

MD OF ACADIA & SPECIAL AREAS JOINT IRRIGATION STUDY

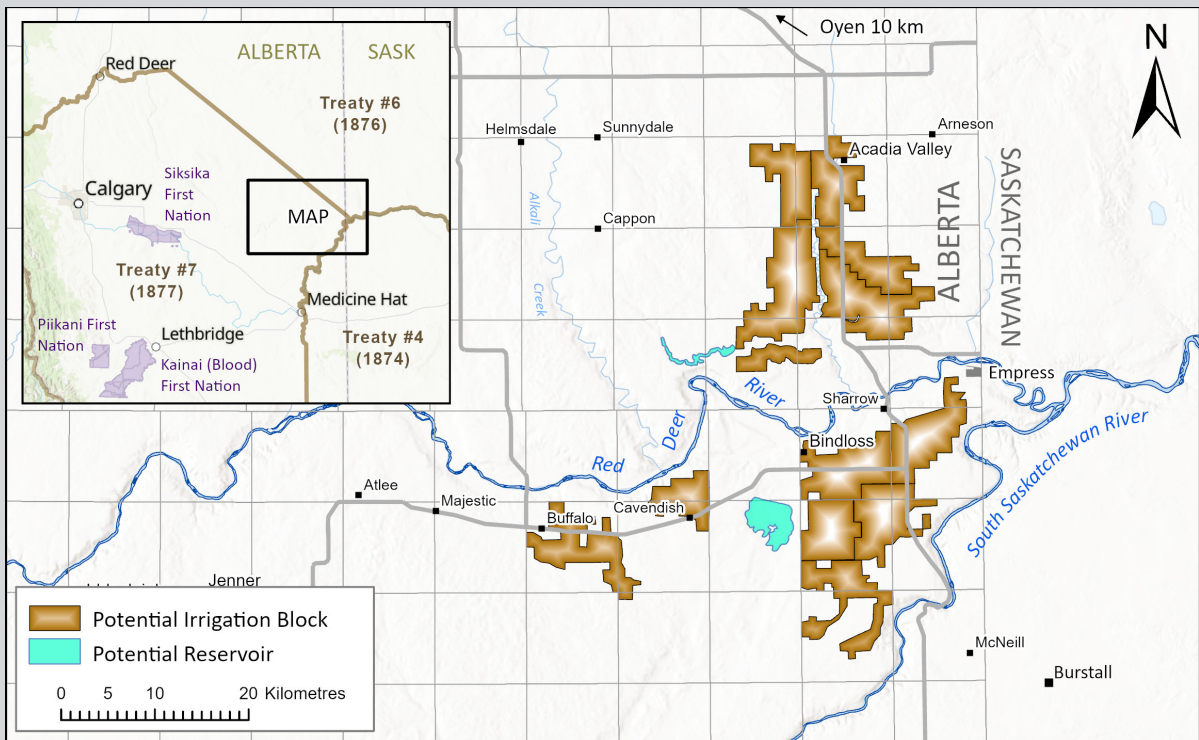
Quarterly Project Update | Issue No. 2 | February 2024

A MESSAGE TO OUR READERS

In March 2021, the Government of Alberta, Canada Infrastructure Bank (CIB), MD of Acadia (MDA) and Special Areas Board (SAB) reached a Memorandum of Understanding to assess the technical and financial feasibility of irrigation expansion in east-central Alberta. A Phase 1 project feasibility report was completed in 2022 and is available on SAB’s website (<https://specialareas.ab.ca/regionalirrigation/>) under the “Technical Information” section:

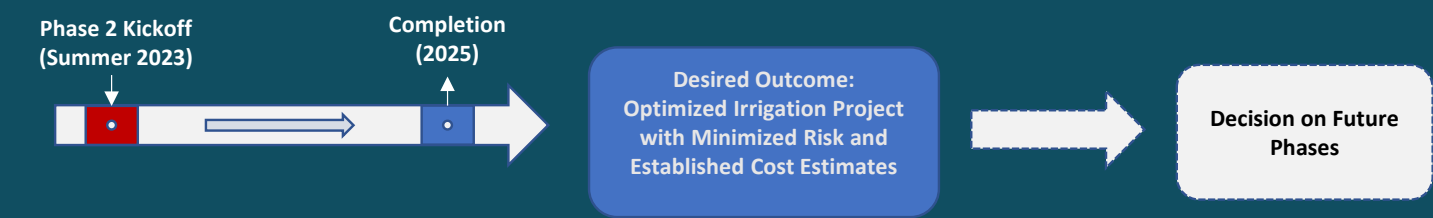
This Quarterly Update document is the second in a series of status updates for the second phase of the project. It is available on the SAB website along with the previous update.

CONCEPTUAL PROJECT SITE MAP



WHAT’S HAPPENING IN THIS PHASE?

STUDY PROCESS



Phase 2 of the MD of Acadia & Special Areas Joint Irrigation Project further investigates potential challenges and risks and explores ways to optimize the path forward. Phase 2 activities include:

- Engineering work including field studies, water availability analysis, conceptual design of major infrastructure components, review of power supply and demand, and initial cost estimating
- Initial engagement and environmental permitting
- Financial analysis and potential revenue generation development

CURRENT QUARTER ACTIVITIES

- Supplemental drone surveys to obtain further imagery of potential reservoir and intake locations
- Meetings with regulatory agencies, Indigenous communities and SAB
- Preliminary analysis of potential reservoirs and hydrogeologic modelling
- Draft Environmental Screening Level Assessment to inform which valued ecosystem components will be included in regulatory reporting
- Initial land use and constraints mapping
- Development of potential on-site energy generation options
- Engagement of Procurement & Financial Advisory Consultant
- Further investigation into water intake concepts and related silt management considerations
- Identification of project physical and topographical constraints
- Calculations to better define proposed irrigable acres
- Preliminary reservoir viability reviews
- Planning for spring field programs (environmental and geotechnical)
- Initial planning for public engagement
- Analysis, screening and refinement of energy generation options
- Modelling of the Red Deer River watershed to analyze water availability to support the irrigation project
- Communications with regulatory agencies



