

Shellmouth Dam Compensation Program

Project Overview

The Office of the Auditor General (OAG) received allegations/concerns related to the Shellmouth Dam Compensation Program (SDCP) claims process from 2011, 2012 and 2014 flood events. The OAG conducted a review of allegations/concerns related to timeliness and compliance with legislation including inspections and lack of supporting evidence, concerns that Manitoba Emergency Measures Organization (EMO) did not sufficiently communicate program information, and insufficient public consultation related to operational guidelines.

In fall 2021, the OAG released a report outlining five recommendations to improve the delivery of the SDCP:

1. Review existing policies and practices to determine what skills and experience level is required to perform inspections and claim evaluations. The results of the review should be documented.
2. Place time limits on all key parts of the process including the release of artificial flood reports, decision letters to applicants, inspections, and payments.
3. Produce program guidelines that clearly state what inspectors should be required to document. If physical inspections are required, the files should contain the date inspections took place, if the complainant was present and the nature of the damage.
4. Produce guidelines that clearly state what must be included in compensation files. This may include plans, surveys, schematics, photographs, videos, original invoices, descriptions/log books, etc.
5. Produce and follow a communication strategy to ensure key stakeholders are aware of the SDCP and how it operates.

Manitoba EMO implemented administrative improvements and inspections by Manitoba Agricultural Services Corporation (MACS) for all agricultural claims during the 2019 Red River Floodway Compensation Program based on preliminary feedback from the OAG.

Since the release of the OAG report, Manitoba EMO has continued working towards program improvements based on these recommendations.

Engagement Overview

The engagement featured an information session that provided updates on the changes that Manitoba EMO is working on to improve the SDCP. The session also provided the opportunity for stakeholders to give their feedback on program administration, the inspection process, and

communication related to the program. Participants were asked to complete a questionnaire at (or following) the engagement session to provide more detailed feedback on the SDCP.

Manitoba EMO invited past compensation claimants from the 2014 SDCP, the Shellmouth Reservoir Regulation Liaison Committee, local municipalities, producer groups, and Indigenous communities in the area. The engagement session took place at the Miniota Community Hall on April 26, 2022. Approximately 35 individuals attended the engagement session and 19 individuals completed the survey.

Engagement session materials are available on the Manitoba EMO website:

- [Engagement session presentation](#)
- [Engagement session storyboards](#)
- [Questionnaire](#)

What We Heard

In general, participants continue to be dissatisfied with the overall definition of artificial flooding, which sets the basis for who is eligible to enter the program, how claims are evaluated, and how much compensation individuals receive.

Some participants were generally satisfied with the proposed process changes to the compensation program, including improvements to when and how inspections are carried out. In general, feedback focused on the need for quicker payments, the need to compensate for all flooding (no differentiation between natural and artificial flooding), the need for better communication, and increased transparency.

Participants provided input on seven topics summarized below.

1. Determination of artificial flooding

Participants were provided background information on the purpose of the SDCP and how artificial flooding is determined in the Assiniboine River Valley.

The Shellmouth Dam and Reservoir has a finite water storage capacity, just like all dams and reservoirs. In normal years, the Shellmouth Dam and Reservoir collects water throughout spring runoff until it reaches a certain level. This provides flood protection to areas downstream and stores water, which can be used later. Water is also gradually released throughout the summer and fall to help support water supply needs downstream. In some years, significant snowmelt runoff and rainfall events exceeds the storage capacity of the dam requiring higher outflows from the dam during part of the season when flows would typically be low. If sufficient outflows do not occur, the water level on the reservoir may rise above the spillway elevation, resulting in uncontrolled flows over the spillway. Both of these scenarios could result in water levels on the river (regulated flows from the dam) exceeding the natural water levels (without the dam). This is defined as artificial flooding and is eligible for compensation from the Manitoba government if damage to eligible property or economic loss has occurred. Artificial flooding can be complex to understand as:

- Flooding that occurs in the Assiniboine River Valley downstream of the Shellmouth Dam is not always artificial flooding.

- Artificial flooding is often an incremental portion of the flooding.
- You cannot visualize the effects of artificial flooding on the ground.
- Determining the duration and height of artificial flooding is a technical calculation comparing the unregulated hydrograph and regulated hydrograph.

Many participants raised that they do not agree with the Manitoba government's definition of artificial flooding and identified that compensation should be provided for all flooding that occurs downstream of the Shellmouth Dam and Reservoir. Participants also raised concerns over when artificial flooding is determined, indicating that the length of time was too long from the occurrence to a determination of artificial flooding. Participants also recommended involving affected producers in the discussion about when artificial flooding is determined.

One individual also raised concern that compensation for artificial flooding caused by Shellmouth Dam has been administered differently than other compensation programs, such as the ad-hoc compensation program created for Hoop and Holler.

2. Inspections

Previous SDCP claims were predominantly agricultural losses. Participants were informed that Manitoba EMO is working towards contracting Manitoba Agricultural Services Corporation (MASC) to carry out inspections due to their knowledge and experience with agriculture production. These inspections would also be carried out shortly after flood waters return within bank, a significant improvement from previous programs. The program would also engage licensed private adjusters to assess and provide valuation of total losses for property damage and non-agricultural damages/losses.

