

2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

EXECUTIVE SUMMARY

Recovery from the 2013 flood continues for Calgary citizens and The City. The Recovery Operations Centre (ROC) continues to provide leadership and resources to remaining flood recovery activities, while transitioning remaining long-term recovery work to facilitate the closure of ROC in 2015 June. There will be several areas of long-term recovery that will continue beyond 2015 June into future years that require resources to manage activities and reduce risks to The Corporation. In particular, citizen and private property support, finance, insurance and infrastructure recovery projects will carry on beyond the closure of ROC. A status update on these related activities is included in this report. The final details of the transition plan will be included within the next quarterly update report. Final activities by the ROC also include capturing lessons learned for potential application in future recovery activities.

ADMINISTRATION RECOMMENDATION(S)

That the Priorities and Finance Committee recommend that Council receive this quarterly report on the activities of the Flood Recovery Task Force for information.

RECOMMENDATION OF THE PRIORITIES AND FINANCE COMMITTEE, DATED 2015 APRIL 21

That the Administration Recommendation contained in Report PFC2015-0366 be approved.

PREVIOUS COUNCIL DIRECTION / POLICY

On 2013 July 02, the Priorities and Finance Committee received the first status update regarding administrative and community activities resulting from the 2013 flood. Since that time, a significant number of reports have been brought to Council by Administration including: quarterly updates on the activities of the Flood Recovery Task Force; emergency response updates and lessons learned reports from the Calgary Emergency Management Agency; update reports from the Water Expert Management Panel on River Flood Mitigation; Flood Hazard Area land use policy update reports; grant program on permit fees; property tax relief reports; flood-related budget impacts; and resiliency recommendations. Reports and attachments are available online at www.calgary.ca/floodrecovery as well Attachment 1 is a consolidation of flood related reports.

BACKGROUND

The Calgary Emergency Management Agency (CEMA) prepares and coordinates emergency management activities within The City. CEMA established and trained senior Administration to be prepared to address recovery prior to the 2013 flood. Upon the event of the flood, a ROC Steering Committee was struck, and a Recovery Director appointed to oversee the Flood Recovery Task Force (Task Force) established in 2013 July. A *2013 Flood Recovery Framework* identifying recovery objectives was approved by Council on 2013 September 03. Since the disaster, The City has undertaken recovery and rebuilding activities with a focus on five priority areas: People, Housing and Property, Infrastructure, Services and Funding. The Task Force reports to Council on a quarterly basis until the ROC is closed. In 2015 June the ROC and the Task Force will conclude and ongoing long-term recovery work will be transitioned

2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

to business units within The City. Details of this transition plan will be brought to Council in the next quarterly update, including which business unit is responsible for ongoing recovery activities and when and how Council will receive updates on progress recovery.

INVESTIGATION: ALTERNATIVES AND ANALYSIS

The Task Force has completed much of the work set out in the five key focus areas outlined in the 2013 Flood Recovery Framework, and long term operations and capital recovery work was identified within 2015-2018 Action Plan. The coordination of activities between business units and other orders of government and external partners remains a busy activity for the ROC, especially with regard to securing funding from grant programs such as the Disaster Recovery Program (DRP), the Municipal Staffing Capacity Grant (MSCG), Property Tax Relief Program, Flood Recovery Erosion Control (FREC), Alberta Community Resilience Program (ACRP) and insurance. The ROC has continued to provide coordination within The Corporation to ensure efficient and effective communication with funding providers, and to streamline coordination of activities required to submit applications to programs. Additionally, the ROC has continued to advocate for flood impacted citizen needs and communication regarding grant program activities, community impacts from flood, and information on recovery and future flood resiliency. Finally, the ROC continues to provide a coordination of information function to report on the overall progress of recovery to the Steering Committee and to Council.

