are defined as:

Landscape elements/areas within Sturgeon County that have important and/or unique environmental characteristics that are essential to the long-term maintenance of biological diversity, soil, water or other natural processes, both within the ESA and in a regional context (Sturgeon County, 2014).

Proponents of developments in the County are encouraged to use ecologically sound design principles (e.g., maintaining tree stands, protecting wildlife corridors, and using innovative stormwater management techniques) when planning land developments within an ESA. The Project site is located more than 1 km from the boundary of the ESA along the North Saskatchewan River and more than 2 km



from the Sturgeon River ESA. The Project site is separated from these ESAs by land under agriculture and industrial land uses.

A desktop watercourse assessment was conducted at the Project site prior to visiting the property. This was accomplished through a review of the AEP Fisheries and Wildlife Management Information System (FWMIS) Fish and Wildlife Internet Mapping Tool (FWIMT) (Government of Alberta 2018c). It was determined that there are no mapped or unmapped watercourses crossing the Project site. The nearest unnamed watercourses that could be identified from a hydrology mapping dataset (Government of Alberta 2019) are not hydraulically linked to the Project site; one is located approximately 433 m southwest of the Project site and appears to be affected by farming activities, and the other is approximately 1,356 m north of the Project site.

A man-made drainage channel aligned north-south along the NW/NE quarter boundary (Figure 5-1, Photo 3 in Appendix A) was identified during the site visit. This drainage channel was observed to have a consistent width (approximately 5 m) for the length of the quarter section and was likely a natural drainage channel enhanced historically or by the current landowner. Based on examination of current and historical aerial photographs, water is present for longer periods within low lying areas on the Project site. No water was present in the enhanced drainage channel during the site assessment, however the flow is expected to follow topography in a general south-east direction and may allow for improved drainage overall in the cultivated field, thereby reducing the amount of water stored seasonally within the Project site.

Two dugouts are also present on the site, one in each quarter section. No inlet or outlet was observed at either dugout during the field visit; however, metal piping into the larger dugout in the NE quarter suggests that water is taken from the dugout.

Potential Project effects on surface water include:

- Contamination as a result of spills and leaks;
- Sedimentation as a result of uncontrolled runoff during earthworks; and
- Change in flow path as result of earthworks during construction.

Management measures outlined in Table 5-2 will be implemented to eliminate or reduce the potential for reduced surface water quality. Based on the implementation of these measures, the Project is not expected to cause adverse effects on surface water resources.

Table 5-2: Surface Water Management Measures

ASPECT	MANAGEMENT MEASURE
Surface runoff	Design and implement the stormwater management system to contain all surface runoff and allow clean water to be diverted away from the Project site. The conceptual stormwater management plan is currently under review by the county, and provincial requirements are being discussed with AEP. According to the conceptual plan, the system will include (WSP 2019): - Surface runoff will be contained within the outer loop track of the site and runoff outside the loop track will be directed around the catchment area through ditches toward a proposed County ditch along the east side of the property. - An overland drainage network will convey runoff from the developed portions of the property as follows: O Runoff from the rail tracks will be conveyed along adjacent gravel roads with inverted crowns.



ASPECT	MANAGEMENT MEASURE		
	 Runoff from the south and north yards will be conveyed towards a stormwater management pond to be located in the center-east of the Project site through culverts with drop inlets. Runoff from the south and north yard culverts will be conveyed overland to the pond through the ditch within the middle portion of the Project site. 		
	 Drainage ditches will be lined using in-situ clay material and have slopes flat enough to prevent erosion. Erosion protection will be used where required to manage steeper slopes and water moving at higher velocities. Culverts will likely be steel pipes. The stormwater management pond will be lined using in-situ clay to reduce infiltration and minimize erosion. Before each release, the pond will be visually inspected for signs of floating debris and oily sheen. Use of oil skimmers and temporary booms will be considered should it become necessary to remove visible sheen from the pond. Periodic water quality testing will be conducted by a qualified third-party provider at the pond discharge point. If water quality in the stormwater pond is deemed unsuitable for release (i.e., exceeds release limits), a qualified service provider will be brought in to collect, handle and dispose of the water at a licensed waste water facility. Water will be released from the pond through a control manhole to a proposed County ditch at the eastern edge of the site according to release rates and qualities to meet County and AEP approval requirements. The control manhole will be equipped with a gate to prevent releases in the event that the water quality exceeds release requirements. From the Project site, drainage will be southward through the proposed County ditch, and into the existing County ditch system which has an authorized discharge into the North Saskatchewan River. Obtain the relevant County Development Permit and Environmental Protection Enhancement Act (EPEA) registration, if required, and comply with the water release quality standards, volume limits, and any monitoring requirements (to be confirmed by Alberta Environment and Parks (AEP) as part 		
	of the application process).		
Wetland and dugouts	Obtain a Water Act approval to remove the wetlands. Consult AEP prior to draining the dugouts and implement any required action.		
	Discharge any water removed from the wetland and dugouts onto vegetated ground or onto a tarpaulin to prevent erosion.		
Contamination	Use a qualified provider to conduct locomotive refueling, implementing spill prevention procedures including installing a containment berm around the locomotive and use of automatic shut-off valves to prevent spills.		
	Provide sufficient sanitation facilities with appropriate concrete holding tanks. Regularly empty the tanks using a qualified contractor to dispose of waste at an approved licensed facility.		
	Maintain all vehicles, equipment, and locomotives to function properly and efficiently to prevent spills and leaks; and inspect regularly.		
	Visually inspect rail cars before they are placed on yard track, placard those with hazardous goods, and periodically inspect rail cars staged or stored until their departure from the yard.		
	Maintain a Safety Management System for the safe handling of dangerous goods, and train yard personnel in safe handling of dangerous goods in loaded storage rail cars.		
	Handle, use and dispose of all potentially contaminating substances and waste in a manner to prevent contamination of surface water.		



ASPECT	MANAGEMENT MEASURE		
	Implement spill and leak prevention management procedures during construction and normal operation. Contain and clean up spills and leaks immediately. Maintain spill kits on site and train personnel how to use these kits.		
	In the event rail cars require cleaning, engage a qualified third party provider (e.g., Clean Harbours or Water X) to employ a Gama Jet cleaning system and disposal of the contaminated solutions at an approved facility.		
Emergencies	Identify potential emergency situations that could pollute surface water resources; train personnel on appropriate prevention and response measures.		
	As necessary, implement spill response and containment measures outlined in the Project-specific Emergency Response Plan.		

5.1.3 GROUNDWATER

A desk-based review of available information for the Project area including reports, maps and water well data was completed to describe the groundwater regime in the Project area and Project site. Regionally, the uppermost bedrock unit consists of sandstone, siltstone and coals of the Upper Cretaceous Belly River Group (Prior et al. 2013). Saskatchewan Sand and Gravel units as part of the Buried Beverly Valley / Sturgeon Buried Valley system are absent beneath the Project site (Andriashek 1987) with bedrock logged as shale and sandstone lying directly beneath clay and clay till. Fine-grained glaciolacustrine deposits composed of silt and clay comprise the upper surficial soils at the site and may contain debris released by the melting of floating ice (Shetsen 1990; Fenton et al. 2013). Water well drillers logs in the Project area indicate clay or till (clay and rocks) to a depth of approximately 9 to 12 metres below ground (mbg) (AEP 2019a).

A regional groundwater assessment was conducted by Hydrogeological Consultants Ltd. for Sturgeon County, including parts of Township 053 to 058, Range 20 to 28, W4M & Township 054 to 057, Range 01, W5M (Hydrogeological Consultants Ltd 2001). The uppermost aquifer located beneath the Project site is the Oldman Aquifer which comprises the permeable parts of the Oldman Formation and is part of the Belly River Group. According to the study, ground water chemistries from the Oldman Aquifer are mainly a sodium-bicarbonate-type. Total dissolved solids concentrations are expected to range mainly from 500 to 1,500 mg/L, with higher concentrations expected between Gibbons and Morinville. The sulfate concentrations are mainly below 500 mg/L. The indications are that chloride concentrations in the Oldman Aquifer are expected to be mainly greater than 250 mg/L. There are 128 out of 487 analyses where fluoride concentrations exceed 1.5 mg/L. A higher percentage of fluoride exceedances is evident in the Oldman Aquifer than in the other bedrock aquifers within the County (Hydrogeological Consultants 2001). Review of the water well drillers records (AEP 2019a) shows that most wells in the vicinity of the site are completed between 23 mbg and 52 mbg and are therefore likely to be completed within the bedrock Oldman Aquifer. Static, non-pumping groundwater levels in the water wells were measured between 4.6 mbg and 36.6 mbg at the time of drilling. Shallow groundwater levels within the surficial deposits are likely to be within a few metres of surface and influenced by the presence of sloughs, dugouts and wetlands on and in the vicinity of the Project site.

Potential Project effects on groundwater include:

- Contamination as a result of spills and leaks and contaminant infiltration into groundwater; and
- Reduction in groundwater quantity.



The Project will not require groundwater withdrawals. Water will be supplied by truck as needed for potable reserves, construction activities and operational needs. The Project does not require major subsurface work to install the tracks; and the rail subgrade will not be paved, promoting groundwater recharge by infiltration.

Management measures outlined in Table 5-3 will be implemented to mitigate potential effects on groundwater. Based on the implementation of these measures, the Project is not expected to cause adverse effects on local or regional groundwater resources.

Table 5-3: Groundwater Management Measures

ASPECT	MANAGEMENT MEASURE
Contamination	Design and implement a stormwater management system to contain all surface water runoff and allow clean water to be diverted away from the Project site (refer to Table 5-2: for more detail).
	Handle, use and dispose of all potentially contaminating substances and waste in a manner to prevent contamination of groundwater.
	Maintain all vehicles, equipment, and locomotives to function properly and efficiently to prevent spills and leaks; and inspect regularly.
	Implement spill and leak prevention management procedures during construction and normal operation. Contain and clean up spills and leaks immediately. Maintain spill kits on site and train personnel how to use these kits. (It should be noted that if leaks or spills do occur on the site, the fine-grained surficial materials are expected to be of sufficient thickness and low permeability to provide protection to the underlying groundwater resources.)
	Groundwater information will be obtained during the geotechnical field investigation program to be conducted in spring 2019.
Emergencies	Identify potential emergency situations that could pollute groundwater resources; train personnel on appropriate prevention and response measures.
	As necessary, implement spill response and containment measures outlined in the Project-specific Emergency Response Plan.

5.1.4 VEGETATION

The Central Parkland Natural Subregion is characterized mostly by cultivated land interspersed with a mosaic of aspen and prairie vegetation on remnant native parkland areas, and vegetation representative of a transitional grassland ecoclimate (Natural Resources Committee 2006, Alberta Agriculture and Forestry 2017).

Outside of the low areas, most of the Project site was cultivated in wheat at the time of the field visit. Planted treed windbreaks border the eastern boundary of the site and are present in the vicinity of the farm yard and residence located in the northwest corner of the property (Figure 5-1). The treed windbreaks are typical of parkland vegetation, and include balsam poplar (*Populus balsamifera*) and aspen (*Populus tremuloides*) with an understory of wild rose (*Rosa woodsii*), saskatoon (*Amelanchier alnifolia*), choke cherry (*Prunus virginiana*), red-osier dogwood (*Cornus stolonifera*), and low bush cranberry (*Viburnum edule*) (Photo 4 in Appendix A).

No federally or provincially listed vegetation species were documented in the Project area (Alberta Conservation Information Management System [ACIMS] 2017) and none were observed in the field.



Rare plants are not expected to occur since the windbreak trees were likely planted to protect the ploughed land and farm yard.

Wetland type vegetation was observed in several low areas on the site where water likely persists longer within the year, thereby reducing the potential for wheat to grow successfully. Wetland species such as slough grass (*Beckmannia syzigachne*), foxtail barley (*Hordeum jubatum*), stinkweed (*Thlaspi arvense*), and Shepherd's purse (*Capsella bursa-pastoris*) were documented in these areas (Photo 5 in Appendix A). The wetlands and the wetland assessment are described in Section 5.1.5.

Invasive species, including Canada thistle (*Cirsium arvense*) and sow thistle (*Sonchus arvensis*) which are both designated as noxious weeds under the Alberta *Weed Control Act* – Regulation 19/2010, were observed generally outside of the cultivated area.

Potential Project effects on vegetation include:

- Loss of native vegetation communities due to clearing; and
- Introduction and spread of invasive species.

Management measures outlined in Table 5-4 will be implemented to mitigate potential effects on vegetation. Based on the implementation of these measures, the Project is not expected to cause significant adverse effects on native vegetation resources.

Table 5-4: Vegetation Management Measures

ASPECT	MANAGEMENT MEASURE
Vegetation clearing	Limit the area of disturbance and avoid removing trees as far as practically possible.
	Clear trees during mid to late winter to avoid the likelihood of encountering nesting birds, in accordance with direction from Alberta Environment and Parks. Conduct a nest sweep immediately before removing trees and do not remove any trees with occupied nests, to comply with the Alberta Wildlife Act and the Migratory Birds Convention Act, 1994.
	Locate construction staging and material laydown areas on previously cultivated land as much as feasible to avoid the need to remove native vegetation.
Invasive species	Implement weed control measures as necessary and appropriate to prevent the spread of noxious weed species and to comply with the requirements of Sturgeon County and the Alberta Weed Control Act.
	If chemical weed control is used, chemicals must be applied only by a certified individual and must not be applied by spraying within 30 m of surface water.
Harvesting	Prohibit the harvesting of any natural vegetation on the Project site by workers.
Traditional land use	Determine if any culturally significant flora occurs on site through engaging with relevant Indigenous Groups who have identified traditional land use activities as a potential concern. Should culturally significant plant species occur on site, Cando will develop a management plan to address traditional land use.
Reclamation	Use only certified weed free seed mix where seeding is required.
	Monitor re-vegetation of the Project site.

5.1.5 WETLANDS

A wetland assessment, including desk-based and field evaluation, was conducted on the Project site by Qualified Wetland Science Practitioners (QWSP) in accordance with the Alberta Wetland Policy



(Government of Alberta 2013) and its associated directives and tools (Government of Alberta 2018b). The wetland assessment process and results are documented in the Biophysical Assessment Report (SLR 2018b) (Appendix A)⁵.

Two wetlands – both classified as marsh wetlands under the Alberta Wetland Classification System (Government of Alberta 2013) – were confirmed on the Project site. The first wetland area (Wetland 1 on Figure 5-1), approximately 0.31 ha (0.77 acre) in size, is present as a fringe surrounding the large excavated dugout present in the northeast corner of the Project site (Photos 6 and 7 in Appendix A). The second wetland (Wetland 2 on Figure 1-1), approximately 2.22 ha (5.48 acres) in size, is present where water collection had been occurring along a drainage running between the NW and NE quarters of the site (Photos 8 and 9 in Appendix A). Wetland vegetation was also documented along this north-south drainage (Photo 3 in Appendix A). Together, these wetlands represent 2.53 ha or approximately 0.02% of the Project site.

Potential Project effect on wetlands is:

• Loss of wetlands on the Project site and within the region.

Under the Alberta Wetland Mitigation Directive (Government of Alberta 2018b), a Wetland Mitigation Hierarchy outlines the management approach to wetland impacts in Alberta. The primary preferred wetland response is to avoid and, secondarily, to minimize impacts to a wetland. Based on the conceptual Project footprint options, Wetland 1 and Wetland 2 will be removed entirely during Project development.

In accordance with the Alberta Wetland Policy (Government of Alberta 2013), Cando has submitted an application to AEP for *Water Act* approval to provide compensation for loss of both wetlands as a result of Project development. The application was supported by the required Wetland Assessment and Impact Report, and a Mitigation (Replacement) Proposal (SLR 2018c). Wetlands will not be disturbed and vegetation clearing in the vicinity of the wetland will not be conducted until *Water Act* approval for wetland removal has been received. Mitigation will include the applicable compensation for the affected wetlands.

