

# MANITOBA FLOODWAY AUTHORITY



## 2008 ANNUAL REPORT

FOR THE YEAR ENDED  
MARCH 31, 2008

---

---

# TABLE OF CONTENTS



1	<b>CEO'S MESSAGE</b>
2	<b>MANDATE</b>
2	<b>MISSION STATEMENT</b>
2	<b>VISION STATEMENT</b>
2	<b>VALUES</b>
3	<b>THE RED RIVER FLOODWAY EXPANSION PROJECT</b>
3	History
3	The Project
4	Project Components
5	The Manitoba Floodway Authority
6	Governance
6	Project Activities
7	<b>2007/08 PRIORITIES</b>
8	<b>2007/08 MILESTONES AND ACCOMPLISHMENTS</b>
9	2007/08 Key Highlights
10	2007/08 Dates of Significance
13	<b>2007/08 COMMUNICATION ACTIVITIES</b>
14	<b>THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT</b>
15	<b>2008/09 PRIORITIES</b>
16	<b>FINANCIAL STATEMENTS</b>
16	Auditors' Report
17	Balance Sheet
18	Statement of Operations
19	Schedule of Capital Assets Constructed on Behalf of the Province of Manitoba
20	Statement of Cash Flows
21	Schedule of Capital Assets
24	Notes to the Financial Statements

## CEO'S MESSAGE

In 2007/08,, the Red River Floodway Expansion Project continued to build on the significant progress that was achieved in 2006/07.

During this time, the Manitoba Floodway Authority's (MFA) three main objectives were continuing to excavate the channel to increase the floodway's capacity to the 1-in-700 year flood level, begin work on hydraulic improvements to the Inlet Control Structure, and expand the Outlet Control Structure in Lockport.

I am pleased to report that significant progress has been made on all of these components with the MFA already excavating approximately fifteen million cubic metres of earth, approximately seventy percent of the total, and begin work on the Inlet and Outlet Control Structures is well underway.

In addition, I am pleased to report that the MFA is continuing to witness significant success with the Aboriginal Set-Aside Initiative. To date, seventeen tenders, in the value of approximately \$28 million, has been awarded for work on the West Dike to Aboriginal construction contractors. All of the contracts completed to date have been completed on time and on budget. As a result, MFA is planning to build on this success in the upcoming year.

Over the next year, the MFA, along with all of the contractors and workers participating in the project, will continue to move forward with this historic project to meet our final objective of a one-in-700 year flood protection.

As the project proceeds, we look forward to continuing to work with the construction industry, other levels of government, non-governmental organizations, the Aboriginal community and the general public as we continue to improve flood protection and provide a long lasting legacy for future generations.



A handwritten signature in black ink, which appears to read "Ernie Gilroy". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ernie Gilroy  
Chief Executive Officer

## MANDATE

As stipulated in the Manitoba Floodway Authority Act:

5(1) The Manitoba Floodway Authority mandate is to:

- a) expand the capacity of the floodway;
- b) ensure that the expansion is carried out in a manner that provides increased benefits to the community;
- c) enhance the benefits the floodway will provide to the community
- d) maintain the land and structures that make up the floodway;

The Act also outlines the responsibilities of the MFA in fulfilling its mandate:

5(2) In carrying out its mandate, the Manitoba Floodway Authority is to:

- a) obtain all approvals required for floodway expansion
- b) retain the services of persons to perform work on the floodway expansion and support training for persons working on the floodway expansion
- c) co-ordinate and supervise work on the floodway expansion; and
- d) establish arrangements with the Department of Water Stewardship to co-ordinate the floodway expansion with the department's ongoing operation of the floodway

## MISSION STATEMENT

- To provide the maximum flood protection to the most people while respecting our neighbours and the environment.
- To provide excellence in project management by demonstrating sound financial management, achieving project guidelines, following an inclusive people management philosophy, encouraging innovation and maximizing economic benefits.

## VISION STATEMENT

- A global leader in engineering and project management through people, innovation, integrity and quality.

## VALUES

Trust, respect, ingenuity, integrity and participation are the core values that will guide corporate behaviour to achieve global leadership in engineering and project management.

# THE RED RIVER FLOODWAY EXPANSION PROJECT

## HISTORY

Over the years, Manitobans, especially residents of the Red River Valley and the City of Winnipeg, have experienced the devastation of spring floods first hand. Significant Red River flooding in 1950, 1956, 1966, 1979, 1996, and, in particular 1997 – when the Floodway came within inches of its limit – reinforced this reality and the need to prepare for larger floods in the future.