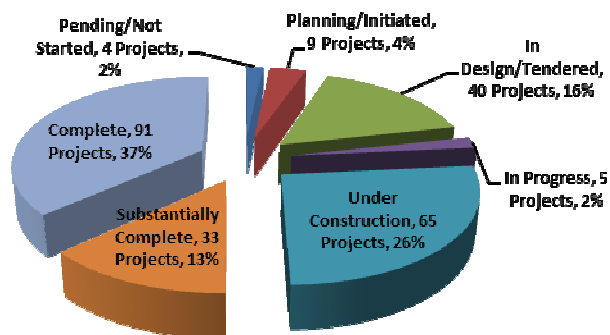
People, Housing and Permits:

ROC has advocated to both Alberta Health Services and the Government of Alberta (GOA) for continued outreach and case worker support of flood impacted Calgarians. ROC has also continued to coordinate internal activities related to property recovery and the activities planned by the Government of Alberta regarding property buy-outs. To illustrate recovery activities specific to "People" and "Housing and Property", results based accountability summaries are provided in Attachments 2 and 3.

Infrastructure:

The Municipal Infrastructure Recovery Program (MIRP) focuses specifically on the municipal infrastructure component of the recovery framework. It is in place to ensure alignment between projects initiated to repair municipal infrastructure, City budget processes and processes to recover funds from insurance, the Alberta DRP and other funding sources. As indicated in the chart *Current Total of 247 MIRP Projects*, work continues on projects to repair or, where necessary, replace municipal infrastructure damaged during the June 2013 flood. Project status (cost, schedule and scope/quality) is monitored and updated on a monthly basis for all projects.

Current Total of 247 MIRP Projects



2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

The flood recovery web page www.calgary.ca/floodrecovery includes an updated project list and an interactive map that has the most current status for each project included in MIRP. Many projects are being strategically planned in terms of future events in the design. An example is

the pedestrian bridges are being rebuilt higher than original to reduce the potential future risk of debris building up in a future flood event. As well the set on the abutment of several pedestrian bridges has increased as a resilient feature should future floods occur the impact will be less. Insurance and provincial programs provide the majority of funding for municipal infrastructure recovery. These funding programs have time limits. Insurance claims must typically be processed within a two-year period and the provincial DRP must be concluded within five years of the disaster, less the time to process the paperwork. An extension of the two-year insurance claim period has been formally requested of City insurers to accommodate the complexity of the claim and settlement. With respect to the DRP, it is forecasted that the majority of projects relying on DRP funding will be completed within the program time frame. However, since the DRP is very closely aligned with federal government programs that allow the GOA to be reimbursed, some time must be allotted for GOA to wrap up its aspects of the program. The net result is that The City must actually complete flood recovery project work and grant submission in four to four and a half years to allow the GOA sufficient time to complete the financial accountability reporting of DRP and obtain cost reimbursement from the federal government. This is a risk that is being monitored closely. An extension to DRP is being explored as one option to mitigate this risk. ROC is also working closely with project managers and finance staff to forecast the recovery program out and to ensure complex, costly recovery projects are completed well within the five year time frame. Overall progress on the MIRP is summarized in Attachment 4.

Another risk that is being addressed by the ROC involves a mid-process transition of the GOA's DRP from a third party program administrator. Until recently, LandLink administered the DRP on behalf of the GOA as the third party administrator. The GOA terminated this arrangement and is now directly administering the DRP. This transition does introduce some risk to financial recovery in terms of potential delays and challenges due to changes in process and personnel. ROC is mitigating this risk through ongoing and regular communication with DRP staff at GOA and with City staff involved with project delivery and financial recovery.

The City is working with Alberta Environment and Sustainable Resource Development (AESRD) and the Department of Fisheries and Oceans (DFO) to evaluate the fish habitat compensation required due to the in-stream repair and recovery work in Calgary rivers resulting from the flood. With DFO's support, The City is proceeding with a systematic approach to ensure the process is efficient, optimizes value and benefits the habitat. Given the large number of flood recovery projects that were completed by several business units across the corporation, The City recognizes it would be beneficial to approach a compensation plan in a holistic manner. The requirements associated with all the flood projects will be combined and the impacts and opportunities analyzed together. This methodology will allow The City the flexibility to select compensation projects that will offer the greatest potential for success. The City has obtained approval for funding under the 2013 Flood Recovery Erosion Control Program for fish

2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

compensation. These regulatory requirements appear to be recoverable under DRP and The City is seeking written confirmation from GOA that costs will be covered.