5.1.6 FISH AND FISH HABITAT

The nearest unnamed watercourses that could be identified from a hydrology mapping dataset lie approximately 433 m to the southwest of the Project site (this watercourse appears to be affected by farming activities) and approximately 1,356 m to the north of the Project site. These watercourses are not hydraulically linked to the Project site. The closest larger waterbodies to the Project site are the North Saskatchewan River (1.5 km east) and the Sturgeon River (2.6 km south), and there are no watercourses that could connect surface drainage from the Project site to either river.

The AEP Fisheries and Wildlife Management Information System (FWMIS) Fish and Wildlife Internet Mapping Tool (FWIMT) (Government of Alberta 2018c) was accessed prior to conducting the field assessment to determine if any information was available on the presence of fish associated with the enhanced drainage located between the NW and NE quarters.

The FWMIS database resulted in no data identifying sensitive or species at risk, including fish, within the onsite drainage or any associated drainages connecting to this drainage (Government of Alberta 2018c).

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⁵ Wetland information used to prepare the Wetland Assessment and Impact Report is included in the Biophysical Assessment Report (Appendix B Figures, Appendix C Tables, Appendix D ABWRET-A Results).



It was also identified that the drainage channel on the Project site is not a mapped watercourse (Government of Alberta 2019) and is not connected to a watercourse or waterbody off-site that would provide fish habitat.

The Project is not expected to result in any adverse effects on fish or fish habitat as there is no fish habitat on or connected to the Project site. The existing, mechanically widened drainage within the Project site will be removed to allow for development of the rail yard.

As described in Section 5.1.2 Surface Water and Table 5-2, Cando will implement standard practices during construction to avoid adversely affecting surface water quality, including spill and leak management procedures, and erosion and sediment control as needed; as well as implementation of an Emergency Response Plan when needed. Cando's planned operational waste and wastewater collection, handling and disposal practices are designed to prevent adverse effects on water quality. Cando will be required to meet water quality release limits into the County stormwater management system. The goal of these measures is to prevent adversely affected surface water runoff from leaving the Project site and entering the County stormwater management system or any watercourse that may flow towards the North Saskatchewan River.

5.1.7 WILDLIFE AND WILDLIFE HABITAT

The Project site is located on primarily agricultural land. A review of available air photos, the provincial references (Natural Resources Committee 2006, Government of Alberta 2018c), and other available information (Sturgeon County 2007) was conducted to understand potential habitat types (vegetation communities) present within the Project area. The Project does not overlap any federal wildlife areas or reserves, or provincial wildlife areas (ACIMS 2017).

A preliminary wildlife and wildlife habitat assessment was completed in the field in September 2018 to determine potential for reduction or loss of habitat as a result of the Project. The assessment was reconnaissance level based on the time of year, which was outside the breeding season for most species of wildlife and many species (e.g., migratory birds) may be absent from the Project area. The assessment relied on incidental wildlife observations, habitat assessment and evidence of habitat use, including scat, track and other signs. Field maps prepared before the site visit were reviewed in the field and confirmation of suitable habitat was documented from identification of wildlife use.

Woodpecker activity, deer scat and deer beds, a canid scat and track (Photos 10 to 12 in Appendix A), and skunk track and other sign (Figure 5-1; Photos 13 and 14 in Appendix A) were observed within the Project site. A total of 30 nests including stick nests (raven, crow and black-billed magpie), nest cavities and a grass nest were observed during the field investigation (Figure 5-1; Photos 15 and 16 in Appendix A). One stick nest, much larger than the crow/raven and magpie nests, was observed in the southeast corner of the Project site (See Figure 5-1). This stick nest was identified as potentially providing nesting for larger birds including raptors or owls. There were no species at risk observed in or near the Project area. Habitat is limited within the Project area since most land is cultivated.

Potential Project effects on wildlife include:

- Loss of habitat in the wetland and trees to be removed;
- Disturbance of nesting birds;
- The stormwater management pond may provide habitat for birds if allowed to naturalize over time. The pond will contain runoff from the Project site and could contain elevated suspended solids, and contaminants such as oil from leaks and spills. In addition, the pond can pose a drowning hazard;



- Workers may kill various types of species for food or for sport;
- An increased presence of vehicles in the area, especially during Project construction, can cause road kills especially if drivers speed; and
- Dust and noise generated on site, especially during the construction phase, may disturb wildlife.

An SLR biologist initially consulted with AEP regarding appropriate setback or timing for removal of the nests if required. AEP responded that the large stick nest was not protected under provincial legislation unless currently occupied. The AEP biologist recommended that Cando avoid removing trees and nests if possible. Where removal of the trees is necessary, Cando plans to conduct clearing in the winter, outside of any restricted activity periods as identified by Environment Canada (2011) and the Government of Alberta (2018d).

Management measures outlined in Table 5-5 will be implemented to mitigate potential effects on wildlife and wildlife habitat. Based on the implementation of these measures and the small amount of habitat to be affected, the Project is not expected to cause significant adverse effects on wildlife.

Table 5-5: Wildlife and Wildlife Habitat Management Measures

ASPECT	MANAGEMENT MEASURE
Vegetation clearing	Limit the area of disturbance and avoid removing trees where practical.
	Clear trees during mid to late winter to avoid the likelihood of encountering nesting birds – refer to Table 5-4 (Vegetation) for more detail.
	Locate construction staging and material laydown areas on previously cultivated land as much as feasible to avoid the need to remove native vegetation.
Site access	Install a perimeter fence (6 foot chain link) to deter wildlife accessing the Project site and the stormwater pond.
Migratory birds	Avoid clearing from March 15 through August 31 (Government of Alberta 2018), in suitable habitat, to avoid disturbing early nesting birds such as raptors, owls, and woodpeckers and bird species at risk. Avoid clearing from late-April to end of August to avoid potential nesting of migratory birds (Government of Canada 2019a).
	Prevent vegetation from becoming established around the edges and perimeter of the stormwater pond. This will prevent the development of suitable habitat for birds and other wildlife.
	A protocol for water quality management will be prepared, including periodic testing in the stormwater management pond that will consider relevant guidelines.
	Should it be determined that potential risk to migratory birds exists on and around the pond during operations, Cando will work with AEP to identify appropriate measures to further limit risk to these wildlife.
	Cando will comply with federal and provincial legislation relating to migratory birds and designated species at risk (if presence is identified on site) during project construction and operation.
Traditional land use	Determine if any culturally significant fauna occurs on site through engaging with relevant Indigenous Groups who have identified traditional land use activities as a potential concern. Should culturally significant wildlife species occur on site, Cando will develop a management plan to address traditional land use.
Wildlife occurrence	Train workers to report wildlife incidents such as presence of wildlife on the construction site or during Project operation, or wildlife mortality via collision with a vehicle.
	Do not harass, hunt, trap or feed wildlife or livestock on the Project site and surroundings.
	Manage dust and noise emissions to minimize disturbance to wildlife around the Project site.



5.1.8 SPECIES AT RISK

Species at risk that may occur within or near the Project area were identified during the desk-based review including a review of FWMIS (Government of Alberta 2018c) and Species at Risk Public Registry (Government of Canada. 2012d), and subsequently refined following field work. The Project site is primarily cultivated and provides limited habitat for wildlife. Given the habitat available, wildlife species at risk that may potentially occur within the Project area are identified in Table 5-6.

Table 5-6: Wildlife Species at Risk that May Potentially Use Habitat Within the Project Area

SPECIES	SCIENTIFIC NAME	COSEWIC STATUS ¹	SARA SCHEDULE ¹	SARA STATUS ¹	ALBERTA STATUS ²
Western tiger salamander	Ambystoma mavortium	Special Concern	Schedule 1	Special Concern	Secure
Western toad	Anaxyrus boreas	Special Concern	Schedule 1	Special Concern	Sensitive
Canadian toad	Anaxyrus hemiophrys	Not at Risk	Not applicable (N/A)	N/A	May Be At Risk
Common nighthawk	Chordeiles minor	Special Concern	Schedule 1	Threatened	Sensitive
Short-eared owl	Asio flammeus	Special Concern	Schedule 1	Special Concern	May Be At Risk
Barn swallow	Hirundo rustica	Threatened	Schedule 1	Threatened	Sensitive
Bobolink	Dolichonyx oryzivorus	Threatened	Schedule 1	Threatened	Sensitive
Little brown myotis	Myotis lucifugus	Endangered	Schedule 1	Endangered	May Be At Risk
Northern myotis	Myotis septentrionalis	Endangered	Schedule 1	Endangered	May Be At Risk
Long-tailed weasel	Mustela frenata	N/A	N/A	N/A	May Be At Risk
American badger	Taxidea taxus taxus	Special Concern	Schedule 1	Special Concern	Sensitive

¹ Government of Canada 2019b.

No wildlife or plant species at risk were observed during the field investigation; however, the field investigation was reconnaissance level because the survey was completed outside of recommended survey periods (e.g., during the breeding season). Despite the seasonal timing of the survey, the Project area is primarily cultivated land with limited habitat available for species at risk or other wildlife species.

Based on limited habitat available, existing land use, existing anthropogenic disturbances, and implementing the standard practices and mitigation measures outlined in Table 5-2 (surface water), Table 5-4 (vegetation) and Table 5-5 (wildlife), the Project is not expected to adversely affect species at risk.

² AEP 2019b.



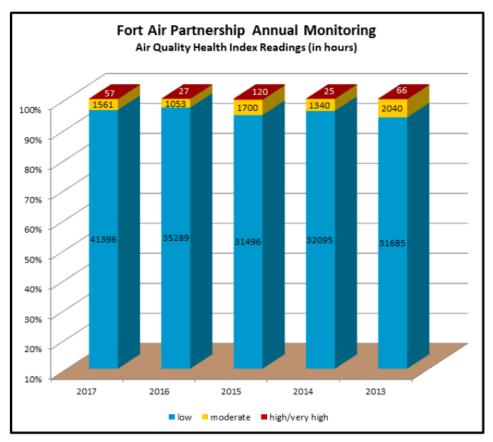
5.1.9 AIR QUALITY

As described in Sections 3.3.2 (Land Use and Management Plans), air quality in Alberta's Industrial Heartland is managed on a regional basis.

The purpose of the Capital Region Air Quality Management Framework is to regulate air emissions on a regional basis, rather than regulating emissions from individual facilities. Four concentration level limits have been established for four contaminants of concern: nitrogen dioxide (NO₂), sulphur dioxide (SO₂) fine particulate matter (PM_{2.5}) and ozone (O₃). These limits are based on the Alberta Ambient Air Quality Objectives (AAQO) for NO₂ and SO₂, (ESRD 2012) and Canada Wide Standards for PM_{2.5} and O₃ (CCME 2012) and are reviewed on an annual basis. Mitigative management actions are to be implemented as needed in response to triggering of limit thresholds.

Air quality in the region of the Project is monitored by the Fort Air Partnership, which currently operates ten (10) continuous and sixty-three (63) passive air monitoring stations in the Capital Region (Fort Air Partnership 2018). Data is compared to provincial AAQOs by the Government of Alberta, and used to calculate the Air Quality Health Index (AQHI). The Air Quality Health Index is a publicly-accessible report which provides daily risk ratings (on a scale from low to very high risk) related to outdoor activity. The closest continuous monitor to the Project site is located southeast of the Project at Scotford. The closest passive monitor lies approximately 65 km east of the Project site.

The five-year AQHI trend is shown in the graphic below. The AQHI for 2013 to 2017 indicates that hourly readings are in the low risk range for 85 to 90 percent of monitoring period.



Source: Fort Air Partnership 2018

Figure 5-2: Air Quality Health Index Readings



Project atmospheric emissions were estimated and discussed in Section 2.4.1 (Atmospheric Emissions). The key contaminants of concern associated with the Project were identified to be SO_2 , NO_x , CO, HC, and particulate matter during Project construction and operation, and GHG during operations. The air emissions associated with the Project were predicted to be below the National Pollutant Release Inventory (NPRI) reporting thresholds (ECCC 2019), and the GHG emissions were predicted to be minimal compared to the total GHG emissions for the province of Alberta.

Management measures outlined in Table 5-7 will be implemented to minimize increased dust and air emissions during construction and operation. Based on the implementation of these measures, Project air emissions are not expected to adversely affect current ambient air quality conditions.

Table 5-7: Air Quality Management Measures

ASPECT	MANAGEMENT MEASURE	
Dust	Limit the area of disturbance by earthworks as far as practically possible.	
	Implement reduced vehicle speed limits or other speed control measures on the Project site.	
	Suppress dust as necessary using water trucks. Conduct visual monitoring of dust to determine when suppression is needed.	
Air emissions	Avoiding unnecessary vehicle and equipment idling.	
	Maintenance of vehicles and equipment regularly to reduce combustion emissions and maximize fuel efficiency.	

5.1.10 NOISE

Noise levels in the Project area are managed for member companies under the NCIA Regional Noise Management Plan, as described in Section 3.3.2.2 (Regional Cumulative Effects Management) (NCIA 2018b).

The development of the Regional Noise Management Plan was based on a predictive computer noise model (NCIA Regional Noise Model) which incorporated noise models from various facilities in the region, as well as road and rail traffic noise levels. The model is publicly accessible via Google Earth and displays four (4) modelled cases. Case 3D shows 'Existing Facilities plus main Road and Rail Contributions' using 2013 roadway traffic data and estimated rail traffic volume on the main lines over a 24-hour period in 2010 (NCIA 2018f). The industrial facilities model assumes all equipment is running at 100% capacity 100% of the time. The regional model is updated every few years and takes into account significant changes in noise levels at industrial facilities and new data provided by Alberta Transportation / Alberta Infrastructure and Rail Companies (if available).

Figure 5-3 shows that the model predicts sound levels at the Project site (pre-development) to be 39 to 42 dBA Leq.





Figure 5-3: NCIA Regional Noise Model Showing Predicted Sound Level at the Project Site (pre-development)

The most recent results for measured versus modeled data are available in the Regional Noise Management Plan 2017 Annual Report (NCIA 2018e). The most recent noise survey was conducted in July and August 2016 at thirteen (13) locations throughout the Alberta Industrial Heartland.

The nearest monitoring station to the Project site is located at the southwest fenceline of the Redwater Fractionation Facility to the east of the Project, with others located more than 1,500 m from the Project site. Measured noise levels at most locations were shown to be generally consistent with model predictions. The field validation annual report also indicated that noise levels at most locations consisted of low frequency components with occasional mid/high frequency components. Trend analysis indicated no significant increasing or decreasing trends over baseline sound levels. Regarding rail transport activities, noise from train passages through the monitoring regions dominated the noise climate, although there had not been an increase of rail passages over 2015 observations.

During Project construction, noise will result from vehicles and equipment conducting activities including earthworks, material deliveries, and rail installation. Construction noise will be temporary, during the seven month construction phase. The primary noise sources during Project operation will be from train shunting, coupling of rail cars and the operation of locomotives. These activities will continue daily over the life of the Project. The Project will result in increased noise levels in the vicinity of the Project; however, the increased noise during either construction or operation is not expected to contribute significantly to increasing trends at a regional level.

Noise receptors are expected to be occupied residences within a 5 km radius of the Project site. It is not expected that increased noise levels from the Project will adversely affect these receptors as the overall increase in noise levels over background is expected to be minor. Cando will implement management



measures outlined in Table 5-8 to reduce noise and limit its potential effects on nearby residents and their activities to the extent possible.

Table 5-8: Noise Management Measures

ASPECT	MANAGEMENT MEASURE
Disturbing noise	Notify nearby residents (landowners and lessees) of the intended Project schedule before the start of construction to prevent or reduce the impact on their operations or activities.
	Maintain equipment, machinery and locomotives in good working order, including noise abatement equipment, to limit noise.
	Schedule operations to occur during daytime hours, whenever practical.
	Reduce the number of switchers used at nighttime if nighttime operations are unavoidable.
	Reduce the amount of time that switchers are left idling at the yard.

5.1.11 HISTORICAL RESOURCES

A historic resource is defined under the provincial *Historic Resources Act* as "any work of nature or of humans that is primarily of value for its palaeontological, archaeological, prehistoric, historic, cultural, natural, scientific or esthetic interest including, but not limited to, a palaeontological, archaeological, prehistoric, historic or natural site, structure or object" (Government of Alberta 2000).

