

Memorandum

FROM Rae-Ann Lajeunesse
Deputy Minister

OUR FILE REFERENCE AR 88026

YOUR FILE REFERENCE

TO Standing Committee on Public Accounts
3rd Floor, 9820 – 107 Street NW
Edmonton, AB T5K 1E7

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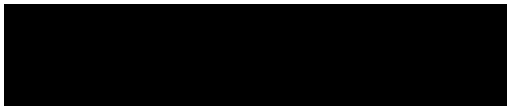
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SUBJECT **STANDING COMMITTEE ON PUBLIC ACCOUNTS – WRITTEN RESPONSES**

In follow-up to the November 30, 2021 meeting with the Standing Committee on Public Accounts, I have attached written responses to the outstanding questions raised during the meeting.

If you have any questions, please do not hesitate to contact me.



Rae-Ann Lajeunesse

Attachment

cc: Aaron Roth, Committee Clerk, Legislative Assembly of Alberta

Alberta Transportation
Public Accounts Follow-Up Questions
November 30, 2021

Calgary Green Line LRT

1. Mr. Marlin Schmidt

- a) *I'm wondering: what is the department's estimate for the cost of the delays to the green line? Is it \$1.5 million a month, as the City of Calgary has stated? Is it more? Is it less? (Page PA-630)*

Answer:

- The business case submitted by the City of Calgary remains unchanged at a total project cost of \$4.65 billion. The Government of Alberta's commitment to Calgary of up to \$1.53 billion also remains unchanged.
- The City of Calgary and the Green Line Project Board are responsible for the planning, design and construction of the Green Line LRT.
- Since the Green Line LRT is a City of Calgary project, it is up to the City to determine and plan the cost estimate. The City worked collaboratively with the department to review technical aspects of the project (e.g. procurement strategy, cost estimation, contingency risk) to ensure that the construction risk and appropriate contingencies were included.
- The time it took to complete the review was well spent and resulted in a better project for taxpayers.
- Our goal has always been to ensure value for money for the provincial contribution into the investment of the Green Line project.

- b) *Can you share those [City of Calgary] cost estimates with the committee? (Page PA-630)*

Answer:

- As noted in question (a) above, the Green Line LRT is a City of Calgary project and cost estimates are provided by Calgary.

Highway 3 Bridge Replacement in Lethbridge

2. Ms. Rakhi Pancholi

- a) *Can you just maybe table for the committee how much was spent on that routine work [...] during this fiscal year? (Page PA-632)***

Answer:

- \$48,000 was spent on bridge operations and maintenance for the bridge in Lethbridge on Highway 3 during fiscal year 2020-21.

- b) *So if there are any safety analyses that are done on that issue, the on- and off-ramps, if you could table that with the committee. (Page PA-632)***

Answer:

- The department has not undertaken a safety analysis on the on-and-off-ramps of the bridge in Lethbridge on Highway 3.

- c) *Can you table or endeavour to take away to table with this committee any record of correspondence between the city of Lethbridge or Economic Development Lethbridge with your ministry about the highway 3 project during the fiscal year in question? (Page PA-632)***

Answer:

- There has been no correspondence between the department and the City of Lethbridge or Economic Development Lethbridge regarding the replacement of the Highway 3 bridge over the Oldman River during fiscal year 2020-21.

- d) *Can you table with this committee any costing or other analysis of the anticipated replacement project and any projections about how those costs may have increased since 2019 and any record of projections of cost increase into the future that you may have undertaken last year? (Page PA-632)***

Answer:

- The 2019 estimated cost based on preliminary engineering design to replace the bridge was \$100 million.
 - There was no additional costing or other analyses for the replacement of the bridge completed in the 2020-21 fiscal year, therefore the estimated cost remains at \$100 million, until such time as a more detailed cost analysis is completed.

Specialized Transit

3. Ms. Marie Renaud

- a) ***For the Ministry of Transportation planning purposes how many Albertans currently require specialized transit? By that, I don't mean low-floor buses, I mean handibus and paratransit. (Page PA-635)***

Answer:

- According to published Canadian Urban Transit Association (CUTA) Statistics (2019) that have been shared with Alberta Transportation on Canadian Specialized Transit Services, there are 31,767 registrants in Alberta's system:
 - Ambulatory – 14,997
 - Non-Ambulatory – 7,505
 - Attendants – 2,385
 - Companions – 6,302

- b) ***In the annual report on page 47 I note that "Alberta CUTA members have reported that nearly all conventional transit routes are designated low-floor" buses. Can you tell me what does nearly all mean? (Page PA-635)***

Answer:

- According to CUTA 2019 Statistics on Canadian Conventional Transit Statistics, there are 2,423 buses in Alberta's transit system. Of these, 2,282 or 94% are low floor buses.