Funding:

The original approved and forecasted budget of \$445.1M had been revised to \$409.6M and as of 2015 February 28 \$193.4M (or 54 per cent of the total 2013 to 2015 recovery budgets) has

been spent. As the flood damage becomes better understood over time, Administration is identifying some opportunities for a reduced budget need. This will be updated as budgets are approved during the 2015-18 timeframe.

Administration is tracking expenditures, reporting costs, securing recovery funding, and updating budget adjustments related to the flood. The City continues to seek flood recovery funding through a number of sources. As of this reporting period, the provincial DRP has reimbursed The City \$33.7M in operating expenses for flood response, and the return rate on these DRP submissions for flood operations is an average of 99 per cent. Efforts will continue to maintain this high rate of return with the remaining submissions to come forward over the next few years. The City has also received \$4.93m (\$3.6M in 2014 and \$1.33M in 2015) from the MSCG program. The City is in discussions with the GOA to secure funding under the DRP for fish compensation projects completed under the FREC program. Flood financial information (budget and expenditures to date) is provided in Attachment 5 and is current as of 2015 February 28. Of particular note the Talisman Centre costs are insurance eligible. A detailed summary of the capital budget on flood recovery-related projects summarized by business unit is included in Attachment 6.

The City also continues to work with our insurers to process a claim for flood damage for those properties for which insurance was in place. The insurers have provided to The City an advance of \$50M based on the early estimates of damage.

Services:

Consistent with every emergency event that CEMA coordinates, a review follows the event to confirm lessons learned and corrective action to implement and improve response and recovery services. A review of the flood response was completed by The Conference Board of Canada, and upon direction by Council, a review of the recovery has also been initiated.

There have been many internal lessons learned at the business unit level and project level throughout the recovery process. As a result, Administration has already begun to implement numerous procedures and protocols with regards to future recovery activities such as:

- A central point of contact during recovery for both The City and GOA with strong communication relationships;
- Commencement of the Property Tax Relief program sooner in the recovery process;
- Better leveraging of external partnerships to assist citizens during recovery; and
- Creation of a web-based software program called Catastrophe Claims Management System (CCMS) to support a standardized insurance claims administrative process

2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

The Conference Board of Canada has completed interviews regarding lessons learned on our recovery efforts and a draft report has been developed. The final lessons learned recovery report will be presented to Emergency Management Committee in 2015 July.

Stakeholder Engagement, Research and Communication

In early January a letter was sent to flood-affected property owners to connect and inform citizens of supports and services in place as well as timelines for winding down recovery efforts. ROC has advocated to the GOA for sessions for citizens on flood mitigation as well as DRP

applications and appeals support with both case workers and Alberta Health Services. The website information related to flood recovery continues to be monitored and updated. ROC team continue to support answering 311 service requests from Calgarians related to flood recovery, flood preparation and available services.

Strategic Alignment

This report aligns with the Municipal Development Plan (MDP), the Calgary Transportation Plan (CTP), the Municipal Emergency Plan (MEP) and the 2020 Sustainability Direction. Calgary, our communities and neighbourhoods are striving to be safe, resilient and supportive: By 2020, communities will have demonstrated the resiliency to self-activate to respond to natural disasters. Council priorities in 2015-2018 include "Build resiliency to flooding" and "Enhance The City's capacity and resiliency to prepare for and respond to pandemics, natural disasters and emergency situations".

Social, Environmental, Economic (External)

The Triple Bottom Line (TBL) is repeatedly referenced in literature regarding disaster recovery and resilience. The Task Force has centred its key result areas within the *2013 Flood Recovery Framework* on the TBL sustainable development principles. The Task Force has aligned the deliverables of the *2013 Flood Recovery Framework* to the business plan and budget coordination cycles of The City to capitalize on organizational capacity and effectiveness.

The social impacts of the flood continue to be monitored and supported through ongoing liaison between several City work units and City partners. Strong networks of relationships within The Calgary and with service agencies in Calgary and other orders of government such as Alberta Health Services have been established and are continuing to strengthen with the common goal of supporting citizens.