A Project Archaeologist from WSP Canada Inc. (WSP) conducted a desktop review of the provincial *Listing of Historic Resources* (Alberta Culture and Tourism 2018) for the Project, and determined that no known historic resources requiring avoidance or additional assessment are recorded on the Project site. The application indicates that "Given that the Project site has already been impacted by cultivation, and deep deposits are not anticipated in this environment, there is limited potential for encountering intact archaeological components." In accordance with the *Historical Resources Act*, an application for *Historic Resources Act* Approval was submitted to the Historic Resources Management Branch of Alberta Culture and Tourism.

Historic Resources Act Approval was granted for the Project activities on the entire Project footprint on December 19, 2018 (HRA Number 4715-18-0102-001). The approval is subject to the requirements under section 31 of the Historic Resources Act that relate to a chance discovery of a historic resource. The Standard Requirements for reporting historic resources associated with approval indicate that Aboriginal traditional use sites to be considered under the Act include unoccupied historic cabins and historic cabin remains.

Alberta Culture and Tourism was notified of the unoccupied log cabin present on the site. Alberta Culture and Tourism was unable to verify the historic status of the structure, and no further conditions regarding the cabin were attached to the *Historical Resources Act* Approval. It has been determined that the cabin has no connection to Indigenous communities. The current landowner has indicated that the cabin was originally constructed in 1956 on another property farmed by the landowner's family. The cabin was later moved to the Project site for recreation purposes, remains on the skid on which it was moved, and will be removed from the Project site upon closure of the land sale.

Cando acknowledges that sites of importance to Indigenous communities are not limited to historic resources recognized under the *Historic Resources Act*; that is, historic resources may include any structure, site, or thing that is of historical, archaeological, paleontological, or architectural significance



to Indigenous peoples. The potential to encounter unknown historic resources of importance to Indigenous peoples is described in Section 5.2.5 (Indigenous Peoples) and referenced in Section 6.4 (Key Comments and Concerns) in response to Cando's Project notification letter.

Potential Project effects on historical resources include:

- Disturbance or loss of historical resources not registered under the Historical Resources Act; and
- Disturbance or loss of undiscovered historical or cultural resources or sites important to Indigenous peoples.

The management measures provided in Table 5-9 will be implemented to address the potential for undiscovered historic resources.

Table 5-9: Historical Resources Management Measures

ASPECT	MANAGEMENT MEASURE
Chance discovery of a historic resource	Train workers on the tell-tale signs of historical or archaeological resources to enable the identification of a chance discovery.
	In the event that an unknown historic resource is found during the construction or operation of the Project, follow the requirements included in the Approval: - Stop all work in the location of the find and contract Alberta Culture and Tourism; - Take appropriate action in accordance with regulatory guidance; - Recommence work upon direction of the regulator. A plan will be developed to notify Indigenous communities that have indicated an interest in the event an unknown historical resource is discovered during construction or operation.

5.2 CHANGES PREDICTED AS A RESULT OF THE PROJECT

This section provides a description of the potential effects of changes resulting from the Project on fish and fish habitat as defined in the *Fisheries Act*; marine plants as defined in the *Fisheries Act*; migratory birds as defined in the *MBCA*; as well as on federal lands, and Indigenous peoples.

5.2.1 FISH AND FISH HABITAT, AS DEFINED IN THE FISHERIES ACT

As described in Section 1.4.1, the *Fisheries Act* protects fisheries and fish habitat through the prohibition of serious harm to fish and pollution prevention provisions. Under subsection 2(1) of the *Fisheries Act*, fish includes:

- (a) parts of fish,
- (b) shellfish, crustaceans, marine animals and any parts of shellfish, crustaceans or marine animals.
- (c) the eggs, sperm, spawn, larvae, spat and juvenile stages of fish, shellfish, crustaceans and marine animals; (poissons); and
- fish habitat means spawning grounds and any other areas, including nursery, rearing, food supply and migration areas, on which fish depend directly or indirectly in order to carry out their life processes

The desk-based review of occurrence records and the field investigation described in Section 5.1.6 (Fish and Fish Habitat) resulted in the determination that the Project site does not include habitat that supports fish. And, no Project activities will be undertaken in habitat that supports fish.



Management measures presented in Table 5-2 (surface water) will be implemented to eliminate or reduce the potential for reduced surface water quality. Surface water drainage will be managed on the Project site, and the Project's onsite stormwater management system will be tied into the County surface water management system via the offsite proposed County ditch along the east side of the Project site, and through existing County ditches which eventually outflow to the North Saskatchewan River. Cando will be required to meet water quality release limits to discharge into the County stormwater management system. Based on the County and Cando systems being well managed, the Project is not expected to affect water quality in the North Saskatchewan River, 1.5 km east of the Project site.

Further, the Project does not require water from the North Saskatchewan River for project activities. Water for accessory activities will be trucked in to the site. Waste water will be removed and disposed of by an accredited waste water removal professional.

Changes to the environment as a result of the Project are not expected to affect fish and fish habitat, as defined in the *Fisheries Act*. The Project is not likely to cause adverse effects on fish or fish habitat through either habitat loss, or reduced water quality as a result of release of deleterious substances to water inhabited by fish.

5.2.2 MARINE PLANTS, AS DEFINED IN THE FISHERIES ACT

As defined in section 47 of the *Fisheries Act*, marine plant includes all benthic and detached algae, marine flowering plants, brown algae, red algae, green algae and phytoplankton. No marine plants are present on or near the Project site; consequently, changes as a result of the Project are not expected to affect marine plants.

5.2.3 MIGRATORY BIRDS, AS DEFINED IN THE MIGRATORY BIRDS CONVENTION ACT, 1994

As described in Section 1.4.1, the MBCA prohibits the harming of migratory birds and the disturbance and destruction of their nests and eggs. Under subsection2 (1) of the MBCA, migratory bird means a migratory bird referred to in the Convention [i.e., exceptions include grouse, quail, pheasants, ptarmigan, hawks, owls, eagles, falcons, cormorants, pelicans, crows, jays, kingfishers, and some species of blackbirds], and includes the sperm, eggs, embryos, tissue cultures and parts of the bird. The bird nesting period for the zone in which the Project is located is categorized as 'Bird Nesting Zone B4' by Environment Canada (Government of Canada 2018). The general breeding period for this zone is mid-April to the end of August. Raptors and some other non-migratory birds, however, may be nesting prior to mid-April.

If it is determined that trees and vegetation on the Project site currently provide nesting, breeding, and foraging life requisites for migratory birds, the Project could result in a direct small loss of habitat where vegetation is cleared. Migratory birds nesting in adjacent treed areas may be affected by sensory disturbances associated with the Project construction and operation activities such as noise. However, considering the presence of industrial activity and associated noise in the immediate area, species using the habitat are expected to be tolerant to the level of sensory disturbance.

Management measures presented in Table 5-5 (wildlife and wildlife habitat) will be implemented to eliminate or reduce the potential for harm or disturbance of migratory birds. For example, tree and vegetation clearing activities will be scheduled outside of the bird nesting period to prevent the clearing of occupied nests and reduce the potential to disturb nesting birds. The stormwater pond will be developed to discourage its use as habitat by migratory waterfowl and shore birds and, if necessary



Cando will work with AEP to identify measure to limit risk to migratory birds and other wildlife species. Cando will comply with federal and provincial legislation relating to migratory birds and designated species at risk (if presence is identified on site) during project construction and operation.

Given the limited habitat on the Project site and implementation of the identified management measures, the Project is not likely to make a significant contribution to disturbance and habitat loss of migratory birds.

5.2.4 FEDERAL LANDS

Changes to the environment as a result of the Project are not expected to affect lands in a province other than Alberta or outside of Canada, or designated federal lands.

The Project is not located near a provincial or international border, as shown in Figure 1-1. The Project location in relation to these boundaries is as follows:

- Alberta-Saskatchewan border is approximately 207 km east of the Project;
- Alberta-British Columbia border is approximately 323 km west of the Project;
- Alberta-Northwest Territories border is approximately 690 km north of the Project; and
- Canada-USA international border is approximately 534 km south of the Project.

The federal lands closest to the Project are described in Section 3.2.5 (Federal Lands): Edmonton Garrison (Canadian Forces Base) approximately 25 km to the southwest; and Elk Island National Park, approximately 26 km to the southeast (Figure 1-1). The nearest First Nation reserve lands are the Enoch Cree Nation, located approximately 47 km southwest the Project, and the Alexander First Nation approximately 47 km west of the Project (Figure 3-1). The Project is not likely to have any adverse environmental effects on these federal lands due to their distance from the Project.

The entirety of Elk Island National Park and the provincial Cooking Lake-Blackfoot Provincial Recreation Area are located within the 'Beaver Hills Dark Sky Preserve', the closest boundary of which is approximately 20 km from the Project site. The dark sky preserve, which covers an area of 293 km², is subject to a 'dark sky' policy and protected from light pollution to preserve astronomical observation and star gazing activities (Parks Canada 2018). The Project will not have an effect on astronomical observing activities in Elk Island National Park, based on the Project size and its location far from the 'dark sky' preserve.

5.2.5 INDIGENOUS PEOPLES

The list of Indigenous groups identified as having potential interest in the Project and with whom Cando has initiated engagement is provided in Section 1.3.1, and their locations relative to the Project are shown in Figure 3-1. No potential has been identified for the Project to result in changes to the environment that would adversely affect Indigenous peoples, including in relation to health and socioeconomic conditions; physical and cultural heritage; or use of the Project site or vicinity for traditional land use purposes.

There is no identified pathway by which the Project has the potential to adversely affect the health or socio-economic conditions of Indigenous peoples. The Project will be constructed and operated on land that has been privately owned and farmed for many decades; and zoned for heavy industrial activity in a region experiencing increasing industrial development; and the closest Indigenous communities are located 47 km from the Project. Air emissions and noise as a result of the Project will be local and or temporary as described in Section 5.1.9 (air) and Section 5.1.10 (noise), and surface water runoff will be managed to prevent impairment of nearby water bodies as described in Section 5.1.2. The Project is



located approximately 1.5 km from the North Saskatchewan River and 2.6 km from the Sturgeon River (refer to Figure 1-2), and its development is not expected to impede access to either river.

Cando is not aware of specific traditional land use activities potentially affected by the Project, and it is not anticipated that the Project will affect Traditional lands, or land or water currently used for traditional purposes. However, the CEA Agency indicated that some Indigenous groups have recently expressed interest in agricultural land that may have been used previously for traditional purposes (CEA Agency 2018 Pers. Comm.). Through the Project engagement program, Indigenous groups that may be affected by the Project have been notified of the Project. Cando has been made aware that the region in which the Project is located has been used for traditional land use activities by Indigenous groups historically for the past 500 years and, therefore, the possibility exists for the discovery of unknown historic resources of historic or cultural importance to Indigenous groups (Paul First Nation 2019 Pers. Comm.).

Cando obtained clearance under the provincial *Historical Resources Act* for the entire Project site on December 19, 2018 (HRA Number 4715-18-0102-001).

Based on implementation of management measures (refer to Section 5.1.11 Historical Resources) and continuing to address feedback about the Project from Indigenous groups, changes as a result of the Project are not expected to adversely affect Indigenous peoples.

6. PROPONENT ENGAGEMENT WITH INDIGENOUS GROUPS

6.1 INTRODUCTION

Engagement with Indigenous groups early in the planning of a project is recognized as beneficial to both the project proponent and Indigenous groups. Cando has initiated engagement to identify community concerns and potential impacts to traditional land use activities and Aboriginal and Treaty Rights, as well as to consider integrating appropriate measures in Project design and development to address identified concerns.

Cando has considered Treaty 6 and Métis groups and regions in Alberta, as well as First Nation groups within Treaty 7 and Treaty 8 territories, as recommended by the CEA Agency.

6.2 GROUPS INTERESTED OR POTENTIALLY AFFECTED

A list of Indigenous communities that may have asserted Traditional territory in the Project area, or whose traditional land use activities or Aboriginal and Treaty Rights may be affected by the Project is presented in Table 1-1 (Section 1.3.1).

6.3 ENGAGEMENT ACTIVITIES

A Project notification letter was provided to Indigenous groups and communities identified in Section 1.3.1 as potentially being affected by the Project (Appendix C). The Project notification letter provided the following information:

- Project rationale;
- General description of the Project;
- Location map;
- Approach to environmental planning;
- Project schedule;
- Request to share the information with community members; and



Contact information for Cando.

The Project notification letter was sent to each Indigenous group via e-mail with read receipt on January 31, 2019. Where receipt of the Project notification letter was not acknowledged, the Indigenous community was contacted by phone to confirm receipt and, if not confirmed, the Project notification letter sent by Canada Post registered mail.

6.4 KEY COMMENTS AND CONCERNS (AND CLIENT RESPONSES)

Engagement activities are being documented in Cando's Record of Communication for the Project. Considering the Project will be located on private land within Alberta's Industrial Heartland and the level of long-term industrial development in the immediately vicinity, the Project is not expected to impact the asserted traditional territory or traditional land uses of any Indigenous group. However, Cando will consider all feedback from and discussion with Indigenous groups.

As of the writing of this Project Description, feedback in response to the notifications has been received from several groups, and engagement activities to date are summarized in Table 6-1 below.

Table 6-1: Key Comments from Indigenous Groups and Client Responses

INDIGENOUS GROUP	KEY COMMENTS AND RESPONSES
Paul First Nation	The Paul First Nation identified the potential for the discovery of unknown historic resources of cultural or historic relevance to Indigenous groups. The Industrial Relations Manager indicated band members have met with federal and provincial regulators to discuss historic resources of significance to Indigenous peoples. On request, a meeting is being organized to discuss the Project and the band's interest in the Project.
Blood Tribe	The Blood Tribe's Consultation Coordinator requested a meeting to discuss the Project. Cando is organizing a meeting.
Stoney Nakoda First Nation	The Stoney Consultation Manager has indicated interest in the Project in relation to impacts on Stoney Treaty Rights and Traditional Uses in the proposed project area. Cando is arranging a meeting to discuss the Project.
Louis Bull Tribe	The Consultation Coordinator identified concern about cumulative effects (especially on culturally significant flora and fauna) related to industrial activity in the region, and the potential for reduced ability to practice rights, and would like the CEA Agency to be aware of this concern. Cando acknowledged the concern and the Louis Bull Tribe will be contacted to discuss these concerns. These discussions will seek to identify if any species of cultural importance are likely to occur on site and consider relevant management measures to address these concerns.

6.5 ONGOING ENGAGEMENT PLAN

Cando will continue to communicate with Indigenous groups with the aim to have meaningful engagement and provide additional information regarding the Project, as requested. Cando will collect feedback and evaluate requests of Indigenous groups, and all Project-related concerns expressed in writing or during discussion will be considered throughout Project planning and the regulatory review process.



7. PROPONENT ENGAGEMENT WITH REGULATORY AND PUBLIC STAKEHOLDERS

7.1 INTRODUCTION

Early engagement with stakeholders in planning of a project is recognized as beneficial to the project proponent, regulatory agencies, individual stakeholders, agencies and stakeholder groups. Cando has initiated engagement to identify requirements of regulators, concerns of stakeholders, as well as consider integrating appropriate measures in Project design and development to address identified concerns.

As identified in Section 1.3.2 (Regulatory and Public Stakeholders), the following stakeholders have been engaged by notification and direct engagement regarding the Project:

- Canadian Environmental Assessment Agency;
- Alberta Environment and Park (re wetlands, wildlife, stormwater management system);
- Alberta Culture and Tourism (re Historical Resource Act [2000] Clearance);
- Alberta Transportation (re 'Notice to Construct' under Alberta Railways Act [2000]); and,
- Sturgeon County (re Development Permit, crossing agreements, access, emergency response planning);
- Canadian National Railway Company (CN Rail) (re connections to CN Mainline);
- Pembina Pipelines Corporation (re crossing agreements, integration with stormwater management system);
- Other adjacent landowners (to inform of the Project);
- Alberta Industrial Heartland Association (to inform of the Project); and
- Northeast Capital Industrial Association (to inform of the Project).

A Project notification letter was provided to the regulatory and public stakeholders identified above (Appendix C). The Project notification letter was sent by either e-mail with read receipt or by regular mail in January or early February 2019. The letter provided the following information:

- Project rationale;
- General description of the Project;
- Location map;
- Approach to environmental planning;
- Project schedule; and
- Contact information for Cando.