- c) ***We've got, like, 690,000 seniors right now that will likely double in 20 years, but this ministry has no idea of the needs in terms of mobility, accessible and inclusive transportation. There is no idea of where we are and where we're going in terms of need? (Page PA-635)***

Answer:

- Municipalities are responsible for assessing needs and providing services.
- Alberta Transportation is supportive of efforts that promote accessible transportation and the ability for municipalities and communities to deliver barrier-free transportation services for all Albertans in both urban and rural areas.
- Our capital grants encourage capital enhancements that improve mobility and accessibility. For example, under the criteria for funding from the Green Transit Incentives Program (GreenTRIP), all new buses purchased are required to be low-floor accessible.

- Transit services that provide specialized handi-vans, buses, or taxis are commonly referred to as specialized transit services. Currently, a number of municipalities have a dedicated specialized transit service to increase accessibility.
 - The 2019 population in Alberta was 4.36 million.
 - The total service area population with specialized transit service in Alberta was 2.89 million or 66% of Alberta's population (2019 Canadian Urban Transit Association's Statistics).
 - The annual 2019 specialized transit ridership was 2.83 million trips.
 - In addition, other private and non-profit organizations offer similar specialized transit services. The University of Alberta's Medically At-Risk Driver Centre publishes a list of alternative specialized transportation service providers for seniors in Alberta, British Columbia, and Manitoba, many of which offer services unique to seniors.
- d) ***I'm wondering if you could tell me what the total capital investment to specialized transportation is in Alberta in this fiscal year that we're covering. (Page PA-635)***

Answer:

- In 2020-21, \$72.5 million in capital grant funding was provided to municipalities who prioritize and identify capital projects through the Green Transit Incentives Program (GreenTRIP), and the Public Transit Infrastructure Fund (PTIF). These two programs support projects that enhance specialized transportation in Alberta.
 - GreenTRIP provided \$25.6 million for 33 projects. These included LRT expansion in Edmonton, electric bus purchase in Edmonton, bus replacement and expansion in Lethbridge, transit infrastructure expansion in Spruce Grove, and a transit storage and maintenance facility in Airdrie.
 - PTIF provided \$46.9 million for 18 projects, including to the City of Edmonton for the purchase of up to 35-40 electric buses.

Rural Bus

4. Ms. Marie Renaud

- a) ***Can you compare fiscal year 2019-20 to 2020-21, and how many routes were cut by regional or rural private bus operators? (Page PA 635)***

Answer:

- In 2019-20, there were 11 private bus companies, and in 2020-21, there were 12 private bus companies, an increase of 1.
 - The one new private company provided a number of new routes.
 - 2 existing private bus companies increased the number of routes serviced.
 - 6 existing private bus companies had no change in the number of routes serviced.
 - 3 existing private bus companies reduced the number of routes serviced due to COVID-19 impacts that resulted in low ridership.
- All main routes remain serviced, including Edmonton, Red Deer, Calgary, Medicine Hat, Lethbridge, Lloydminster, Cold Lake, Fort McMurray, Peace River Grande Prairie, Banff, and Jasper.

b) *I'm just wondering if you could table for this committee any correspondence or recommendations that you've made to these operators? (Page PA 636)*

Answer:

- The department has heard from Intercity busing companies (Cold Shot, J&L Shuttle, Northern Express Sundog and Red Arrow) a number of times during the pandemic in relation to government providing operating support. Like all other Alberta businesses, intercity bus companies are eligible to access other provincial and federal supports in response to COVID-19. The department shared information about government-wide programs that provide funding support. Information was shared about the following programs:
 - In spring 2021, the Province committed \$350 million under the Small and Medium Enterprise Relaunch Grant (SMERG).
 - This program is administered by Jobs, Economy and Innovation and supports businesses and employees affected by the economic disruptions of the pandemic. Intercity bus operators were eligible under SMERG.
 - Additional relief has also included:
 - Deferring the collection of corporate tax and education property tax for businesses, as well as deferring WCB premium payments and utility payments; and
 - Targeted programs for employers, such as the Canadian Emergency Wage Subsidy, Canada Emergency Business Account, and Canada Emergency Commercial Rent Assistance.