Following the 1997 Red River “Flood of the Century”, extensive studies and consultations were conducted to identify and evaluate alternatives to improve flood protection for the Winnipeg area. The International Joint Commission (IJC) reviewed flood protection and concluded that the “risk of failure of Winnipeg’s existing flood protection infrastructure is high under flow condition similar to or greater than those experienced in 1997.” In the IJC’s final report, *Living with the Red*, the IJC called for the highest flood protection that can be economically justified or at least sufficient protection to deal with an event similar to the 1826 flood. At the same time, Canada and Manitoba invested \$110 million to improve flood protection in communities in rural Manitoba.

After reviewing all the facts and options, the federal and provincial governments chose the expansion of the current floodway as the most cost-effective and viable solution. As a result, the Government of Canada has recognized the project as a national priority and has partnered with the Province of Manitoba to expand the floodway to protect against a 1-in-700 year flood.

On April 3, 2003, the governments of Canada and Manitoba announced \$80 million each towards the Red River Floodway expansion project. In August 2003, the Government of Canada declared the expansion of the floodway as a national priority project under the Canada Strategic Infrastructure Fund. At the same time, Canada and Manitoba increased their commitments to the project by \$40 million each. On July 6, 2006, Canada and Manitoba announced an additional \$84 million bringing total project funding to \$324 million. Subsequently, on February 23, 2007, both governments announced \$341 million in funding for the remainder of the project bringing total investments for the project to \$665 million.

Since its inception, the MFA has worked on project design and securing environmental approval for the project. In July, 2005, MFA received environmental approval and federal authorization to allow the project to proceed. Subsequently, in September, construction on the project officially commenced on the project and since that time, the MFA has been managing and coordinating construction on all of the components of the project.

## THE PROJECT

The Red River Floodway Expansion Project will increase flood protection for residents of the City of Winnipeg, East St. Paul and West St. Paul. Once completed the project will protect more than 450,000 Manitobans, over 140,000 homes, over 8,000 businesses, and prevent more than \$12 billion in damages to the provincial economy in the event of a 1-in-700 year flood.

The floodway operates by diverting a portion of the Red River floodwaters around Winnipeg through the floodway channel immediately south of Winnipeg back to the Red River near Lockport. Prior to the start of the project, the floodway provided a 1-in-90 year flood protection while an expanded floodway will increase this level of protection to 1-in-700. On April 5, 2007, the governments of Canada and Manitoba announced that the floodway project had already delivered a 1-in-300 year level of flood protection, or equivalent to the greatest flood on record in Manitoba history – the flood

of 1826. It is estimated that the risk of Winnipeg flooding with the existing floodway is 37 percent over the next fifty years and with an expanded floodway this risk is reduced to 7 percent.

On September 23, 2005, construction of the Red River Floodway Expansion Project was officially kicked off by Manitoba Premier Gary Doer and former Premier Duff Roblin at a historic groundbreaking ceremony along the floodway near Grand Pointe, Manitoba.

## PROJECT COMPONENTS

The Floodway Expansion Project involves a major expansion of the existing flood protection system including excavation of the floodway channel, the replacement and upgrading of highway and rail bridges that cross the floodway, modifications to the inlet and outlet structures, utilities and services and improvements to the West Dike. Floodway expansion will more than double the amount of water diverted around Winnipeg by increasing the capacity of the floodway channel from 1,700 cubic metres (60,000 cubic feet) of water per second to 4,000 cubic metres (140,000 cubic feet ) per second.

The floodway expansion budget includes the following proposed and approved Project Components that will be undertaken over the life of the project:

- **Project Design and Environmental Assessment (PDEA)** – Preliminary design studies were required to be completed that will be refined to define the project in detail and assess the environmental impacts. This component has included an environmental licensing process including public consultation, establishment of an Environmental Impact Statement (EIS) and financial support for the licensing process including provision for the Clean Environment Commission public hearings, and participant assistance funding.
- **Final Design** – Final design engineering will be undertaken based on the PDEA process to define and identify the detailed design of the project and to incorporate environmental mitigation measures identified during the PDEA stage.
- **Administration** – Ongoing administration costs for the Manitoba Floodway Authority (MFA) including operations, insurance, establishment of site office etc.
- **Excavation** – The floodway channel will be enlarged by widening in varying amounts along its 48 kilometre (30 mile) length. The total volume of excavation is estimated to be 21 million cubic metres (27 million cubic yards). The outlet channel will be expanded and reshaped to permit the increased floodway flow to re-enter the Red River with minimum impact on the riverbanks. As required and appropriate by the expansion, drainage structures, transmission lines, miscellaneous crossings (including pipelines) and the Aqueduct under the floodway, will be extended, adjusted or replaced.
- **Outlet Structure** – The retaining walls of the existing structure will be demolished, and the Outlet Structure will be widened approximately 52 meters (170 feet) towards the east. Side walls will also be constructed in the channel to prevent erosion and chute and baffle blocks will be constructed on the downstream end of the outlet to further reduce the speed of water re-entering the Red River. These improvements will help to ensure that the speed of water passing through the outlet remains largely unchanged from the pre-expansion condition
- **Inlet Control Structure** – The improvements required include: the selective placement of additional riprap on the downstream slopes and upstream face of embankments adjacent to the concrete structure to protect them from erosive damage; installation of a fire protection

system, addition of redundant emergency backup electrical and mechanical systems, and refurbishment of the Gate Control servo motors.

- **Road and Rail Bridges** – Specific highway bridges over the floodway channel will be replaced with new structures configured to minimize hydraulic interference. Railway Bridges will be raised and rehabilitated.
- **Expansion of the West Dike** – The freeboard of the existing West Dike, which extends over 45 kilometres (28 miles) from the Floodway Inlet Control Structure and ties into high ground at the west side of the Red River Valley, will be increased and the length of the Dike will be extended. The dike will be increased in height in varying amounts up to 1.5 metres (6 feet), and extended beyond the current location at the west end by between 10 kilometres (6 miles) and 15 kilometres (9 miles) in length. Once completed, the West Dike will be capable of protecting against from a 100 year wind storm which could occur concurrently with a 700 year Red River Flood.

To date, progress on the project consists of the following:

#### **Completed Construction Components**

- 1) Channel excavation – Inlet to just south PTH 59 South Bridge;
- 2) Excavation of the Floodway Embankment Gap East of Grande Pointe;
- 3) Replacement and upgrade of the Trans-Canada Highway #1 East Bridge;
- 4) Replacement and upgrade of the completion of the PTH 59 South Bridge;
- 5) Replacement and upgrade of the CN Sprague Railway Bridge; and
- 6) Relocation of the City of Winnipeg Aqueduct;

#### **Ongoing Construction Components**

- 1) Channel Excavation – PTH 59 North to Outlet Control Structure;
- 2) Improvements to the Inlet Control Structure;
- 3) Expansion of the Outlet Control Structure;
- 4) Replacement and upgrade of the CN Redditt Railway Bridge;
- 5) Replacement and upgrade of the CP Keewatin Railway Bridge; and
- 6) Improvements to the West Dike;

#### **Upcoming Construction Components**

- 1) Channel Excavation Across from Springhill
- 2) Replacement and Upgrade of the CP Emerson Railway Bridge
- 3) West Dike
- 4) Erosion Protection of the West Bank of the Red River Across from the Outlet
- 5) Seine River Siphon Improvements

With this work underway, over 2000 people and over 100 companies have and continue to work on the floodway project.

### **THE MANITOBA FLOODWAY AUTHORITY**

In October 2003, the Government of Manitoba initially established the Manitoba Floodway Expansion Authority (MFEA) as an incorporated interim agency to prepare for the expansion of the existing Red River Floodway.

In March 2004, the Province of Manitoba introduced the Floodway Authority Act to establish the Manitoba Floodway Authority (MFA). On November 1, 2004, the Floodway Authority Act received

Royal Proclamation and the MFA was officially established as a independent crown agency and assumed the operations of the MFEA.

The role of the MFA is to act as a separate, independent, publicly accountable agency to manage the design, construction, and maintenance of the expansion project. Specific responsibilities of the MFA include ongoing project pre-design and engineering, environmental assessment and licensing and identification of potential economic and recreational possibilities that may result from the project.

