

BY EMAIL ONLY

March 25, 2019

Bramwell Strain, City Manager
City of Lethbridge

TAMARACK ACQUISITION CORP

APPLICATION NO. 005-00190970

STATEMENT OF CONCERN NO. 31450

Dear Bramwell Strain,

You are receiving this letter because you filed a statement of concern about Application No. 005-00190970 on behalf of the City of Lethbridge. The Alberta Energy Regulator (AER) has reviewed the statement of concern, along with the company's application, and all applicable requirements and other submissions or information about the application. The AER has decided that a hearing is not required to consider the concerns outlined in the statement of concern.

In our review of your concerns, we considered the following:

- The concerns regarding water use during times of drought are addressed through Tamarack Term Licence conditions 3.8, 3.9, 3.10, and 3.11 which impose Water Conservation Objectives (WCO) and Instream Objectives (IO) as described in schedule 1. These conditions restrict (or prohibit, where there is not sufficient water flow to meet IO) water diversion during times of low water flow (drought) in the Oldman and St. Mary River basins. While these conditions do not suspend the licence, these conditions do prevent the diversion of water by Tamarack when IO are not met.
- The City of Lethbridge holds senior Water Licence No. 00045701-00-00 with a 1909 priority date, which was issued in perpetuity under the *Water Resources Act*. The annual maximum diversion allocation remains at 30,850,000m³/year, and unlike the licence issued to Tamarack, the City's licence does not contain conditions which restrict diversion based on WCO and IO. This significant allocation will continue to

benefit the City of Lethbridge for generations to come allowing for continued growth and expansion of the City.

- Tamarack holds junior Term Water Licence No. 00190970-00-00 issued under the *Water Act* with a 2002 priority date. During drought conditions and in times of “water mastering” the City’s senior licence has precedence in terms of water diversion and use.

Based on the above, the AER has concluded that it is not necessary to hold a hearing before making a decision on the application. The AER has issued the applied-for licence and this is your notice of that decision. A copy of the licence is attached.

All AER- regulated parties must comply not only with the conditions of their authorizations, but with all of the AER’s regulatory requirements. To ensure industry compliance the AER has developed its *Integrated Compliance Assurance Framework*, which embodies the three main components of all effective compliance assurance programs, those being education, prevention, and enforcement. You can find out more about how the AER verifies industry compliance and responds to noncompliance here: <https://aer.ca/regulating-development/compliance/compliance-assurance-program>.

You may file a regulatory appeal on the AER’s decision to issue the licence if you meet the criteria within section 36 of the *Responsible Energy Development Act*. Filing instructions and forms are on our website under Regulatory Appeal Process.

If you have any questions, contact Megan Carfantan at 403-297-8415 or megan.carfantan@aer.ca.

Sincerely,

<Original Signed By>

Scott Fallows

Acting Director, Business Process

Enclosure (1): **(Licence)**

cc: Carol Ann Bateman, Tamarack Acquisition Corp
Claude Eckert, AER Application Processor
AER Medicine Hat Field Centre
Julia Fulford, ASE Regional Manager
ADR Mailbox, AER
AER Environmental Protection & Enhancement and Water Statements of Concern