Environmental impacts continue to be identified and assessed. We are seeking clarification of fish compensation in a post-flood environment. The City continues to work with other orders of government and other municipalities regarding flood recovery, repair and mitigation projects. The City continues to build relationships with the GOA regarding the DRP transition and the approval for eligibility of fish compensation under DRP. Recovery work is subject to standard procurement and permitting processes.

2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

Financial Capacity

Current and Future Operating Budget:

Funding from the Fiscal Stability Reserve (FSR) was approved in 2014 for resiliency projects, which included a modest one-time request for operating budget. The unspent funds of \$728K from the 2014 one-time operating budget were relinquished to FSR after the closing of the 2014 fiscal year. An update on the progress of the resiliency projects will be presented to Council in 2015 May. Council approved a new one-time operating budget request of \$50,000 for continued support of the Flood Permit Pilot Program in 2015. The unspent funds of \$295K from the 2014 one-time operating budget of \$310K for the Flood Permit Pilot Program were relinquished to FSR.

Administration anticipates there will be ongoing recovery activities and requests for resiliency projects that may have implications for both current and future operating budgets and those will be presented and addressed on a case-by-case basis or as part of mid and year end Action Plan reporting.

Current and Future Capital Budget:

There are no requests for Council to consider for capital budgets in this report. Administration anticipates there will be ongoing recovery activities and requests for resiliency projects that may have implications for both current and future capital budgets and those will be presented and addressed on a case-by-case basis or as part of mid and year end Action Plan reporting.

Risk Assessment

There are several risks that may impact future operating and capital budgets. Of particular note is the risk that if The City does not build resiliency into our infrastructure, flood insurance will be extremely costly or potentially unavailable in the future. The City continues to work with our insurers and impacted business units to repair the flood-related damage where insurance coverage was in place. Any expenses not recoverable from insurance on DRP eligible projects will be submitted to the GOA through the DRP. The City has submitted its first submission relating to expenses not recoverable by insurance and at the time of this report we have had no feedback from the GOA on our submissions to the DRP on these insurance related files.

An extension of the two-year insurance claim period has been formally requested of City insurers to accommodate the complexity of the claim and settlement.

There are risks and mitigation options noted earlier in the report relating to the DRP. Specifically, risks include a refusal to extend the timeframe for DRP, the potential lag in progress of infrastructure projects caused by the transition of LandLink files to provincial staff thus hindering The City's ability to meet deadlines, and ability to include partial or all fish compensation costs under DRP. The risk remains that The City may not recover all costs associated with flood repairs and rebuilding of our infrastructure and restoration of services.

There is a risk of loss of public confidence and corporate reputation due to failure in two key areas; addressing infrastructure issues and resiliency in a timely or thoughtful manner and ensuring land use policies and bylaws promote resilient development.

2013 FLOOD RECOVERY TASK FORCE: UPDATE REPORT (Q1 2015)

In continuing to build public confidence and maintain our good corporate reputation, the Task Force has committed to:

- Provide regular and consistent updates to the ROC Steering Committee, Administrative Leadership Team, Council and the public until ROC closes in 2015 June 30;
- Work collaboratively with the GOA, partner agencies and NGOs;
- Continue to work diligently to complete infrastructure projects;
- Include resiliency in current operating procedures as well as infrastructure projects;
- Maintain accurate records for infrastructure projects;
- Keep resiliency in the forefront with regards to people, communities, projects and legislation; and
- Provide current information and regular updates on our Calgary.ca website.

REASON(S) FOR RECOMMENDATION(S):

The Flood Recovery Task Force has continued to deliver on the objectives outlined within the *2013 Flood Recovery Framework*. The ROC is conducting lessons learned activities to inform future recovery efforts and is transitioning to close in 2015 June.

ATTACHMENT(S)

1. Summary of Flood Related Reports, Previous Council Direction and Future Reports
2. People Results Based Accountability Summary
3. Housing & Property Results Based Accountability Summary
4. Municipal Infrastructure Recovery Program – Progress Summary – February 2015
5. 2013 Flood Financials - February 2015
6. Capital Budget – Flood Related Projects / Budget Expenditures - 2013 to 2015 February