Engagement activities are being documented in Cando's Record of Communication for the Project.

7.2 KEY COMMENTS AND CONCERNS (AND CLIENT RESPONSES)

Communication undertaken to date between Cando and key regulatory and public stakeholders is provided below.

7.2.1 CANADIAN ENVIRONMENTAL ASSESSMENT AGENCY

Cando initiated engagement with the CEA Agency regarding the proposal to construct and operate a rail car storage yard in the region in fall 2017. Communication with the CEA Agency continued during the confirmation of the proposed Project site. The CEA Agency provided a list of Indigenous communities



with potential interest in the Project, and has provided guidance during development of this Project Description.

7.2.2 ALBERTA ENVIRONMENT AND PARKS

Communication with AEP was initiated regarding the Project during completion of the biophysical and wetland assessment for the Project site. Although not direct engagement, correspondence included submission of the Alberta Wetland Rapid Evaluation Tool – Actual (ABWRET-A) files in October 2018, and subsequent submission of the *Water Act* approval application, including a Wetland Assessment and Impact Report, for wetland removal and compensation. Cando submitted the application using the designated AEP online portal on December 21, 2018, and the application is currently being reviewed.

On behalf of Cando, the Professional Biologist leading the biophysical assessment for the Project consulted with AEP in relation to a large stick nest that was being monitored for presence of a raptor (potentially a Great Horned Owl) and the potential need to clear trees for Project development. Alberta Environment and Parks provided guidance in the event that tree clearing is required.

Cando has initiated discussion with the Regional Approvals Engineer regarding development of the onsite stormwater management system and requirement for an EPEA Registration.

7.2.3 ALBERTA CULTURE AND TOURISM

On behalf of Cando, the Project Archaeologist from WSP conducting the historical resource investigation for the Project corresponded with Alberta Culture and Tourism in relation to clearance for the Project under the *Historical Resources Act*. No concerns have been raised by Alberta Culture and Tourism and a formal request for additional clearance was made based on the final infrastructure footprint for the Project. *Historical Resources Act* Approval was granted on December 19, 2018.

7.2.4 ALBERTA TRANSPORTATION

Cando spoke with Alberta Transportation in early January to confirm requirements for a 'Notice to Construct New Railway Works' for the Project under the *Railway (Alberta) Act*. Based on previous experience, Alberta Transportation is confident that Cando will construct the facility in an acceptable manner. The regulator requires that Cando provide the site plans and confirmation that Cando has retained a reputable engineering company(s) for facility design and specifications; confirmation was provided.

7.2.5 STURGEON COUNTY

Cando initiated engagement with Sturgeon County in September 2018 with a meeting to present the proposed rail car storage yard and get an understanding of the county's development and review process. Appropriate land use zoning was confirmed, Development Permit application requirements were discussed, as well as other municipal requirements relating to the Project.

A second formal meeting was held in December 2018, and informal communication continues between Cando and Cando's design engineers, WSP, as needed regarding information required for the Development Permit application. Topics discussed include road use agreements and site access, earthworks and drainage management, and involvement in emergency response planning. The Project-specific Emergency Response Plan is currently being reviewed by the Fire Chief of Sturgeon County.

The Mayor of Sturgeon County expressed support for the Project in response to receiving the Project notification letter.



7.2.6 CN RAIL

Cando initiated communication with CN Rail in late 2016. Ongoing communication from late October 2018 to present has provided Cando with information on rail design and the suitable location for connection with the CN Rail line to Cando's proposed rail yard. In addition, Cando discussed business opportunities between CN Rail and the rail yard. CN identified the need for the rail yard in the Alberta Industrial Heartland.

7.2.7 PEMBINA PIPELINES CORPORATION

In late December 2018, WSP, on behalf of Cando, requested information regarding Pembina's surface water management system for downstream drainage infrastructure to allow for integration design of Cando's rail yard surface water management plan with the County system built by Pembina. WSP has received all required information from Pembina. WSP also contacted Pembina to discuss a pipeline crossing agreement. A crossing application will be submitted once all track design is finalized.

7.2.8 INDIVIDUAL LANDOWNERS

In early January, Cando directly engaged with two of the three landowners within 800 m of the Project site, as well as the landowner of the fourth residence located within 1.6 km. The third landowner within 800 m was provided a voice message, and Cando will continue to reach out to advice of the Project. A Project notification letter was sent to each of these landowners on January 25, 2019.

7.2.9 ALBERTA'S INDUSTRIAL HEARTLAND ASSOCIATION

Cando communicated with the AIHA in late October 2018 to discuss property and business opportunities for the proposed rail yard. The AIHA identified that there would be good opportunity and that a rail yard is needed in the Industrial Heartland.

7.2.10 NORTHEAST CAPITAL INDUSTRIAL ASSOCIATION

Cando communicated with the Executive Director of the NCIA in December 2018 to present the description, rationale and location for the proposed rail car storage facility. No concerns about the Project were raised, and the potential benefits of the Project to support industry in the region were discussed. Since receiving the Project notification letter, the Executive Director advised that it would be forwarded to NCIA members.

7.3 ONGOING ENGAGEMENT PLAN

Cando will continue to communicate with regulators, industry associations and neighbours to provide additional information and obtain relevant regulatory guidance regarding the Project. Cando will collect feedback and evaluate requests of other public stakeholders, and all Project-related concerns expressed in writing or during discussion will be considered throughout Project planning and the regulatory review process.

7.4 OTHER JURISDICTIONS

No other jurisdictions are known to have environmental assessment or regulatory decisions to be made in relation to the Project as a whole. As described in Section 1.4.2, the Project is not subject to a provincial environmental impact assessment or an industrial approval under EPEA based on the activity



(rail car storage yard, or rail yard) not being an identified activity under EPEA regulations for either level of assessment.

As described throughout this Project Description, issue-specific engagement with regulatory agencies has been undertaken by or on behalf of Cando during Project planning and design. The key engagement activities with regulatory jurisdictions undertaken by Cando during Project planning are listed below.

- October 2, 2017 In-person meeting with the CEA Agency to introduce the Project;
- August 9, 2018 Teleconference meeting with the CEA Agency to discuss the Project location and confirm regulatory guidance;
- September 18, 2018 In-person meeting with Sturgeon County to introduce Project and discuss requirements for municipal Development Permit;
- October 31 and November 30, 2018 Submission of the Historical Resources Act application for the Project to Alberta Culture and Tourism, and provision of follow-up information;
- December 13, 2018 In-person meeting with Sturgeon County to discuss Project planning progress; and
- December 21, 2018 Submission of the *Water Act* application for wetland removal and compensation to AEP.

8. SUMMARY OF THE PROJECT DESCRIPTION

A stand-alone Summary of the Project Description has been provided under separate cover to present a summary of the information provided in this Project Description. In accordance with the Official Languages Act, the summary document has been prepared and submitted in both English and French. It will be posted and available for review on the CEA Agency website.



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APPENDIX A Biophysical Assessment Report

Cando Rail Services

Project Description Under CEAA 2012 SLR Project No.: 203.50152.00000



Biophyscial Assessment Report

Sturgeon Rail Facility
NW and NE 35-055-22 W4M
Sturgeon County, Alberta

Cando Rail Services Project No: 17M-01224-07





STURGEON RAIL FACILITY NW and NE 35-055-22 W4M Sturgeon County, Alberta

Biophysical Assessment Report

SLR Project No: 203.50152.00000

Submitted by: SLR Consulting (Canada) Ltd. #1185 – 10201 Southport Road SW Calgary, AB T2W 4X9

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November 26, 2018

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1. INTRODUCTION

SLR Consulting (Canada) Limited (SLR) completed a biophysical and wetland assessment in support of Cando Rail Services' (Cando) Project Description under the *Canadian Environmental Assessment Act 2012* (Government of Canada 2012a) for the proposed Sturgeon Rail Storage Facility, located in the northwest and northeast quarters of Section 35, Township 55, Range 22 West of the fourth Meridian (NW and NE 35-55-22 W4M) in Strathcona County, AB (the Project).

2. OBJECTIVES

The goal of the investigation was to document the biophysical conditions on the Project site and, to the extent possible, the conditions within 200 metres (m) on the ground and a 1,000 m radius around the Project site, using available databases. To support the Project Description and referencing the 'Guide to Preparing a Description of a Designated Project under the *Canadian Environmental Assessment Act,* 2012 (Government of Canada 2016), the following elements were considered:

- soil and terrain:
- vegetation, wetlands;
- surface water;
- fish and fish habitat;
- wildlife and wildlife habitat; and
- presence of species at risk.

The biophysical assessment as a whole will support the Project Description and be available to Cando for any discussions with the County, if required. The wetland assessment, specifically, will support application to Alberta Environment and Parks (AEP) under the *Water Act* in the event that Cando's Project design involves disturbance of the wetlands.

3. METHODS

The investigation included desk-based review and field reconnaissance. A review of available and relevant databases and secondary source material was conducted before conducting the field investigation. Two SLR scientists undertook field investigation of the Project site on September 25 and 26, 2018. The desk-based review and methods for the biophysical and wetland field assessments are described below.

3.1 PRE-FIELD REVIEW OF AVAILABLE INFORMATION

A desk-based review of publically available information was completed and the information used to characterize the baseline conditions of the Project site and vicinity. The following information sources were used:

• Alberta Soil Information Centre (ASIC) Agricultural regions of Alberta soil inventory database (AGRASID) (Version 4.0 and 4.1);



- Alberta Conservation Information Management System (ACIMS);
- Alberta Fisheries and Wildlife Management Information System (FWMIS);
- Alberta Merged Wetland Inventory;
- General Status of Alberta Wild Species 2010;
- Alberta Environment and Parks Water Well Database;
- Agricultural Ecoregions in Alberta;
- Natural Regions and Subregions of Alberta;
- Federal Species at Risk Public Registry;
- Committee on the Status of Endangered Wildlife in Canada (COSEWIC);
- Current and historical Google Earth aerial images; and
- Sturgeon County Alberta's Industrial Heartland Area Structure Plan Bylaw No. 1118/07.

3.2 WETLAND ASSESSMENT

3.2.1 IDENTIFICATION OF WETLANDS

Prior to accessing the field, a review of the Alberta Merged Wetland Inventory (AEP 2018b) was conducted to determine if any of the potential wetlands within the site have been mapped by the province. Following this, a review of current and available historical air photos was conducted to confirm mapped wetlands by the province and to determine the presence of smaller, unmapped wetlands within the Project site. In addition, a field map of all potential wetland locations was then created with a centroid location for each wetland marked to allow field assessment of each potential wetland. Comparison of wet and dry years allowed for identification of all potential wetland locations to be assessed during the field site visit.

3.2.2 WETLAND DELINEATION, CLASSIFICATION AND ABWRET-A

The Wetland Assessment, mapping, and reporting conducted by SLR followed the Alberta Wetland Policy (Government of Alberta [GOA] 2013) and associated Directives and tools required to comply with current regulations and guidelines. The Alberta Wetland Classification System was applied; this system groups wetlands into five major classes — bogs, fens, swamps, marshes and shallow open water wetlands — based on common physical, chemical and biological characteristics. The system subdivides each class by their vegetative form (e.g., dominated by trees, shrubs, grass-like plants, aquatic plants) and type (e.g., water permanence, pH, salinity) (AEP 2015a).

The Alberta Wetland Rapid Evaluation Tool (ABWRET-A) is a standardized method to assess the function of wetlands using on-site observations and off-site spatial data, and to determine the relative value of a wetland. The relative value is used to inform decisions to avoid high-value wetlands and determines the replacement ratios and costs for wetland replacement where avoidance of wetland loss is not possible (AEP 2015b). Alberta has calibrated ABWRET-A into broad regions in Alberta; the Parkland-Grassland Natural Region and the Boreal-Foothills Natural Region. The Project site falls completely within the Parkland-Grassland Natural Region.

3.2.3 WETLAND VEGETATION AND SOILS

The Alberta Agriculture and Forestry AGRASID Alberta Soil Information Viewer (2016) was accessed to determine soils expected to be present at the site. The Alberta Soil Names File (Generation 4) User's



Handbook was also consulted. This document presents the authoritative suite of acceptable soil series names with some of their defining attributes, for use in Alberta. The document outlines soil series name, characteristics such as order, great group, subgroup and parent material type and texture may occur within a subject area (Alberta Soil Information Centre 2016).

Vegetation was assessed by accessing the Agricultural Ecoregions in Alberta for the Aspen Parkland Ecoregion (Alberta Agriculture and Forestry 2017) as the majority of the site is agricultural land.

3.3 WATERCOURSE ASSESSMENT

The AEP Fisheries and Wildlife Management Information System (FWMIS) Fish and Wildlife Internet Mapping Tool (FWIMT) (GOA 2018b) was accessed prior to conducting the field assessment to determine if any information was available on presence of mapped watercourses and fish associated with the drainage located between the NW and NE quarters. This drainage was also assessed in the field.

3.4 WILDLIFE AND WILDLIFE HABITAT ASSESSMENT

A review of the Federal Species at Risk Public Registry (Government of Canada 2012b) and COSEWIC (Government of Canada 2018a) were conducted to determine if any federally listed species at risk (SAR) were present within the Project area. A review of FWMIS was then conducted to determine if any provincially listed SAR and other inventory data were available for the Project area. A review of available information from the Sturgeon County Alberta's Industrial Heartland Area Structure Plan Bylaw No. 1118/07 (Sturgeon County 2007) and a review of available air photos were conducted to understand potential habitat types (vegetation communities) present within the Project area. Field maps were prepared to confirm if areas identified from the desktop review were determined to be areas of concern with respect to the proposed development. Incidental observations were also documented in the field.

4. RESULTS

The results of the desk-based and field investigation are presented in the following sections. Information contained in this report will be used to prepare the Project Description report. Photographs can be found in Appendix A, figures in Appendix B, tables in Appendix C, and ABWRET-A results in Appendix D.

4.1 BIOPHYSICAL ENVIRONMENT / DESK-BASED REVIEW

The Project falls within the Central Parkland Natural Subregion characterized by mostly cultivated land with a mosaic of aspen and prairie vegetation on remnant native parkland areas. This subregion is usually associated with hummocky till or eolian materials (Natural Resources Committee 2006). Within the Agricultural Ecoregions in Alberta, the Project falls within the Aspen Parkland ecoregion, which covers a large region in east-central Alberta extending from the Foothills to the west, north of Edmonton and east to the provincial border with Saskatchewan (Alberta Agriculture and Forestry 2017). This agricultural ecoregion covers over five and a half million hectares or about 9% of the total area in the province. It is characterized by vegetation representative of a transitional grassland ecoclimate.

Underlying parent material in the Project area was determined to be classed as Cretaceous shale, with significant areas of lacustrine and fluvioglacial deposits. Fertile loamy Black Chernozemic soils are



extensive in the Project area, with Gleysolic soils present in poorly drained and lower slope positions expected at the Project site (Alberta Agriculture and Forestry 2017). The Hobbema soil series, a fertile Eluviated Black Chernozem formed on Glaciolacustrine over till parent material was identified for the majority of the Project site (Alberta Soil Information Centre 2016).

The desk-based review of potential wetlands within the Project site (NW and NE 35-55-22 W4M) was conducted using the Alberta Merged Wetland Inventory database (AEP 2018b). A total of 31 mapped wetlands were identified and confirmed on available air photos. In addition, air photos were assessed using wetter years to capture all possible wetlands and low areas which may be present at the site that may not have been mapped. Review of air photos resulted in an additional 19 potential wetlands. Fifty potential wetlands were mapped on field maps and the centroid of each was identified to be assessed in the field; and, one additional potential wetland was identified during the field visit, for a total of 51 investigated (Appendix B, Figures 1A and 1B).

A review of the FWMIS database resulted in no data identifying sensitive or SAR species within the area of the Project site. Although the result was negative for SAR within the Project area, the Sturgeon River and North Saskatchewan Rivers were both identified as key habitat areas for biodiversity. Species which may use the Project area could include sharp-tailed grouse and bald eagle, which are both listed as Sensitive species in the province of Alberta under the AEP Alberta wild species general status listing, 2015 (AEP 2018a). These species were therefore noted to be potentially within the vicinity of the Project site. No mapped watercourses were identified within the Project site on FWMIS. Air photographs showed a drainage running along the NW and NE quarter section border. This drainage was also identified as passing through a mapped wetland (Appendix B, #24 on Figure 1A) identified in the Alberta Merged Wetland Inventory (AEP 2018b).