Highway 881 Widening

5. Ms. Rakhi Pancholi

Then if you could provide a cost estimate of the widening, as you've discussed, that would be appreciated as well. (Page PA 637)

Answer:

- We are investing more than \$50 million over the next four years to this project.
 - The 37.6-kilometre project is on Highway 881 between Lac La Biche and Anzac and involves 14 climbing/passing lanes, one new oversize truck staging area, and improvements to roadside turnouts and intersections.

Road Rehabilitation

6. Ms. Marie Renaud

Can the ministry share with the committee the average cost to repave one kilometre of road in 2020-21? I appreciate that each situation is different, but a working rule or equation is sufficient. (Page PA 639)

Answer:

- In general, the average cost to repave (applying a new layer of asphalt to an existing deteriorating surface) one kilometre of highway is approximately \$320,000.

Road Condition

7. Ms. Marie Renaud

Does the ministry have an assessment of the percentage of Alberta's road network owned by the province that is susceptible to extreme weather events like we've seen in B.C.? If so, for the proportion of the road network that is not up to modern standards, does the ministry have a working cost estimate of the amount required to bring the network up to standard? (Page PA 639)

Answer:

- Flood vulnerability has little to do with the physical condition of the highway (i.e. poor, fair, good) and the age of the infrastructure.
- In Alberta, it is unlikely for any major centre in the province to be cut-off for an extended duration due to any one flood event, due to the network configuration and the high standard of flood protection for strategic highways.
- Typical vulnerabilities would be short-term closures and the need to re-build river protection works and slide mitigation works.
- Alberta's long and well documented history with significant flood events has shown that most significant traffic and supply chain impacts can be resolved in a matter of days.
- We estimate the percent of the provincial highway network that is vulnerable to extreme weather events to be 15 per cent, based on locations with the potential of more significant flood impact.
- The high-level cost estimate to bring the entire network up to the current design standard would be approximately \$1.5 billion.
 - Economic analysis shows there would be a poor return on investment from enhancing all lower standard components of the network to the current protection standard. No major jurisdiction would likely be cut-off long-term due to the network configuration and most significant traffic and supply chain impacts would be resolved in a matter of days.
 - There would also be minimal enhancement to safety from such an investment, as our network is actively monitored during flood events, and any structures deemed to be unsafe would be closed to traffic for a short period.

QE II Highway between Edmonton and Calgary

8. Ms. Marie Renaud

The ministry does planning work at a high-level cost estimate of the amount required to make the QE II highway between Edmonton and Calgary three lanes in each direction, including the cost of reworking interchanges. Can the ministry please table with the committee the high-level cost estimate? (Page PA 639)

Answer:

- The anticipated cost (2018) to complete six-laning from Edmonton to Calgary is over \$1.3 billion over several years.

Progress of Projects (Federal Grant Programs)

9. Ms. Marie Renaud

Can the ministry explain why progress on projects under the federal grants program was slower than anticipated? If progress was limited due to the COVID-19 pandemic, what steps did the ministry take in 2020-21 to ensure that the projects will be completed in a timely manner? How is the ministry supporting Alberta's municipalities to complete their projects and address federal funding requirements, and are there financial implications associated with the delays? (Page PA 639)

Answer:

- In order to support municipalities in completing their projects as quickly as possible, the department typically carries over unspent federal grant funding from one year to the next as a result of slower progress on projects.
- The municipalities can then continue to receive the approved funding in alignment with the project's progress.
- Approved funding levels remain the same.
- Progress delays in 2020-21 were not substantively different from prior years, though some municipalities have indicated progress delays were compounded by COVID-19 challenges.
- Slower progress under the federal grant programs primarily consisted of the Calgary and Edmonton LRT projects.
 - Delays caused by the testing process, compounded by the COVID-19 pandemic, means the southwest segment of the LRT system in Edmonton will not be open to commuters as originally planned.
- Where there were delays in other smaller federal ICIP projects, reasons related to COVID-19 included: Indigenous consultation taking longer than anticipated, supply chain delays in the delivery of material and equipment, and companies not willing to travel to remote areas to do a smaller project.

Twining Ray Gibbon Drive

10. Ms. Marie Renaud

Can we get a status update on delays and any issues or permit problems? (Page PA 639)

Answer:

- The Ray Gibbon Drive project is proceeding as planned. The department is not aware of any delays or issues relating to permit problems.
 - The Province will contribute 50 percent (\$27.1 million) towards the \$54.2 million project, with provincial funding starting in 2025-26 over four years.
 - The twinning project is broken down into four stages, with construction of the full project expected to be completed in 2030. Work is underway with stage 1 and expected to be completed in 2022.