## **GOVERNANCE**

On November 1, 2004, a Board of Directors for the Manitoba Floodway Authority (MFA) was established consisting of senior civil servants including Secretary of the Community Economic Development Committee (CEDC), the Secretary to Treasury Board, the Deputy Minister of Intergovernmental Affairs and Trade, Finance, Infrastructure and Transportation, Competitiveness Training and Trade, and Water Stewardship. The role of the Board is to oversee the operations of the MFA as it manages the floodway expansion project.

## **PROJECT ACTIVITIES**

On an ongoing basis, MFA will continue to focus on the following activities as the project proceeds:

- **Communications** – MFA is committed to ongoing communications throughout the life of the project to promote the project, recognize the partnership and contribution of both levels of government and maximize the level of visibility and importance of the program for all Manitobans.
- **Public Outreach and Consultation** – MFA is committed to ongoing consultation with local municipalities, non-government organizations, Aboriginal and other equity groups, labour and the construction industry as the project proceeds.



# 2007/08 PRIORITIES

For 2007/08, the MFA identified the following strategic core and emerging priorities:

## Project Management

- Final Design – MFA anticipated undertaking final design and contract administration in 2007/08.
- Aboriginal Set-Aside Initiative – MFA will continue to undertake an Aboriginal Set-Aside Initiative for the West Dike in an effort to help address the future skilled labour shortage and to provide economic development opportunities for the Aboriginal construction industry.
- Recreation – Ongoing discussions on the future of an expanded floodway.

## Construction

- Construction Schedule – Maintaining the construction schedule including work already underway:
  - Channel excavation from the PTH 59 South Bridge to the PTH 59 North Bridge;
  - Replacement and upgrade of the PTH 59 South Bridge;
  - Replacement and upgrade of the CNR Sprague Railway Bridge;
  - Replacement and upgrade of the CP Redditt Railway Bridge;
  - Replacement and upgrade of the PTH 100 Ramp Structure;
  - CP Emerson Embankment; and
  - Improvements of the West Dike.
- Commence construction on new components, focusing on channel excavation, including:
  - Channel excavation (PTH 59 North Bridge to the Outlet Control Structure);
  - The Inlet Control Structure;
  - The Outlet Control Structure;
  - The West Dike; and
  - CP Keewatin Railway Bridge.

## Environmental Licensing

- Ongoing Environmental Commitment – Ensuring ongoing compliance with conditions outlined in the Manitoba Environment Act License and Federal Government authorizations.

## Public Consultation

- Ongoing public consultation – Continue to raise public awareness regarding the project

## Funding

- Ongoing Discussions – Finalizing financial funding arrangements between the Governments of Canada and Manitoba for the remainder of the floodway project.

# 2007/08 MILESTONES AND ACCOMPLISHMENTS

## The Floodway Expansion Project

- Secured a one-in-300 year level of flood protection
- Final Design - Completed the final design engineering on project components to be constructed in 2007/08
- Aboriginal Set-Aside Initiative - Tendered the 2008 West Dike works as an Aboriginal Set Aside.

## Recreation and Economic Development

- Continue to consult with recreational stakeholders, local governments, and other interested parties on potential recreation and economic development opportunities.

## Construction

- Maintained the construction schedule of on-going works; as well as
- Completed of the PTH 59 South Bridge;
- Completed of the CN Sprague Railway Bridge; and
- Completed a 30 km section of the West Dike.
- Began construction of the Outlet Control Structure;
- Began construction of the Inlet Control Structure;
- Began construction of the CP Keewatin Railway Bridge Project; and
- Began channel excavation from the PTH 59 North Bridge to the Outlet Control Structure in Lockport.

## Environmental Licensing

- Continue to comply with all environmental requirements outlined in the Environment Act License and Federal Government authorizations
- Contracted with an independent third party to undertake the Groundwater Health Risk Assessment related to the expansion project.
- Initiated a study, in cooperation with the Rural Municipality of Ritchot, regarding potential mitigation measures associated with the impact of artificial flooding related to the operation of the Red River Floodway.
- Established an environmental mitigation plan to transplant trees from the floodway right-of-way to various locations throughout Manitoba.

## Public Consultation

- Continue to meet with local governments, special interest groups and other interested parties regarding the project;
- Distributed 30,000 MFA newsletters on the project
- Updated the Manitoba Floodway Authority Website ([www.floodwayauthority.mb.ca](http://www.floodwayauthority.mb.ca))

## Funding

- Received the \$341 million balance of funding from Manitoba and Canada for the \$665 million floodway project.