4.2 WETLAND ASSESSMENTS

The wetland field assessments were conducted on September 25 and 26, 2018 by Kalina Noel, P.Biol. and Katrina Sharko, P.Ag. Under both professional designations, Ms. Noel and Ms. Sharko are permitted to complete wetland assessments as Qualified Wetland Science Practitioners (QWSP) within the province of Alberta. All wetland assessment and reporting was conducted in accordance with the Alberta Wetland Policy (GOA 2013) and its associated Directives and tools, under the guidance of an authenticating wetland professional (GOA 2017).

Each wetland identified during the desktop assessment was checked for presence, vegetation composition, and classification as a wetland. Of the 51 potential wetlands assessed, 32 were identified as either cultivated with wheat (Appendix A, Photo 1) or a low area where only wheat crop was present at the time of the assessment. An additional five potential wetlands were observed with some wheat crop present along with disturbance species including sow thistle, barnyard grass and some historically planted crops (Photo 2).

Nine areas where water likely persists longer within the year, thereby reducing the potential for wheat crop to grow successfully, had more wetland type vegetation present. Species including slough grass, foxtail barley, stinkweed, and Shepherd's purse were identified within these low areas (Photos 3 and 4). The area around the dugout adjacent to the residence (see #1 potential wetland on Figure 1A) was also assessed but did not have a fringe wetland surrounding it. An area identified as a possible wetland during the desktop assessment was identified as a wood pile in the field. Other wetland vegetation was observed along the drainage which was observed between the NW and NE quarters (Photo 5).



Results of findings within each of the pre-determined potential wetlands are detailed in Table 1 (Appendix C) and can be cross referenced for location on Figures 1A and 1B (Appendix B).

4.2.1 CLASSIFICATION OF TWO WETLANDS

Of the 51 potential wetlands identified during the desk-based assessment, two areas were identified as potential wetlands in the field (see Figure 1A and 1B). The first area assessed (Wetland 1) was a fringe vegetation area at the west side of the dugout within the NE quarter (Photos 6 and 7). The second area assessed (Wetland 2) was a water collection area within the NW quarter along the drainage running between the NW and NE quarters (Photos 8 and 9).

To determine if the two areas met criteria to be considered as a wetland under the Alberta Wetland Policy (GOA 2013), they were assessed for vegetation structure and soil structure, in addition to their biological, hydrological, and chemical attributes.

4.2.1.1 Wetland Type

Following the Alberta Wetland Classification System (GOA 2015a), these two areas were confirmed as wetlands. The first wetland (Wetland 1, Photos 6 and 7) was identified as a marsh wetland, approximately 0.31 hectare (ha) (0.77 acre) in size, presenting as a fringe surrounding the large dugout present within the NE quarter of the Project site. The second wetland (Wetland 2, Photos 8 and 9) was identified as a marsh wetland, approximately 2.22 ha (5.48 acre) in size, where water collection had been occurring within the drainage present along the NW/NE quarter boundary. Data were also collected for valuation of these two wetlands following ABWRET-A for the White Area (settled area) of Alberta.

4.2.2 WETLAND VALUATION – ABWRET-A

Following submission of the ABWRET-A forms to AEP on October 2, 2018 and providing additional information to AEP on October 16, 2018, SLR received wetland valuation results on October 29, 2018. AEP uses data collected in the field and provided on ABWRET-A forms, existing spatial data compiled case-by-case by AEP, and models (logic-based formulas) to generate scores representing the relative levels of 14 wetland functions (GOA 2015b).

According to the AEP (GOA 2015b), wetland results are placed in one of four categories ("a", "b", "c", "d") that advise the Government of Alberta about specific administrative actions that may be taken. Wetlands within Alberta's White Area with value scores that are above the 90th percentile in the frequency distribution of value scores for all wetlands in the White Area are categorized as "a" (the most protective category). Between the 70th and 90th percentile, wetlands are categorized as "b"; between the 40th and 70th percentile, as "c"; and scores below the 40th percentile, as "d".

AEP determined that both wetlands have a value of "d" with a final score of D, as described here. As a matter of policy, the Government of Alberta specified that in the White Area an estimated 10% of the wetlands should fall into category A (the most protective), 20% in category B, 30% in category C, and 40% in category D. As identified in the ABWRET-A results, the D value for both wetlands is likely related to the poor overall functions they provide. Of the 14 functions considered, both wetlands scored below 50% for each function. In particular, Wetland 1 provided poor nitrate and phosphorus removal and



storage, poor fish habitat, poor surface water storage and poor wildlife habitat. The score for Wetland 2 was equally poor. Overall, the normalized score for Wetland 1 was 0.41 and Wetland 2 was 0.52. Wetland 2 likely scored higher due to its larger size.

Results of the ABWRET-A submission for Wetland 1 and 2 can be found in Appendix D.

4.3 SOILS AND VEGETATION

Outside of the low areas and wetlands, the majority of the site was cultivated in wheat crop, with treed windbreaks, and vegetation surrounding the existing residence.

The treed windbreaks were observed to be typical of parkland vegetation, and included balsam poplar and aspen with an understory of wild rose, saskatoon, choke cherry, red-osier dogwood, and low bush cranberry (Photo 10). No rare plants were found during the assessment. Rare plants were not expected to occur since the trees were likely planted to protect ploughed land and to provide a windbreak for the residence.

Soils were observed to be agricultural topsoil approximately 20 to 30 centimetres (cm) deep over the majority of the Project site. Soil saturation was variable across the Project site due to the number of low areas present.

4.4 SURFACE WATER / DRAINAGE

The drainage identified on aerial photographs likely flowing southward along the NW/NE quarter boundary (See Figure 1A) is not a mapped watercourse within the FWMIS (GOA 2018b). During the field assessment it was observed that the drainage was consistently a similar width (approximately 5 m) for the length of the quarter section; this suggests that an existing drainage was likely enhanced historically or by the current landowner.

As identified through current and historical aerial photographs, water is present for longer periods within low areas on the Project site. Surface drainage along the enhanced channel may allow for improved drainage overall in the field, thereby reducing the amount of water stored seasonally within both of the quarter sections.

Two dugouts are also present, one in each quarter section. No inlet or outlet was observed at either dugout; however, metal piping into the larger dugout in the NE quarter suggests that water is taken from the dugout.

4.5 WILDLIFE AND WILDLIFE HABITAT

A preliminary wildlife and wildlife habitat assessment was completed in the field to understand potential for reduction or loss of habitat following development of the Project. Prepared field maps were reviewed in the field and confirmation of suitable habitat was documented from identification of wildlife use.



4.5.1 SPECIES AT RISK

No species at risk were observed during the field assessment. It should be noted that although potential species at risk were identified during the desk-based review that may occur within the Project area (including bald eagle and sharp-tailed grouse), appropriate survey methods could not be used to assess for these species as it was not the appropriate time of year. The preliminary wildlife assessment relied on incidental wildlife observations and evidence of habitat use, including scat, track and other sign.

4.5.2 OBSERVATIONS

A total of 30 nests including stick nests (raven, crow and magpie), nest cavities and a grass nest were observed during the field investigation (Photos 11-16 and Figure 2). One stick nest, much larger than the crow/raven and magpie nests, was observed in the southeast corner of the NE quarter (Photo 11). This stick nest was identified as potentially providing nesting for larger birds including raptors or owls.

Woodpecker activity, deer scat and deer beds, a canid scat and track (Photos 17-19), and skunk track and other sign (Photos 20 and 21 and Figure 2) were also observed within the Project site. The skunk track was observed on the side of Range Road 222 and the skunk latrine was observed at a cabin located adjacent to the dugout within the southwest corner of the NW quarter.

During the field investigation, a number of Sandhill cranes were observed flying overhead. It is expected that a number of migratory songbirds could also be present within the Project area. However, due to the lateness in the season, a formal bird survey was not conducted.

5. KEY FINDINGS

5.1 WETLAND 1 AND WETLAND 2

Under the Alberta Wetland Mitigation Directive (GOA 2018a), a Wetland Mitigation Hierarchy outlines the management approach to wetland impacts in Alberta. The primary preferred wetland response is to avoid and, secondarily, to minimize impacts to a wetland. Based on the conceptual Project footprint options provided by and discussion with Cando, Wetland 1 and Wetland 2 will be removed entirely.

Where full removal of a wetland occurs (Wetland 1 and Wetland 2), wetland replacement is required. Alberta Wetland Mitigation Directive (GOA 2018a) details a number of options:

- Purchase available credits from a third party wetland bank (still under development);
- Make a payment the in-lieu fee program where a third party expends the fees collected on replacement actions to restore, enhance or construct a wetland in another location. This program currently identifies a Wetland Replacement Agent to collect fees; and
- Undertake permittee-responsible replacement where the Applicant restores, enhances, or constructs a wetland.

According to the Wetland Replacement Matrix (p. 8 of the Alberta Wetland Mitigation Directive [2018a]), replacement ratios are based on relative wetland value (lost vs. what is replaced). A wetland Replacement Proposal must be prepared to identify area of wetland permanently lost, relative value, amount of area required to replace in-lieu of the lost wetland (see table below), replacement rate of lost



wetland (Schedule 2: Wetland Replacement In-Lieu Fee Rates), proposed replacement mechanism (i.e., Designated Wetland Replacement Agent or Applicant's wetland development), and the Replacement Design Plan (if Applicant is constructing an in-lieu wetland).

		The fredam	l Replacement	THUU IX	
		Value of Replacement Wetland			
		D	C	В	A
5 -	A	8:1	4:1	2:1	1:1
land	В	4:1	2:1	1:1	0.5:1
Wet	C	2:1	1:1	0.5:1	0.25:1
Value	D	1:1	0.5:1	0.25:1	0.125:1

^{*}Ratios are expressed as area of wetland

Both wetlands are identified as D wetlands by AEP based on similar scores for biodiversity, water quality improvement, flood reduction, human value, and abundance. Replacement of a D value wetland would require a similar type of D wetland of equal size to be developed in another area (1:1).

Currently, Ducks Unlimited Canada, City of Calgary, and County of Vermilion are recognized Wetland Mitigation Agents. As both wetlands were determined to have Relative Wetland Value of 2 (see Schedule 2 of Alberta Wetland Mitigation Directive (GOA 2018a), the in-lieu fee to replace these wetlands would be \$19,400 per ha.

In the event that Cando develops a site plan and approach to avoid or minimize impact to Wetland 1, a Minimization Proposal is required by AEP. This proposal must include information that all possible avoidance options were assessed and that minimization techniques will be put forward during the project development to maintain natural conditions and functions of the existing wetland (GOA 2018a).

5.2 VEGETATION AND SOILS

The majority of the Project site consists of agricultural soils cultivated in wheat, and edged by planted windbreaks; with the exception of low areas and the two wetlands identified. No rare plants were documented during the field investigation, and no sensitive soils that might pose soil management issues when handled were identified.

5.3 WILDLIFE

Large stick nest — The SLR biologist contacted AEP to discuss options to address the large stick nest observed in the southeast corner of the NE quarter. No response has been received at the time of issuance of this draft report. It is recommended that, prior to Project development, AEP is consulted regarding any setback requirements, timing constraints, or necessary permit to remove the stick nest in the event this was determined to be necessary to accommodate the proposed development site plan.



Skunk latrine and tracks – The skunk latrine observed on the access steps to the cabin located adjacent to the dugout in the NW quarter (See Figure 2) suggest that the skunk may be using the underside of the cabin for denning. Should the cabin be removed, an assessment of the underside of the cabin should be conducted in advance to confirm that an animal is not present during removal to avoid or minimize disturbance to any animals present.

Other nests (stick nests, grass nest, nest cavities) – Should clearing occur during migratory bird nesting season of mid-March to late August (Map Zone B) (Government of Canada 2018b), a bird nest assessment must be conducted in advance. If such a survey identifies an occupied nest, tree clearing cannot continue until the nestlings have fully fledged or other action approved by Environmental and Climate Change Canada is sanctioned.

Small dugout – The dugout located in the northwest corner of the NW quarter adjacent to the residence is likely to be removed to accommodate the development. AEP should be contacted in advance of dewatering of the dugout to confirm that no permits are required for removal and disposal of the water. In addition, dewatering should occur outside of the migratory bird period (mid-March to late August) and amphibian breeding period (April to August) to avoid or minimize disturbance to species such a boreal chorus frogs and wood frogs (AEP 2009).

Species at Risk – Although no species at risk were observed during the site visit in September 2018, proposed work activities associated with the development of the Project should occur outside of breeding periods to reduce the likelihood of impact to species at risk and other wildlife.



6. STATEMENT OF LIMITATIONS

This report has been prepared and the work referred to in this report has been undertaken by SLR Consulting (Canada) Ltd. (SLR) for Cando Rail Services, hereafter referred to as the "Client". It is intended for the sole and exclusive use of Cando Rail Services. The report has been prepared in accordance with the Scope of Work and agreement between SLR and the Client. Other than by the Client and as set out herein, copying or distribution of this report or use of or reliance on the information contained herein, in whole or in part, is not permitted unless payment for the work has been made in full and express written permission has been obtained from SLR.

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Photo 1: Majority of NW and NE quarters are cultivated in wheat (September 25, 2018).



Photo 2: Smaller low areas observed with barnyard grass, sow thistle and foxtail barley (September 25, 2018).





Photo 3: Larger low areas observed with disturbance species, including wetland species; however are not wetlands under Alberta Wetland Policy (September 25, 2018).



Photo 4: Larger low area holding water seasonally – NW quarter (September 25, 2018).





Photo 5: North-south drainage along the boundary between NW and NE, looking south (September 25, 2018).



Photo 6: Fringe wetland (Wetland 1) to west of dugout in NE quarter (September 25, 2018).





Photo 7: Fringe wetland (Wetland 1) vegetation west of the dugout (September 25, 2018).



Photo 8: Wetland 2 at centre of NE and NW quarters (September 25, 2018).





Photo 9: Wetland 2 at centre of NE and NW quarters (September 25, 2018).



Photo 10: Typical vegetation within windbreaks on the property (September 25, 2018).



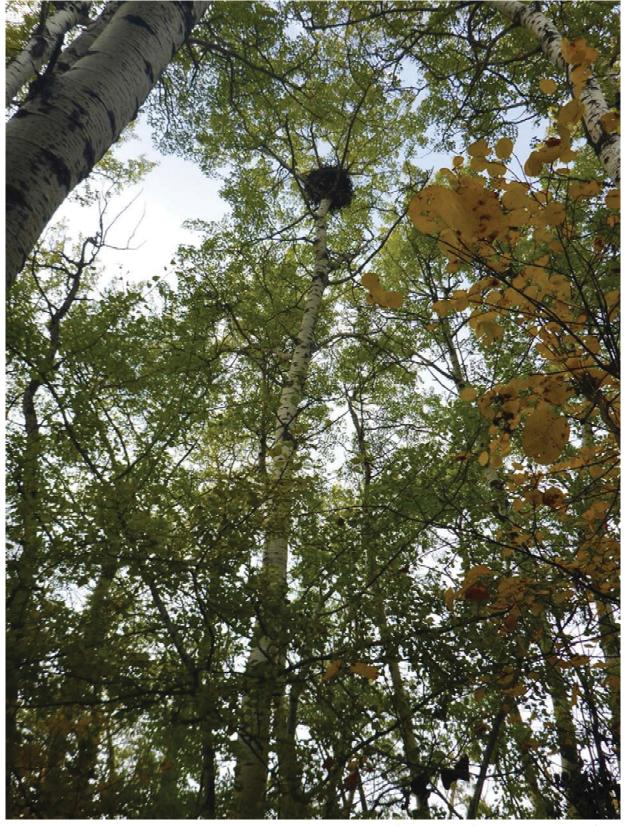


Photo 11: Large stick nest observed in southeastern portion of NE quarter (September 25, 2018).