Report of the Auditor General

11. Ms. Marie Renaud

- a) ***According to the AG report the Ministry of Transportation is required to follow public-sector accounting standards, which include the reporting of environmental liabilities. What steps is the ministry taking to improve its reporting of environmental liabilities to ensure that it's meeting public-sector accounting standards and government accounting policies? Is there a timeline for implementation? (Page PA 639)***

Answer:

- Alberta Transportation complies with all applicable Public Sector Accounting Standards and is aligned with accounting Directives provided by Treasury Board and Finance.
- The department's 2020-21 financial information has been audited by the Office of the Auditor General (OAG). The OAG has not identified any material errors.
- The department has developed and implemented an engineering assessment framework in order to estimate the liability for remediation needed at contaminated Highway Maintenance Yard (HMY) sites. The department has also developed a method to estimate liabilities of reclamation of sand and gravel pits based on the expected timeframe of no longer needing to access these pits.
- These improved processes will also ensure that environmental liabilities are not overstated as they will be based on estimates for the appropriate solution and timing for remediation at each site.

- b) ***What steps is the ministry taking to address the OAG concerns that Transportation is in noncompliance with the Environmental Protection and Enhancement Act, and does the ministry have a timeline to complete environmental assessments of contaminated sites under its jurisdiction? (Page PA 639)***

Answer:

- The department has been aware of salt contamination at legacy Highway Maintenance Yards (HMY) and has actively managed all sites, including significant amount of delineation work that has been done over the years to determine and manage contamination.
 - There are more than 150 sites that the department is responsible for.
 - Sites can only be fully assessed once they are no longer active and the further contamination is no longer occurring.

- The department has recently enhanced its processes by developing and implementing an engineering assessment framework for contaminated sites resulting from the operation of HMY. This framework will identify the optimal strategy for each site.
 - Submitting the optimal strategy to the regulator for approval and implementing approved strategies will ensure compliance with legislation for each site.
 - It is expected to take about 10 to 15 years to assess all sites and obtain regulator acceptance of the optimal strategies.

c) *The OAG reported that contamination continues to spread due to uncontrolled sources of contamination that Transportation has not remediated or controlled. What are the financial, environmental, and human risks posed when contaminants are permitted to leach? Also, what steps is the ministry taking to ensure the safety of people and environment around these sites, and can the ministry please break this down by site? (Page PA 639)*

Answer:

- If left unmanaged, potential financial, environmental and human risks include the need to remediate (remove and replace contaminated soil), reduction in productivity of crops and resale value of land, risk of contamination spreading to environmentally sensitive features such as wetlands and streams, and impact to water from wells that is used for human consumption.
- However, regular monitoring and reporting of contamination levels at all sites is undertaken to assess and manage these risks until a permanent solution is identified.
 - Final mapping of contamination and identification of the long-term solution is completed once a site is no longer active and can no longer spread.
- In the interim, all sites are actively managed to address any contamination impacts prior to the implementation of the long-term strategy.
 - This may include short-term mitigations, such as reducing contamination levels at hotspots, providing water well modifications to enhance water quality, and financial compensation for lost crop production.
 - Actions vary significantly by site to address potential impacts to adjacent landowners and the environment.

- d) ***According to the OAG the ministry has not always informed or involved all landowners whose land is affected by contaminated sites. What plans, if any, did the ministry put in place to ensure that all parties affected by site contamination are appropriately notified? (Page PA 640)***

Answer:

- Improved processes ensure landowners are informed of potential salt contamination.
 - As part of the engineering assessment landowner notifications are completed as necessary, prior to seeking approval from the regulator.
 - Landowner consent is required to access their land to collect contamination mapping data and those results are shared directly if requested.
 - The data is also provided to Alberta Environment and Parks, who posts the information on a public-facing website where it can be accessed by landowners at any time.
- e) ***The OAG stated that the ministry suspended operating a groundwater recovery system for a period due to insufficient funding, increasing the risk of contamination spreading. What specific steps did the ministry take, if any, in 2020-21 to ensure that there is sufficient funding to maintain and operate groundwater recovery systems? (Page PA 640)***

Answer:

- The decision to suspend operations of a groundwater recovery system at one site was made many years ago. Since then, experts re-evaluated the groundwater recovery system and determined that it was not effective and not part of the optimal solution, so the system was no longer required. The site is being actively managed until a long-term strategy is implemented.
 - A draft risk management plan is currently with stakeholders and will be submitted by the end of this fiscal year to Alberta Environment and Parks for approval.