## **2007/08 KEY HIGHLIGHTS**

### ***1-in-300 Year Flood Protection***

On April 5, 2007, the Governments of Canada and Manitoba announced that the floodway expansion project had improved Winnipeg's level of flood protection from 1-in-90 to 1-in-300 – equivalent to the 1826 Flood, the largest flood in Manitoba's recorded history.

### ***\$50 Million in Channel Excavation Work***

In June, the MFA awarded five channel excavation contracts estimated at approximately \$50 million. These contracts would increase the level of flood protection from a one-in-300 year level of flood protection to approximately one-in-700 year and would result in the excavation of approximately thirteen million cubic metres of earth.

### ***Floodway Engineering Firms Recognized for Work on Floodway Project***

In May 2007, UMA Engineering Ltd. and ND Lea Engineering were recognized by the Consulting Engineers of Manitoba for their work on the Red River Floodway Expansion Project. UMA received the Award of Excellence in Innovation for their work on the twin bridges of the Trans-Canada Highway #1 East Bridge and ND Lea received the Award of Excellence in Infrastructure for their work on a temporary railway detour bridge structure that is being used on various railway bridge replacement projects.

### ***Construction of the Inlet Control Structure Begins***

In May, TPG Pritchard Machine, a division of Pritchard Engineering Co. Ltd., was awarded a contract to begin mechanical, hydraulic and electrical upgrades of the Inlet Control Structure. In November, work on the inlet began and is scheduled to occur over three winters with completion of the project anticipated in 2009/10.

### ***Construction of the Outlet Control Structure Begins***

In July, PCL Constructors Canada Inc. began work to undertake a major expansion of the Outlet Control Structure near Lockport. This work will widen the existing outlet structure to approximately twice its existing size to accommodate the increased flow. Side walls will also be constructed in the channel to prevent erosion and chute and baffle blocks will be constructed on the downstream end of the outlet to further reduce the speed of water re-entering the Red River. These improvements will help to ensure that the speed of water passing through the outlet remains largely unchanged from the pre-expansion condition. Work on the outlet is scheduled to occur over two years.

### ***Aboriginal Set-Aside Initiative Continues to Improve Floodway Protection***

In 2007/08, thirteen construction contracts on the West Dike were awarded as part of the Aboriginal Set-Aside Initiative. As a result, over two construction seasons, 17 construction tenders, worth approximately \$28 million, were awarded to Aboriginal construction contractors on this initiative. To date, all tenders awarded on the Aboriginal Set-Aside Initiative have been completed on time and on budget. As a result, 30 kilometres of the 45 kilometres long West Dike being reconstructed. As construction proceeds, the MFA is planning to advertise additional tenders on the set-aside initiative as the project proceeds.

## ***2<sup>nd</sup> Year of Public Access to Earth Initiative***

In August and September 2007, the MFA established the Access to Earth Initiative at two different locations - the St. Mary's Road Bridge site and the old Duff Roblin Provincial Park site. This initiative is designed to make excavated earth from the floodway project available to the public for free. During the two month long program, over 5000 loads of earth or approximately 47,000 cubic meters of earth was hauled by the public from the site. Over the course of two summers, approximately 7000 loads of earth, or approximately 60,000 cubic metres of earth has been hauled by the public. The MFA plans to reintroduce the initiative in upcoming years as floodway work progresses.

## ***Partnership To Transplant and Re-use Floodway Trees***

In the fall of 2007, the MFA partnered with a number of community and government organizations to transplant more than 500 trees from the floodway right-of-way, to various locations throughout Manitoba. The removal of the trees from the floodway was required to facilitate the expansion of the floodway.

As part of the plan, the following partnerships were established:

- With the Winnipeg Folk Festival, approximately 70 trees were transplanted to enhance and provide more shade at the existing Winnipeg Folk Festival site at Birds Hill Provincial Park.
- With Buhler Recreational Park, approximately 55 trees were transplanted to the new park site.
- With the International Peace Gardens, approximately 100 trees were transplanted to the Peace Gardens.
- With Manitoba Conservation, 100 trees were transplanted to visitor areas and parks offices in eastern Manitoba, including Birds Hill Provincial Park.
- With the City of Winnipeg, 100 trees were transplanted to Kildonan Park.
- Another 100 trees were transplanted to the future Duff Roblin Provincial Park at the inlet control structure.