Photo 12: Black-billed magpie nest as observed throughout wind breaks (September 25, 2018)



Photo 13: Typical stick nest (crow or raven) observed throughout windbreaks (September 26, 2018)





Photo 14: Stick nest with batting material observed near farmyard (September 26, 2018).



Photo 15: Typical woodpecker cavities observed within windbreaks (September 25, 2018).

SLR	
SITE PHOTOGRAPHS	



Photo 16: Nest cavity at top of dead poplar tree observed along west side of NE quarter (September 25, 2018).



Photo 17: Canid scat observed within Wetland 2 (September 25, 2018).



TOGRAPHS Project No: 203.50152.00000



Photo 18: Deer scat observed along windbreak on west side of NE quarter (September 25, 2018).



Photo 19: Unknown scat with fruit seeds observed along windbreak near farm yard (September 26, 2018).





Photo 20: Skunk track observed on Range Road 222 adjacent to farm residence driveway (September 26, 2018).



Photo 21: Skunk latrine at stairs of cabin located near dugout in NW quarter (September 26, 2018).



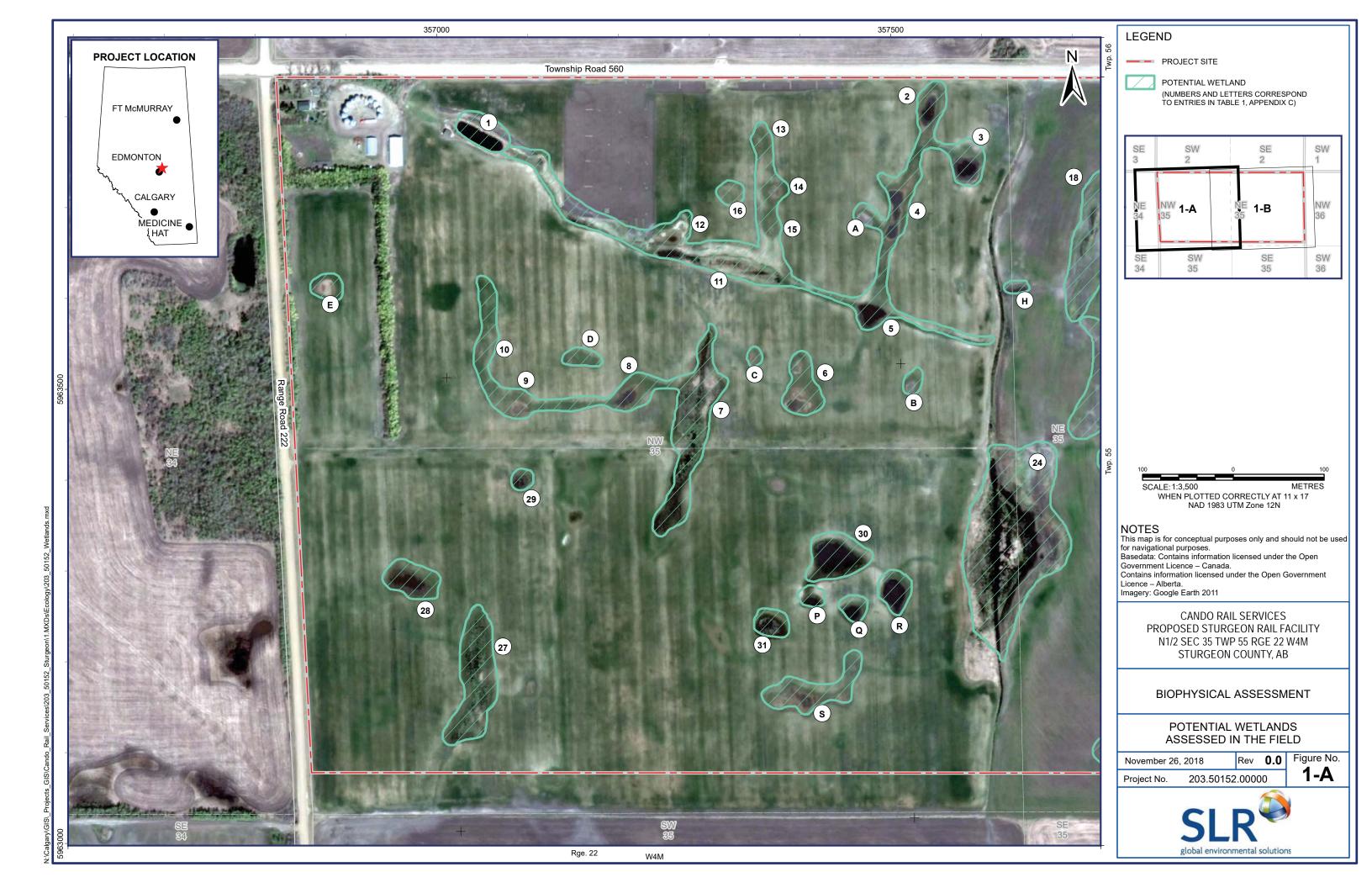
SITE PHOTOGRAPHS Project No: 203.50152.00000

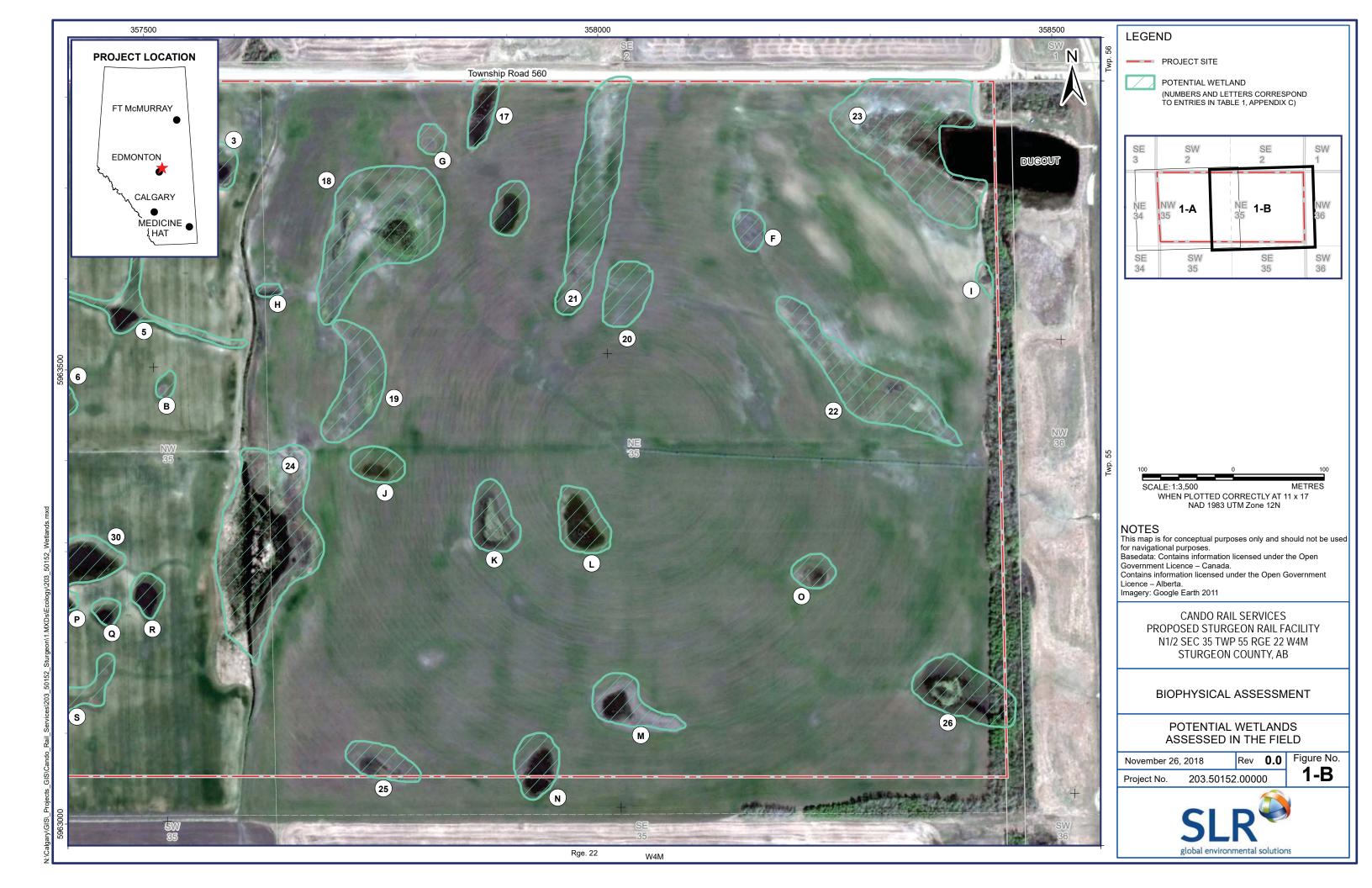
Appendix B Figures

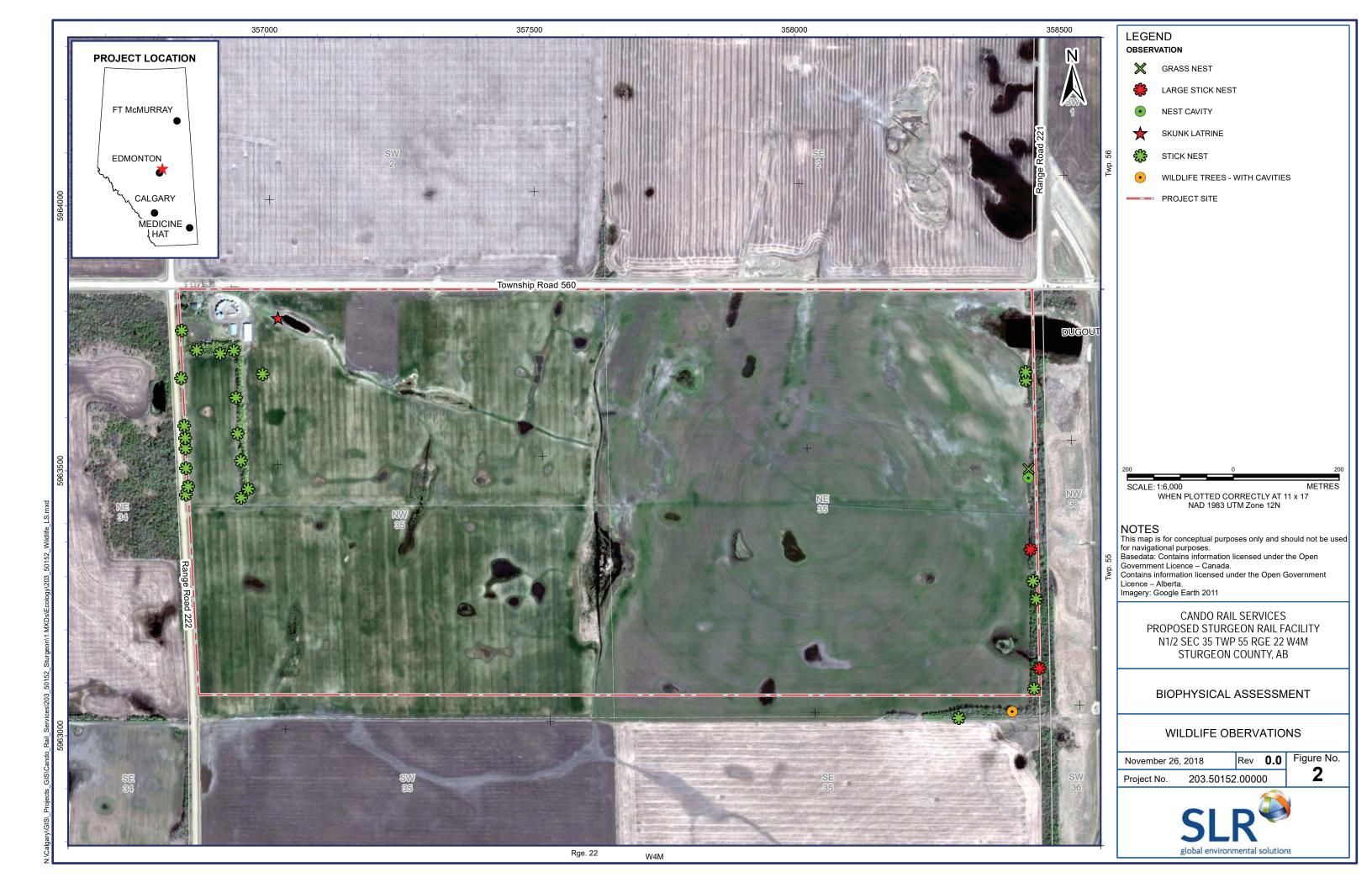
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Table 1 - Wetland Assessments

Field Confirmed	Predominant species present	Scientific Names	
Tield Collillilled	Fredominant species present	Scientific Names	
Smaller deeper depression	marsh cudweed, horsetail, foxtail barley, hemp nettle, bluebur, common plantain, western dock, canola, cattails, wild buckwheat, toad	Beckmannia syzigachne, Cirsium arvense, Capsella bursa- pastoris, Equisetum arvense, Hordeum jubatum, Galeopsis tetrahit, Lappula squarrosa, Plantago major, Rumex occidentalis, Typha latifolia, Polygonum convolvulus, Juncus bufonius	
dugout vegetation	cattails dominant, willows	Typha latifolia, Salix sp.	
Low area within wheat crop	wheat, sow thistle, barnyard grass	Triticum, Sonchus sp., Echinochloa crusgalli	
Low area within wheat crop	wheat, sow thistle	Triticum, Sonchus sp.,	
cropland	wheat	Triticum	
Drainage	crop, sow thistle	Triticum, Sonchus sp.,	
Low area within wheat crop	wheat	Triticum	
Low area within wheat crop	canada thistie, slough grass, toad rush, stinging	Calamagrostis canadensis,Echinochloa crusgalli, Sonchus sp., Plantago major,Beckmannia syzigachne, Cirsium arvense,Juncus bufonius, Urtica dioica, Thlaspi arvense, Rumex occidentalis, Gnaphalium uliginosum	
cropland	wheat	Triticum	
Smaller deeper depression	stinkweed, wild buckwheat, western dock, cleavers, cattails, shepherd's purse, leafy	Tripleurospermum inodorum, Hordeum jubatum, Cirsium arvense, Elymus trachycaulus, Echinochloa crusgalli, Thlaspi arvense, Polygonum convolvulus, Rumex occidentalis, Galium aparine, Typha latifolia, Capsella bursa-pastoris, Euphorbia esula, Brassica napus	
	Smaller deeper depression dugout vegetation Low area within wheat crop Low area within wheat crop cropland Drainage Low area within wheat crop Low area within wheat crop cropland	slough grass, canada thistle, shepherd's purse, marsh cudweed, horsetail, foxtail barley, hemp nettle, bluebur, common plantain, western dock, canola, cattails, wild buckwheat, toad rush dugout vegetation cattails dominant, willows Low area within wheat crop wheat, sow thistle, barnyard grass Low area within wheat crop wheat Drainage crop, sow thistle Low area within wheat crop wheat Conjunt wheat Cropland wheat	