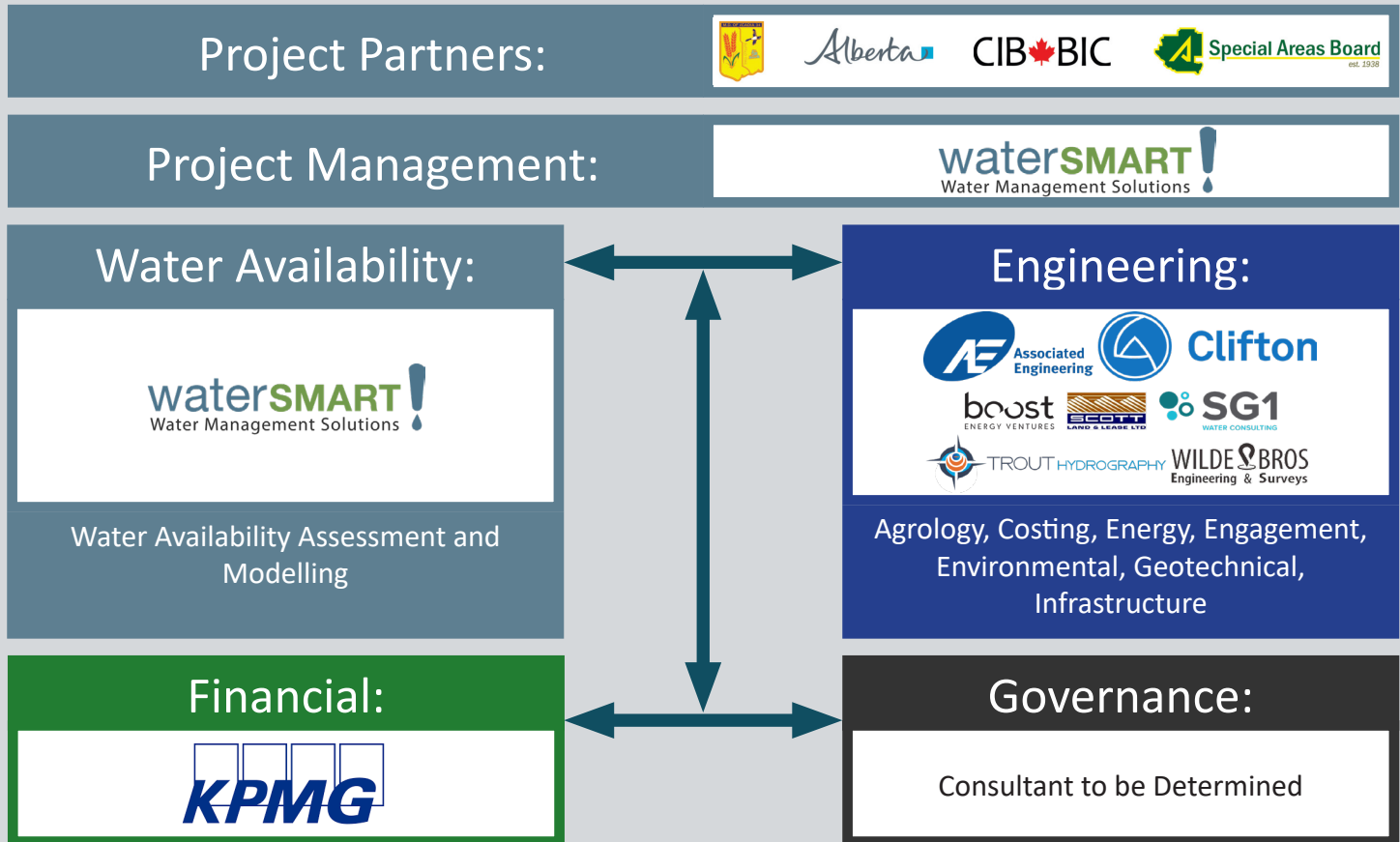
WORK ANTICIPATED NEXT QUARTER

- Preliminary (or 'high level') land classification to assess the soil and topography characteristics for suitability for irrigation
- Preliminary Terms of Reference document for environmental permitting
- Design basis development, including:
 - Establishment of the preferred location of the intake structure in the Red Deer River
 - Confirmation of water availability
 - Development of initial infrastructure requirements and associated high level costs
- Project Area Open House:
 - Acadia Valley, May 2nd, 2024
 - Goals of the Open House will be to connect with interested parties, ask questions, listen to concerns, and provide information
- Additional field work, including:
 - Geotechnical drilling and subsurface soil sampling at selected locations
 - Installation of water observation wells
- The field work is required to:
 - Verify existing ground contours, geology, and groundwater conditions
 - Gather soil samples for design purposes
 - Assist in understanding how to control reservoir leakage
 - Help lay out the distribution systems needed to provide water to land deemed suitable for irrigation

PROCUREMENT & FINANCIAL ADVISORY CONSULTANT SELECTED

Following a competitive selection process, KPMG LLP ("KPMG") was selected as the procurement and financial advisory consultant for the second phase of the MD of Acadia & Special Areas Joint Irrigation Project. The KPMG team will support further refinements in the financial and procurement model for the Project. The KPMG team selected brings experience working on other large irrigation projects, other federal and provincially funded projects, and has supported a range of project delivery models. KPMG began supporting the project in January 2024.

PHASE 2 PROJECT TEAM



CONTACT

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