## ***Both Structures of PTH 59 South Bridge Opened***

In November, after two years of construction, all four lanes of the PTH 59 South Bridge were opened to traffic. The new bridge is 4 metres (13 feet) higher and 50 metres (164 feet) longer than the previous bridge and has been designed to accommodate a one-in-700 year flood. It is estimated that more than nine thousand people use the bridge on a daily basis.

## ***Construction of CPR Keewatin Railway Bridge Begins***

In December, M.D. Steele Construction Ltd. was awarded a contract to began work on the replacement of the CPR Keewatin Railway Bridge across the floodway. The project will result in the replacement of the existing railway bridge and will utilize a temporary railway detour bridge which has already been used for the CN Sprague and is currently being used on the CN Redditt Railway Bridge project..

## ***Duff Roblin Honoured With New Park Reserve***

On Friday, December 7, 2007, Premier Gary Doer and Vic Toews, Treasury Board Minister, announced \$3.2 million in financial support to fund the first phase of development for the New Duff Roblin Park Reserve. The establishment of the new park was based largely on a study

commissioned by the MFA that recommended that the old Duff Roblin Provincial Park reserve be relocated to the Inlet Control Structure site in St. Norbert.

The new park will commemorate the contributions of former Premier Duff Roblin who served from 1958 to 1967. Premier Roblin is widely recognized for his leadership in championing two major Manitoba milestones:

- the construction of the Red River Floodway and Winnipeg's flood control system
- the establishment of the provincial system of parks

The development of the new park will focus on infrastructure components such as picnic areas and shelters, walking and cycling trails, washrooms, drinking water sources, fishing facilities, bike racks, a toboggan run, a parking lot and landscape improvements. In addition, trail links will be built to connect the new park reserve with the Trans-Canada Trail, the Crow Wing Trail, and St. Norbert Heritage Park.

This spring, Manitoba Conservation held public consultations on the proposed relocation and permanent designation of the new park. Construction of infrastructure improvements are scheduled to begin later this year. MFA continues to work closely with Manitoba Conservation on this initiative.

### ***MFA Established Mitigation Plan to Support the Lockport Children's Festival***

In January, the MFA announced that it would be providing \$7,000 to the Lockport Children's Festival to offset expenses for the temporary relocation of the festival site. It will be moved from the north to the south side of the PTH 44 bridge, to allow the construction of the outlet control structure. The funding provided by the MFA was used by festival organizers to transport festival trailers from the current storage yard to the new festival site, provide electricity to the festival site through the rental of generators, establish an access road from PTH 202 onto the floodway right of way and the festival site, and advertise the change of location to the public.

### ***Public Safety Campaign***

Throughout 2007/08, as the MFA undertook a significant amount of construction in areas that are close to the public, the MFA undertook a comprehensive public safety campaign warning the public to avoid floodway construction sites. While targeting the general public, components of the campaign also focused on snowmobilers and fishermen. In particular, the campaign warned the public to stay away from Springhill, the Outlet Control Structure and the entire floodway.

## **DATES OF SIGNIFICANCE**

April 5, 2007	Red River Floodway Expansion Project Deliver 1-in-300 Year Flood Protection
June 14, 2007	Floodway Project Proceeds with Awarding \$50 Million in Channel Excavation Contracts
July 13, 2007	Floodway Authority Announces Successful Aboriginal Contractors to Undertake Work on the Floodway Expansion Project.
July 19, 2007	Outlet Control Structure to Undergo Major Expansion
July 27, 2007	Floodway Authority Invites Public to Access Earth from Floodway Project
October 19, 2007	Floodway Authority Outlines Partnership Plan to Transplant and Reuse Floodway Trees
November 5, 2007	Both North and Southbound Structures of the PTH 59 South Bridge Completed
November 27, 2007	Preparations Underway to Begin Construction of the CP Keewatin Railway Bridge
December 7, 2007	Duff Roblin to be Honoured with New Park Reserve
February 1, 2008	Three Contracts Awarded on the Floodway Aboriginal Set-Aside Initiative