Table 1 - Wetland Assessments

Wetland Seessments					
ID	Field Confirmed	Predominant species present	Scientific Names		
18	Low area	foxtail barley, canada thistle, canola, shepherds purse, common plantain, hemp nettle, marsh cudweed, barnyard grass, slough grass, western dock, clevers, scentless chamomile, barley crop, silverweed, northern willowherb	Hordeum jubatum, Cirsium arvense, Brassica napus, Capsella bursa-pastoris, Plantago major, Galeopsis tetrahit, Gnaphalium uliginosum, Echinochloa crusgalli, Beckmannia syzigachne, Rumex occidentalis, Galium aparine, Tripleurospermum inodorum, Hordeum vulgare, Argentina anserina, Epilobium glandulosum		
19	cropland	wheat	Triticum		
20	cropland	wheat	Triticum		
21	Low area	foxtail barley, canada thistle, canola, sheppherds purse, common plantain, hemp nettle, marsh cudweed, barnyard grass	Hordeum jubatum, Cirsium arvense, Brassica napus, Capsella bursa-pastoris, Plantago major, Galeopsis tetrahit, Gnaphalium uliginosum, Echinochloa crusgalli,		
22	low area	wheat	Triticum		
23	wetland 1	sandbar willow, balsam poplar, Richardson's rush, perennial sowthistle, water parsnip, hooded scullcap, common cattail, stinging nettle	Salix exigua, Populus balsamifera, Juncus alpinus, Sonchus arvensis, Sium suave, Scutellaria galericulata, Typha latifolia, Urtica dioica		
24	wetland 2	water sedge, celery-leaved buttercup, nodding beggarticks, common spikerush, common woolgrass, western dock, stinging nettle	Carex aquatilis, Ranunculus sceleratus, Bidens cernua, Eleocharis palustris, Scirpus cyperinus, Rumex occidentalis, Urtica dioica		
25	cropland	wheat	Triticum		
26	low area	canada thistle, marsh cudweed, common plantain, poplar saplings, sow thistle, foxtail barley, willow, western dock, hemp nettle, stinkweed, flixweed, cattails, nodding beggarticks, woolgrass, tall manna, barnyard grass, common horsetails, slough grass, toad rush, shepherds purse, absinthe	Cirsium arvense, Gnaphalium uliginosum, Plantago major, Populus balsamifera, Sonchus sp., Hordeum jubatum, Salix sp., Rumex occidentalis, Galeopsis tetrahit, Thlaspi arvense, Descurainia sophia, Typha latifolia, Bidens cernua, Scirpus cyperinus, Glyceria grandis, Echinochloa crusgalli, Equisetum arvense, Beckmannia syzigachne, Juncus bufonius, Capsella bursa-pastoris, Artemisia absinthium		
27	low area	wheat, sow thistle, barnyard grass	Triticum, Sonchus sp., Echinochloa crusgalli		
28	cropland	wheat	Triticum		
29	cropland	wheat	Triticum		
30	cropland	wheat	Triticum		
31	cropland	wheat	Triticum		
Α	cropland	wheat	Triticum		
В	cropland	wheat	Triticum		

Table 1 - Wetland Assessments

	Table 1 - Wetland Assessments						
Wetland ID	Field Confirmed	Predominant species present	Scientific Names				
С	cropland	wheat	Triticum				
D	cropland	wheat	Triticum				
Е	cropland	wheat	Triticum				
F	Low area	wheat	Triticum				
G	cropland	wheat	Triticum				
Н	Drainage	tall manna grass, western dock, slough grass, water sedge, foxtail barley, scentless chamomile, cattails, toad rush common plantain, slender wheatgrass, stinging nettle,kentucky bluegrass, silverweed, stinkweed, shepherd's purse, tufted hair grass, sow thistle, marsh skullcap, flixweed, alsike clover, long-leaved chickweed, creeping spike rush, woolgrass, barnyard grass, turned sedge, water parsnip, arrow leaved coltsfoot	Glyceria grandis, Rumex occidentalis, Beckmannia syzigachne, Carex aquatilis, Hordeum jubatum, Tripleurospermum inodorum, Typha latifolia, Juncus bufonius, Plantago major, Elymus trachycaulus, Urtica dioica, Poa pratensis, Argentina anserina, Thlaspi arvense, Capsella bursa-pastoris, Deschampsia cespitosa, Sonchus sp., Scutellaria galericulata, Descurainia sophia, Trifolium hybridum, Stellaria longifolia, Eleocharis palustris, cirpus cyperinus, Echinochloa crusgalli, Carex retrorsa, Sium suave, Petasites sagittatus				
ı	Identified as a wood pile						
J	cropland	wheat	Triticum				
К	Low area within wheat crop	canola, foxtail barley, common plantain, sow thistle, barnyard grass, western dock, stinkweed, shepherds purse, marsh cudweed	Brassica napus, Hordeum jubatum, Plantago major, Sonchus sp., Echinochloa crusgalli, Rumex occidentalis,Thlaspi arvense,Capsella bursa-pastoris, Gnaphalium uliginosum				
L	cropland	canola, sow thistle	Brassica napus, Sonchus sp.				
М	cropland	wheat	Triticum				
N	low area	bluebur, shepherds purse, Canada thistle, foxtail barley, barley crop, canola, oats, slough grass, hemp nettle, cleavers, wild buckwheat, stinkweed, scentless chamomile	Lappula squarrosa , Capsella bursa-pastoris, Cirsium arvense, Hordeum jubatum, Hordeum vulgare, Brassica napus, Avena sativa,Beckmannia syzigachne, Galeopsis tetrahit, Galium aparine, Polygonum convolvulus, Thlaspi arvense,Tripleurospermum inodorum,				
0	cropland	wheat	Triticum				
Р	cropland	wheat	Triticum				
Q	cropland	wheat	Triticum				
R	cropland	wheat	Triticum				
S	cropland	wheat	Triticum				

Table 2 - Wildlife Observations

Mildlife Ciebain e Tons		NAD83 UTM 12	
Wildlife Sighting Type	Locatation -	Easting	Northing
Deer beds	South end NE quarter - treed area	Through	out site
Evidence of sapsucker activity	South end NE quarter - treed area	Common east side of NE	
Stick nest	South end NE quarter - treed area	358271	5962982
Wildlife Trees - with cavtities	South end NE quarter - treed area	358372	5962991
Remnant of stick nest	NE corner of site	358415	5963033
Large stick nest - possible GHOW nest - has flaggin tape at base of tree	Along east vegetated side (NE)	358426	5963071
Stick nest	Along east vegetated side (NE)	358409	5953177
Stick nest	Along east vegetated side (NE)	358424	5963202
Stick nest	Along east vegetated side (NE)	358419	5963236
Large stick nest	Along east vegetated side (NE)	358416	5963296
Nest cavity	Along east vegetated side (NE)	358416	5963431
Grass nest	Along east vegetated side (NE)	358417	5963448
Older stick nest	NE quarter along east vegetated side - near dugout	358417	5963615
Two stick nests	NE quarter along east vegetated side - near dugout	358417	5963631
Two stick nests	NW quarter near residence	356827	5963758
Stick nest	Treed break south of residence	356854	5963720
Stick nest	Treed break south of residence	356898	5963712
Two stick nests and a third using batting as nesting material	Treed break south of residence	356924	5963717
Stick nest	Treed break south of residence	356977	5963671
Stick nest	Treed break south of residence	356925	5963628
Stick nest	Treed break south of residence	356926	5963560
Stick nest	Treed break south of residence	356931	5963509
Stick nest	Treed break south of residence	356929	5963439
Stick nest	Treed break south of residence	356943	5963455
Stick nest	Treed break along RR222	356825	5963448
Stick nest	Treed break along RR222	356830	5963463
Stick nest	Treed break along RR222	356827	5963498
Stick nest	Treed break along RR222	356827	5963535
Stick nest	Treed break along RR222	356827	5963555
Stick nest	Treed break along RR222	356826	5963578
Stick nest	Treed break along RR222	356823	5963668
Skunk latrine	At cabin near dugout near residence	357009	5963776



Cando Rail Services

Biophysical Assessment Report Sturgeon Rail Facility SLR Project No.:203.50152.00000





Documentation of Wetland Assessment Using ABWRET-A	
Site Name:	Sturgeon County Wetland Assessments - NW wetland
Investigator Name:	Kalina Noel and Katrina Sharko
Date of Field Assessment:	9/25/2018
Nearest Town:	Gibbons
Latitude (decimal degrees):	53.7986
Longitude (decimal degrees):	-113.1622
Approximate size of the Assessment Area (AA, in acres)	5.48
AA as percent of entire wetland (approx.)	100%
What percent (approx.) of the wetland were you able to visit?	100
What percent (approx.) of the AA were you able to visit?	100
Have you attended a training session for this protocol? If so, indicate	Jun-17
approximate month & year.	
How many wetlands have you assessed previously using this protocol	5
Comments about the site or this assessment (attach extra page if desired):	Wetland formed within an
	agricultural field along a
	ditched field drainage.
	Wetland species identified
	within wetland within the
	widening not seen
	anywhere else along the
	ditched channel. Not farmed
	through and persistent
	througout dry and wet



Function (ABWRET-A Raw Score)	NW Wetland
Surface Water Storage (WS)	3.19
Stream Flow Support (SFS)	3.17
Streamwater Cooling (WC)	1.92
Sediment & Toxicant Retention & Stabilization (SR)	2.95
Phosphorus Retention (PR)	2.97
Nitrate Removal & Retention (NR)	4.10
Organic Nutrient Export (OE)	4.15
Fish Habitat (FH)	0.00
Aquatic Invertebrate Habitat (INV)	5.36
Amphibian Habitat (AM)	2.73
Waterbird Habitat (WB)	4.38
Songbird, Raptor, & Mammal Habitat (SBM)	2.15
Pollinator & Native Plant Habitat (PH)	3.34
Human Use & Recognition (HU)	1.58
Function (ABWRET-A Normalized Score)	NW Wetland
Surface Water Storage (WS)	0.33
Stream Flow Support (SFS)	0.52
Streamwater Cooling (WC)	0.28
Sediment & Toxicant Retention & Stabilization (SR)	0.09
Phosphorus Retention (PR)	0.15
Nitrate Removal & Retention (NR)	0.09
Organic Nutrient Export (OE)	0.64
Fish Habitat (FH)	0.00
Aquatic Invertebrate Habitat (INV)	0.54
Amphibian Habitat (AM)	0.35
Waterbird Habitat (WB)	0.30
Songbird, Raptor, & Mammal Habitat (SBM)	0.11
Pollinator & Native Plant Habitat (PH)	0.28
Human Use & Recognition (HU)	0.11
Normalized Score (ABWRET_A) Based on Wetlands in RWVAU	NW Wetland
Normalized Hydrological Health (HH)	0.52
Normalized Water Quality (WQ)	0.64
Normalized Ecological Health (EH)	0.54
Normalized Human Use (HU)	0.11
RWVAU #	2
Normalized Value Score (ABWRET_a)	0.52
Value Category (a, b, c, d)	d
Abundance Factor	0
Final Score(A, B, C, D)	D



Documentation of Wetland Assessment Using ABWRET-A	
Site Name:	Sturgeon County Wetland Assessments - NE wetland
Investigator Name:	Kalina Noel and Katrina Sharko
Date of Field Assessment:	9/25/2018
Nearest Town:	Gibbons
Latitude (decimal degrees):	53.8028
Longitude (decimal degrees):	-113.1508
Approximate size of the Assessment Area (AA, in acres)	0.77
AA as percent of entire wetland (approx.)	100%
What percent (approx.) of the wetland were you able to visit?	100
What percent (approx.) of the AA were you able to visit?	100
Have you attended a training session for this protocol? If so, indicate	Jun-17
approximate month & year.	
How many wetlands have you assessed previously using this protocol	5
Comments about the site or this assessment (attach extra page if desired):	Small fringe wetland
	adjacent to an
	excavation/dugout. Likely
	part of small wetland in the
	past. Remnant next to
	excavated area. Observed
	numerous wetland species
	therefore considered as a



Function (ABWRET-A Raw Score)	NE Wetland
Surface Water Storage (WS)	2.20
Stream Flow Support (SFS)	2.47
Streamwater Cooling (WC)	1.45
Sediment & Toxicant Retention & Stabilization (SR)	1.40
Phosphorus Retention (PR)	2.18
Nitrate Removal & Retention (NR)	3.03
Organic Nutrient Export (OE)	2.24
Fish Habitat (FH)	0.00
Aquatic Invertebrate Habitat (INV)	5.06
Amphibian Habitat (AM)	2.54
Waterbird Habitat (WB)	4.14
Songbird, Raptor, & Mammal Habitat (SBM)	1.96
Pollinator & Native Plant Habitat (PH)	3.15
Human Use & Recognition (HU)	2.56
Function (ABWRET-A Normalized Score)	NE Wetland
Surface Water Storage (WS)	0.15
Stream Flow Support (SFS)	0.40
Streamwater Cooling (WC)	0.21
Sediment & Toxicant Retention & Stabilization (SR)	0.00
Phosphorus Retention (PR)	0.05
Nitrate Removal & Retention (NR)	0.00
Organic Nutrient Export (OE)	0.35
Fish Habitat (FH)	0.00
Aquatic Invertebrate Habitat (INV)	0.50
Amphibian Habitat (AM)	0.32
Waterbird Habitat (WB)	0.27
Songbird, Raptor, & Mammal Habitat (SBM)	0.07
Pollinator & Native Plant Habitat (PH)	0.25
Human Use & Recognition (HU)	0.30
Normalized Score (ABWRET_A) Based on Wetlands in RWVAU	NE Wetland
Normalized Hydrological Health (HH)	0.40
Normalized Water Quality (WQ)	0.35
Normalized Ecological Health (EH)	0.50
Normalized Human Use (HU)	0.30
RWVAU #	2
Normalized Value Score (ABWRET_a)	0.41
Value Category (a, b, c, d)	d
Abundance Factor	0
Final Score(A, B, C, D)	D

CALGARY

1185, 10201 SOUTHPORT ROAD SW CALGARY, AB T2W 4X9 403.266.2030

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6940 Roper Road Edmonton, AB T6B 3H9 780.490.7893

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10015 102 Street Grande Prairie, AB T8V 2V5 780.513.6819

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WHITEHORSE

6131 6 Avenue Whitehorse, YT Y1A 1N2 867.765.5695

WINNIPEG

Unit D, 1420 Clarence Avenue Winnipeg, MB R3T 1T6 204.477.1848

YELLOWKNIFE

Centre Square 5022 49th Street Yellowknife, NT X1A 3R8 867.765.5695



♦ APPENDIX BLand Titles

Cando Rail Services

Project Description Under CEAA 2012 SLR Project No.: 203.50152.00000





LAND TITLE CERTIFICATE

S

LINC SHORT LEGAL TITLE NUMBER

0020 035 367 4;22;55;35;NW 082 272 870 +1

0033 354 945 4;22;55;35;NE

LEGAL DESCRIPTION

FIRST

THE NORTH HALF OF THE NORTH WEST QUARTER OF SECTION THIRTY FIVE (35)

TOWNSHIP FIFTY FIVE (55)

RANGE TWENTY TWO (22)

WEST OF THE FOURTH MERIDIAN

CONTAINING 32.4 HECTARES (80 ACRES) MORE OR LESS

EXCEPTING THEREOUT ALL MINES AND MINERALS

SECOND

MERIDIAN 4 RANGE 22 TOWNSHIP 55

SECTION 35

QUARTER NORTH EAST

CONTAINING 64.7 HECTARES (160 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

HECTARES (ACRES) MORE OR LESS

A) PLAN 0824867 - RAILWAY

3.36 8.30 - AREA 'A'

EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: STURGEON COUNTY

REFERENCE NUMBER: 002 050 697

REGISTERED OWNER(S)

REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

082 272 870 08/07/2008 TRANSFER OF PART

OF LAND

OWNERS

<personal information removed>

ENCUMBRANCES, LIENS & INTERESTS

PAGE 2

REGISTRATION

082 272 870 +1

NUMBER DATE (D/M/Y)

PARTICULARS

6682RD

31/03/1969 UTILITY RIGHT OF WAY

GRANTEE - ATCO GAS AND PIPELINES LTD.

10035-105 ST

EDMONTON

ALBERTA T5J2V6

AFFECTED LAND:

4;22;55;35;NW

(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT

OF WAY 012024075)

002 102 490 19/04/2000 MORTGAGE

<personal information removed>

ORIGINAL PRINCIPAL AMOUNT: \$360,000

092 002 453 05/01/2009 UTILITY RIGHT OF WAY

GRANTEE - NORTH PARKLAND POWER RURAL ELECTRIFICATION ASSOCIATION LIMITED AFFECTED LAND: 4;22;55;35;NW

TOTAL INSTRUMENTS: 003

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 14 DAY OF AUGUST, 2018 AT 01:25 P.M.

ORDER NUMBER: 35693044

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

THE ABOVE PROVISIONS DO NOT PROHIBIT THE ORIGINAL PURCHASER FROM INCLUDING THIS UNMODIFIED PRODUCT IN ANY REPORT, OPINION, APPRAISAL OR OTHER ADVICE PREPARED BY THE ORIGINAL PURCHASER AS PART OF THE ORIGINAL PURCHASER APPLYING PROFESSIONAL, CONSULTING OR TECHNICAL EXPERTISE FOR THE BENEFIT OF CLIENT(S).