Red Tape Reduction (Elimination of Permits)

12. Ms. Marie Renaud

How will the ministry know if the elimination of the commercial vehicle and commercial carrier permits is achieving its desired results to streamline processes and reduce costs for carriers whereby it hopes to save carriers time and money while still supporting the safe and efficient movement of goods across the province and drive economic growth? Does the ministry plan to publicly report performance metrics? (Page PA 640)

Answer:

- The Alberta Motor Transport Association and commercial carriers have advocated for and been highly supportive of these changes, confirming that they have streamlined processes and reduced costs.
- The reduction of commercial vehicle and commercial carrier permits was an immediate elimination of both applications and permit costs.
 - This regulatory change was an immediate cost savings to industry, which is estimated at \$420,000 per year.
 - It eliminated 15,000 permits, each one of which had an application. This is an immediate time savings for commercial carriers.
- The legal limits (maximum weights/dimensions) in regulation had not been updated in nearly 20 years, and did not reflect modern vehicle configurations. In order to allow these configurations on highways, permits were required which had time and costs associated with obtaining them annually.
- Because the only thing eliminated was the permit, there is no change to which vehicle types and configurations are on Alberta highways.
- There are no plans to publicly report performance metrics as the permit and time savings were immediate, and continue each year as permits are no longer needed for common configurations.

OAG Report on Environmental Liabilities

13. Mr. Searle Turton

- a) ***Can the ministry please provide an update on the progress made to addressing the office of the Auditor General's recommendation to improving processes to assess, estimate, and account for environmental liabilities? (Page PA 640)***

Answer:

- Alberta Transportation complies with all applicable Public Sector Accounting Standards and is aligned with accounting Directives provided by Treasury Board and Finance.
- The department's 2020-21 financial information has been audited by the Office of the Auditor General (OAG). The OAG has not identified any material errors.
- The department has developed and implemented an engineering assessment framework in order to estimate the liability for remediation needed at contaminated Highway Maintenance Yard (HMY) sites. The department has also developed a method to estimate liabilities of reclamation of sand and gravel pits based on the expected timeframe of no longer needing to access these pits.
- These improved processes will also ensure that environmental liabilities are not overstated as they will be based on estimates for the appropriate solution and timing for remediation at each site.

- b) Can the ministry please provide an update on the progress made to addressing the office of the Auditor General's recommendation to improving processes to ensure compliance with environmental legislation? (Page PA 640)**

Answer:

- The department has been aware of salt contamination at legacy Highway Maintenance Yards (HMY) and has actively managed all sites, including significant amount of delineation work that has been done over the years to determine and manage contamination.
 - There are more than 150 sites that the department is responsible for.
 - Sites can only be fully assessed once they are no longer active and the further contamination is no longer occurring.
- The department has recently enhanced its processes by developing and implementing an engineering assessment framework for contaminated sites resulting from the operation of HMY. This framework will identify the optimal strategy for each site.
 - Submitting the optimal strategy to the regulator for approval and implementing approved strategies will ensure compliance with legislation for each site.
 - It is expected to take about 10 to 15 years to assess all sites and obtain regulator acceptance of the optimal strategies.

Road Rehabilitation

14. Mr. Peter Singh

What were the metrics used by the ministry in determining which roads received the funding for rehabilitation, and how did the ministry include safety in its assessment of which roads needed rehabilitation? What mechanisms did the ministry have in place to ensure that rehabilitation projects are of high enough quality for taxpayers to get value for their tax dollars? (Page PA 640)

Answer:

- The department utilizes asset management principles (i.e., pavement preservation and rehabilitation strategies) and asset management systems to determine the timing of road rehabilitation, and prioritizes projects to maximize the benefit to Albertans (through use of cost-benefit analysis).
- The department applies a safety screening methodology in the American Association of State Highway and Transportation Officials' (AASHTO) Highway Safety Manual (HSM) to rank and identify collision prone intersections. These locations are then considered as part of a road project or addressed as a stand-alone.
- For project design, the department acquires external consultants who use widely-accepted standards from AASHTO and the Transportation Association of Canada to determine the most cost-effective way to improve the highway and ensure all designs meet the safety standards.
- The department's Pavement Management System uses deterioration models to predict pavement needs for the entire highway network over the next 10 years.
- All projects require a life cycle cost analysis to ensure the design meets the lowest cost to maintain the highway throughout the entire life of the road.