Some participants showed support for using MASC inspectors. Some participants also showed approval for using independent inspectors. Respondents indicated that early inspections are very important with 86 per cent support and 14 per cent indicated it was somewhat important.

Participants raised concern that the closure of local MASC offices may result in inspector delays and a lack of understanding of conditions in the Assiniboine River Valley. Participants expressed the importance of agricultural knowledge and/or experience in different types of operations and remediation techniques.

Participants identified that inspections should be documenting all damages, including flooded acres, roads/access, pasture, forage, crops, washouts, soil deterioration, erosion, fences, and remedial actions.

3. Program application

Participants were informed that Manitoba EMO is working towards improving program communications at all points throughout the proposed process. This includes developing an online portal to streamline application to the program, allowing applicants to apply only once. The applicant's information will then be transitioned throughout the subsequent stages of the program.

Participants raised concerns over the volume of paperwork required for the application process, including separate forms for each parcel. There was significant support (80 per cent) for online or PDF fillable/email submission, including an option to submit photos and videos. Participants

recommended that Manitoba EMO share as much information from MASC as possible, to minimize the amount of information that needs to be entered by applicants.

Participants also indicated that it was unclear what damages should be reported and documented. Some participants suggested that this lack of clarity led to less compensation for some individuals.

4. Incorporation of additional data

Participants were informed that Manitoba Transportation and Infrastructure is working towards acquiring additional data (aerial photography) at multiple points during an artificial flood event to help document the flood extent and to verify artificial flood modeling.

Participants raised concern that previous programs used outdated LiDAR, which did not accurately reflect the current landscape as the river in the Assiniboine River Valley changes shape and location.

Participants agreed that photos and aerial imagery of the flood extent during and after the event can assist in capturing and understanding damages.

5. Evaluation of impacts and compensation

Participants were informed that following the valuation of total damages by MASC and licensed private adjusters, a technical committee will evaluate damages and losses attributed to artificial flooding. The technical committee will include rationale and explanation of the evaluation that will be shared with the claimant.

Participants raised concern about the human interpretation of aerial photography and technical data and identified a preference to shift away from a detailed technical analysis. Additional concerns were raised over a lack of consistency in the evaluation of claims using this detailed approach. Participants also requested that Manitoba EMO allow claimants to meet with the technical committee or have a claimant representative as part of the evaluation process.

Participants also indicated that receiving compensation in a different year than when damages occurred could result in tax implications and stressed the importance of timely payments to reduce these impacts to income. Participants also raised concern that many producers face challenges in accessing agricultural insurance for lands in the Assiniboine River Valley as other land in the upper valley remained productive and affected their overall crop average.

As noted earlier, participants were generally dissatisfied with the overall definition of artificial flooding, which provides compensation for an incremental portion of flooding rather than all flood damages experienced below the Shellmouth Dam.

6. Long term effects of flooding

It is important to highlight that participants also shared a number of factors related to farming in the Assiniboine River Valley that Manitoba EMO should be aware of as changes to the compensation program are considered and implemented, including:

- Many farm operations are still recovering from the 2014 flood.

- Dissatisfaction with continued tax requirements on land that is flooded and out of production.
- Continuous land changes resulting in less usable acres from erosion and expanding waterways and wetted areas.
- Some families in the area have lengthy history and connection to this land.

7. Operational decisions and constraints of the Shellmouth Dam

While beyond the scope of the engagement, a number of participants expressed concerns about the operation of the dam. This feedback has been shared with the Hydrologic Forecasting Centre and Water Management branches of Manitoba Transportation and Infrastructure:

- Producers feel that other interests are being protected (water supply and recreation) at their expense (flood protection during the growing season).
- Participants requested that operating rules for the Shellmouth Dam be changed to provide better flood protection outcome for agricultural lands below the dam, including revising the summer target level.
- Participants requested that gates be added to the spillway in order to provide greater storage and downstream flood protection during the growing season.
- Environmental effects of operating the dam (water quality, erosion, and loss of tree cover).

Next Steps

Manitoba EMO is actively incorporating feedback heard at the April 26, 2022 session into the updated SDCP. The department will also provide detailed responses to the concerns raised during the engagement session.

Much of the participant feedback was related to past program experience in 2011, 2012, and 2014 and the challenges associated with these programs. Further engagement with participants to clarify and explain the proposed process – especially the early inspection to expedite programming – is recommended to seek additional feedback on the proposed changes.

Based on this feedback, Manitoba EMO plans to refine the proposed program application, program guidelines, inspection documentation, and evaluation process and will share these updates with participants for their feedback. Further engagement sessions, including focus groups, will be considered.

Active Offer Statement

This information is available in an alternate format on request. Please contact emo@gov.mb.ca.

Questions?

Manitoba EMO continues to accept feedback on the proposed program changes at emo@gov.mb.ca.