LAND TITLE CERTIFICATE

S

LINC SHORT LEGAL 0033 366 477 4;22;55;35;NW TITLE NUMBER 082 284 100 +2

LEGAL DESCRIPTION

MERIDIAN 4 RANGE 22 TOWNSHIP 55

SECTION 35

THE SOUTH HALF OF THE NORTH WEST QUARTER

CONTAINING 32.4 HECTARES (80 ACRES) MORE OR LESS

EXCEPTING THEREOUT:

HECTARES (ACRES) MORE OR LESS

A) PLAN 0824867 RAILWAY 3.54 8.75 (AREA 'B')

EXCEPTING THEREOUT ALL MINES AND MINERALS

ESTATE: FEE SIMPLE

MUNICIPALITY: STURGEON COUNTY

REFERENCE NUMBER: 072 693 584

REGISTERED OWNER(S)

REGISTRATION DATE (DMY) DOCUMENT TYPE VALUE CONSIDERATION

082 284 100 14/07/2008 TRANSFER OF PART OF LAND

OWNERS

<personal information</pre> removed>

AS TO AN UNDIVIDED 48.75% INTEREST

ENCUMBRANCES, LIENS & INTERESTS

REGISTRATION

NUMBER DATE (D/M/Y) PARTICULARS

3345RG 27/03/1969 UTILITY RIGHT OF WAY

GRANTEE - ATCO GAS AND PIPELINES LTD.

10035-105 ST

EDMONTON

(CONTINUED)

ENCUMBRANCES, LIENS & INTERESTS

082 284 100 +2

PAGE 2

REGISTRATION NUMBER

DATE (D/M/Y)

PARTICULARS

ALBERTA T5J2V6
"PART AS DESCRIBED"

(DATA UPDATED BY: TRANSFER OF UTILITY RIGHT OF WAY 012029817)

TOTAL INSTRUMENTS: 001

THE REGISTRAR OF TITLES CERTIFIES THIS TO BE AN ACCURATE REPRODUCTION OF THE CERTIFICATE OF TITLE REPRESENTED HEREIN THIS 14 DAY OF AUGUST, 2018 AT 01:27 P.M.

ORDER NUMBER: 35693070

CUSTOMER FILE NUMBER:



END OF CERTIFICATE

THIS ELECTRONICALLY TRANSMITTED LAND TITLES PRODUCT IS INTENDED FOR THE SOLE USE OF THE ORIGINAL PURCHASER, AND NONE OTHER, SUBJECT TO WHAT IS SET OUT IN THE PARAGRAPH BELOW.

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APPENDIX CProject Notification Letters

Cando Rail Services

Project Description Under CEAA 2012 SLR Project No.: 203.50152.00000







www.candorail.com



January XX, 2019

Contact Name, Contact Title Postal Address City, Province Postal Code Email

SENT VIA REGISTERED MAIL

Dear Sir or Madame,

Project Notification pursuant to the Canadian Environmental Assessment Act, 2012 Cando Rail Services - Sturgeon Rail Facility, Sturgeon County, AB

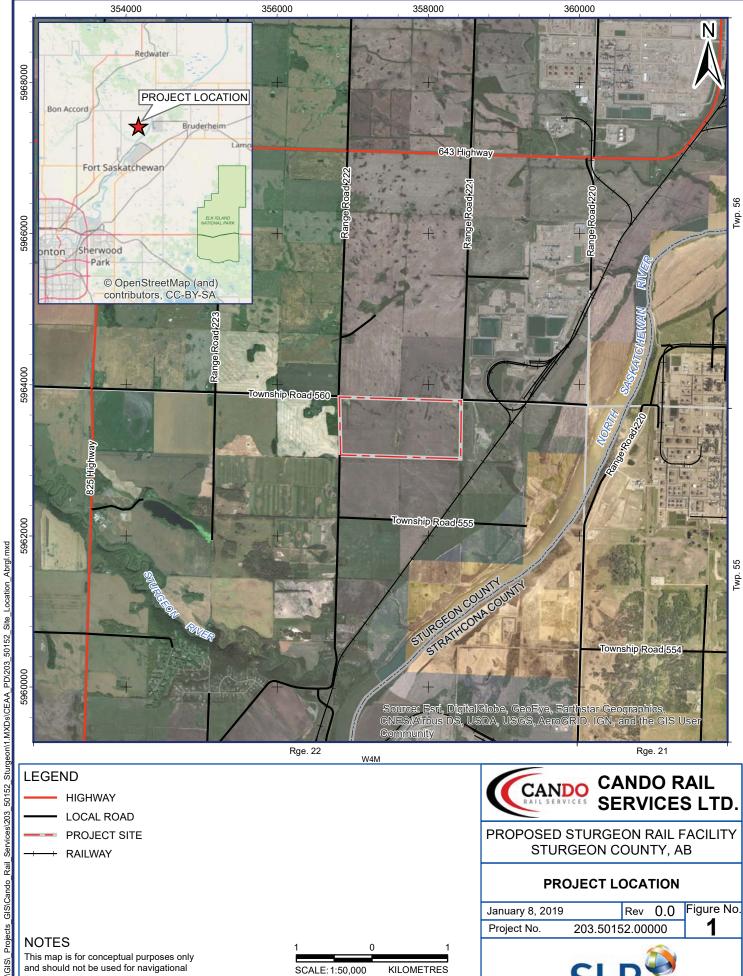
Cando Rail Services Ltd. (Cando) is proposing to construct and operate a rail car storage yard in Sturgeon County, Alberta. This notification is intended to provide you with information about this proposed project (the Project).

Cando is preparing a *Project Description* pursuant to the *Canadian Environmental Assessment Act, 2012*¹ (CEAA 2012) to conform with legislative requirements. This *Project Description* is being prepared to support the Canadian Environmental Assessment Agency (the Agency) in its determination of whether a federal environmental assessment is required for the Project under CEAA 2012. Cando will engage with Indigenous groups, local municipal officials, and regulatory and public stakeholders during the planning and design of the Project.

The CEAA 2012 process involves submission of the *Project Description* report followed by a 20 day comment period. As the Crown Consultation Coordinator for Federal environmental assessments, the Agency will provide the *Project Description Summary* report to potentially affected Indigenous communities and will also conduct consultation.

The goal of Cando's engagement is to identify community concerns and potential impacts to traditional land use activities and Aboriginal and Treaty Rights, as well as consider integrating appropriate measures in Project design and development to address identified concerns.

¹ Canadian Environmental Assessment Act, 2012 (CEAA 2012). 2012. Accessed at: http://laws-lois.justice.gc.ca/eng/acts/C-15.21/



WHEN PLOTTED CORRECTLY AT 8-1/2 x11

NAD 1983 UTM Zone 12N

50152 Services\203 GIS\Cando_Rail

purposes.

Open Data License

Basedata: AltaLIS Government of Alberta under the Alberta

LOCATION

The property on which the proposed rail car storage yard is to be located is described as the northwest and the northeast quarters of Section 35, Township 55, Range 22, West of the 4th Meridian (NE and NW 35-55-22 W4). The Project site comprises two quarter sections (NE and NW) and is approximately 123 hectares in area, on land zoned "I5 - Heavy Industrial" under the Sturgeon County Land Use Bylaw 1385/17². The Project site is bounded by Township Road 560 to the north, Range Road 222 to the west, a CN Rail line and industrial facility to the east, and agricultural land to the south. The southern boundary of the site abuts a CN Rail right-of-way within which a pipeline easement is located. Figure 1 shows the Project site location.

CANDO RAIL SERVICES

Cando is an integrated solutions provider for the railway sector and bulk handling industries, providing specialized rail support services for almost 40 years. Safety management is a priority – Cando is committed and dedicated to operating safely and with minimum impact on communities and the environment by complying with all relevant regulatory legislation. Cando's business focusses on industrial switching, material handling, logistics, terminal transload services, engineering and track services, railcar storage, rail car repair and short line operations. Cando is the largest independent rail car storage and staging company in Canada, with more than 5,000 car spots located in yards and sidings across Canada. Industries serviced by Cando include the petroleum, intermodal, grain and grain products, forest products, fertilizer and potash, and automotive.

THE STURGEON RAIL FACILITY

The proposed Sturgeon Rail Facility will provide a storage site for rail cars within the 'Alberta Industrial Heartland', to serve Cando's industrial clients.

Cando is currently planning a staged approach to Project development, first developing a loop track around the Project site and storage tracks across the southern portion of the property (south rail yard), and then extending the development to include a north rail yard.

The Project site is currently farmed, and includes a residence, yard and farm buildings in the northwest corner, two dugout excavations, and fields cultivated in grain.

The planned Project schedule consists of the following phases: Pre-Construction, Construction, Operation, and eventual Decommissioning/Reclamation and Abandonment. Based on the timing of regulatory approval, procurement of materials, engagement with stakeholders and Indigenous groups, Cando plans to begin construction in Spring 2019. The construction schedule may also be affected by customer demand. Once subgrade preparation and track installation are complete, Cando will tie tracks in to the existing CN Rail spur southeast of the property boundary.

The rail cars will carry a variety of commodities depending on Cando's risk assessment and the needs of industrial customers.

² Sturgeon County (2017). Sturgeon County Land Use Bylaw 1385/17. https://www.sturgeoncounty.ca/Portals/0/Documents/Bylaws/Bylaw-1385-17-Land-Use-Schedule-A.pdf

Storm water management facilities will be completed during construction of the south yard, with connection to the storm water management system on the adjacent property to the east. Solid waste material and sanitary waste water will be collected in holding containers or tanks on the site and disposed of by a qualified contractor at an accredited waste management facility.

Biophysical Assessment - View looking southwest, September 2018



During Project planning and design, Cando conducted a Phase I environmental site assessment to identify potential legacy environmental liabilities. A biophysical assessment of the property was also completed to identify key environmental features and to identify potential concerns relevant to the environment, regulators, public and private stakeholders, and Indigenous groups. A historical resources investigation has been initiated based on the requirements of the Alberta *Historical Resources Act.* Cando is designing the Project to address environmental sensitivities and will implement mitigation measures to minimize the impacts of its rail car storage operation on the environment, traditional land uses, and Aboriginal and Treaty Rights.

WHO TO CONTACT

Cando has provided this notification letter to inform Indigenous groups of its proposed Sturgeon Rail Facility. We ask that you share the notification letter with your members and provide any feedback regarding the Project. If you have any questions or concerns, or if you would like more information, you may contact:

Terry Carlisle, Chief Financial Officer
Cando Rail Services at 204-725-2627

Terry.Carlisle@candorail.com
Or
Kim McFarlane, Principal, Environmental Assessment
SLR Consulting at 403-385-1314
kmcfarlane@slrconsulting.com

Yours sincerely, **Cando Rail Services**

Terry CarlisleChief Financial Officer





www.candorail.com



January XX, 2019

Contact Name, Contact Title Postal Address City, Province Postal Code Email

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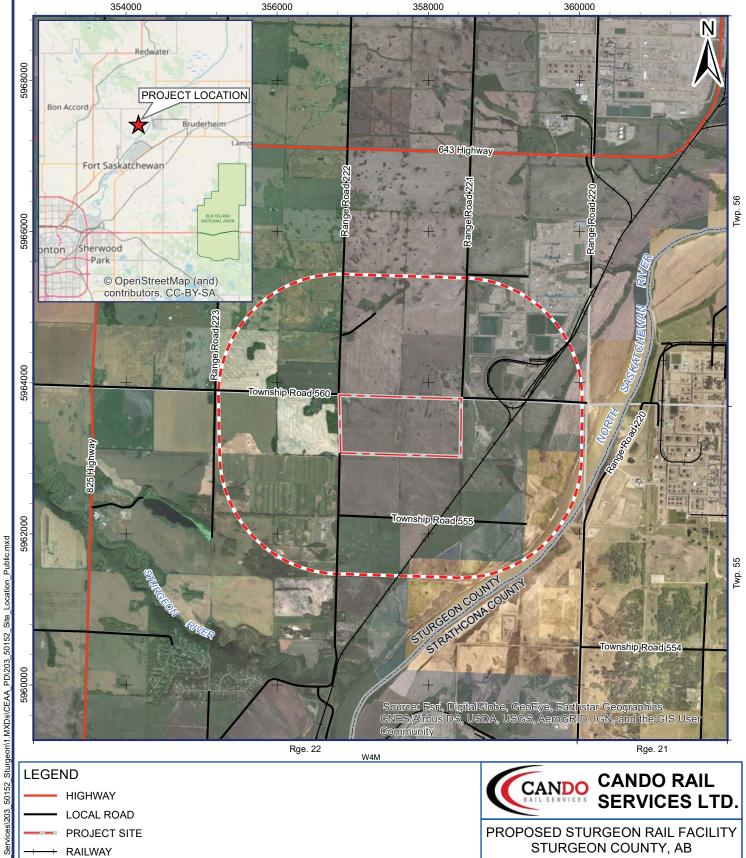
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² Sturgeon County (2017). Sturgeon County Land Use Bylaw 1385/17. https://www.sturgeoncounty.ca/Portals/0/Documents/Bylaws/Bylaw-1385-17-Land-Use-Schedule-A.pdf





This map is for conceptual purposes only and should not be used for navigational

Basedata: AltaLIS Government of Alberta under the Alberta Open Data License

1.6 KM BUFFER OF PROJECT SITE

SCALE: 1:50,000 KILOMETRES WHEN PLOTTED CORRECTLY AT 8-1/2 x11 NAD 1983 UTM Zone 12N

STURGEON COUNTY, AB

PROJECT LOCATION

Figure No. January 8, 2019 0.0 Rev Project No. 203.50152.00000



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WHO TO CONTACT

Cando has provided this notification letter to inform stakeholders of its proposed Sturgeon Rail Facility. If you have any questions or concerns, or if you would like more information, you may contact:

Terry Carlisle, Chief Financial Officer
Cando Rail Services at 204-725-2627

Terry.Carlisle@candorail.com
Or
Kim McFarlane, Principal, Environmental Assessment
SLR Consulting at 403-385-1314
kmcfarlane@slrconsulting.com

Yours sincerely, **Cando Rail Services**

Terry CarlisleChief Financial Officer

CALGARY

1185, 10201 SOUTHPORT ROAD SW CALGARY, AB T2W 4X9 403.266.2030

EDMONTON

6940 Roper Road Edmonton, AB T6B 3H9 780.490.7893

GRANDE PRAIRIE

9905 97 Avenue Grande Prairie, AB T8V 0N2 780.513.6819

KAMLOOPS

8 West St. Paul Street Kamloops, BC V2C 1G1 250.374.8749

KELOWNA

200 - 1475 Ellis Street Kelowna, BC V1Y 2A3 250.762.7202

MARKHAM

Suite 200 - 300 Town Centre Boulevard Markham, ON L3R 5Z6 905.415.7248

NANAIMO

#9 - 6421 Applecross Road Nanaimo, BC V9V 1N1 250.390.5050

OTTAWA

43 Auriga Drive, Suite 203 Ottawa, ON K2E 7Y8 613.725.1777

PRINCE GEORGE

1586 Ogilvie Street Prince George, BC V2N 1W9 250.562.4452

REGINA

1054 Winnipeg Street Regina, SK S4R 8P8 306.525.4690

SASKATOON

620 - 3530 MILLAR AVENUE SASKATOON, SK S7P 0B6 306.374.6800

TORONTO

36 King St. East, 4th Floor Toronto, ON, M5C 1E5 905.415.7248

VANCOUVER (HEAD OFFICE)

#200 - 1620 West 8th Avenue Vancouver, BC V6J 1V4 604.738.2500

VICTORIA

#6 – 40 Cadillac Avenue Victoria, BC V8Z 1T2 250.475.9595

WHITEHORSE

6131 6 Avenue Whitehorse, YT Y1A 1N2 867.765.5695

WINNIPEG

Unit D, 1420 Clarence Avenue Winnipeg, MB R3T 1T6 204.477.1848

YELLOWKNIFE

Centre Square 5022 49th Street Yellowknife, NT X1A 3R8 867.765.5695