## 2007/08 COMMUNICATION ACTIVITIES

April 5, 2007	Construction Tender Plan Unveiled
April 5, 2007	Official Announcement Announcing Red River Floodway Expansion Project Delivers One-in-300 Year Flood Protection
April 18, 2007	Tender Issued for Construction of an Improved Floodway Outlet Control Structure at Lockport
June 1, 2007	Floodway Engineering Consulting Firms Recognized for Work on Red River Floodway Expansion Project
June 14, 2007	\$50 Million in Channel Excavation Contracts Awarded
July 13, 2007	Aboriginal Contractors Awarded Work on Aboriginal Set-Aside Initiative
July 19, 2007	PCL Constructors Canada Ltd. to Begin Construction of the Outlet Control Structure
July 27, 2007	Public Invited to Access Earth From the Floodway Project
August 31, 2007	Public Notice – Public Should Avoid Floodway Construction Zones
September 11, 2007	Public Notice – Keep Out of Active Floodway Construction Zones at the Outlet Control Structure in Lockport
September 28, 2007	Last Weekend to Obtain Earth Through the Floodway “Access to Earth” Initiative
October 19, 2007	Floodway Authority Outlines Partnership Plan to Transplant and Reuse Floodway Trees
November 5, 2007	Both North and Southbound Structures of the PTH 59 South Bridge Completed
November 27, 2007	Preparations Underway to Begin Construction of the Fifth Floodway Bridge
December 7, 2007	Duff Roblin to be Honoured with New Park Reserve
December 14, 2007	Public Safety Notice – Snowmobilers Should Avoid Travel on or Near the Floodway
January 22, 2008	Floodway Authority Outlines Mitigation Plan for Lockport Children’s Festival
February 1, 2008	Three Contracts Awarded on the Floodway Aboriginal Set-Aside
February 6, 2008	Public Reminded to Stay Away from the Outlet Control Structure in Lockport as Floodway Construction Proceeds

# THE PUBLIC INTEREST DISCLOSURE (WHISTLEBLOWER PROTECTION) ACT

The Public Interest Disclosure (Whistleblower Protection) Act came into effect in April 2007. The purpose of this Act is to:

- a) facilitate the disclosure and investigation of significant and serious matters (wrongdoings) in or relating to the public service, that are potentially unlawful, dangerous to the public, or injurious to the public interest; and
- b) protect persons who make those disclosures.

The Act builds on protections for employees in the Manitoba public service already in place under other statutes, as well as public service rights, policies, practices and processes.

Wrongdoing under the Act may be an act or omission that constitutes an offence under federal or provincial legislation; an act or omission that endangers public safety, public health or the environment; gross mismanagement, including public funds or assets; or, knowingly directing or counseling a person to commit a wrongdoing. The Act is not intended to deal with routine operational or administrative matters.

A disclosure under the Act is considered to be a disclosure made by an employee in good faith and with reasonable belief that wrongdoing has been or is about to be committed. Under Section 18 of the Act, any disclosures of wrongdoing must be reported in the annual report.

In accordance with Subsection 18(2) of the Act, the following is a summary of disclosures received by the Manitoba Floodway Authority for the fiscal year 2007/08.

	Information Required Annually	Fiscal Year 2007-2008
(a)	The number of disclosures received. The number of disclosures acted on. The number of disclosures not acted on.	NIL NIL NIL
(b)	The number of investigations commenced as a result of a disclosure.	NIL
(c)	The number investigations that resulted in a finding of wrongdoing, and in the case of an investigation that resulted in a finding of wrongdoing, a description of the wrongdoing and any recommendations or corrective actions taken in relation to the wrongdoing, or the reasons why no corrective action was taken.	NIL



# 2008/09 PRIORITIES

For 2008/09, the MFA has identified the following strategic core and emerging priorities:

## The Floodway Expansion Project

- **Final Design** – Continue the on-going Final Design engineering in 2008/09.
- **Aboriginal Set-Aside Initiative** – Continue to undertake an Aboriginal Set-Aside Initiative in an effort to help address the future skilled labour shortage and to provide economic development opportunities for the Aboriginal construction industry.
- **Recreation and Economic Development** – Continue to move forward with recreation and economic development opportunities on the expanded floodway.

## Construction

- Maintain the construction schedule on work already underway:
  - Channel excavation the Outlet Control Structure in Lockport;
  - Improvements to the Inlet Control Structure;
  - Expansion of the Outlet Control Structure;
  - Replacement and upgrade of the CNR Redditt Railway Bridge;
  - Replacement and upgrade of the CP Keewatin Railway Bridge;
  - Replacement and upgrade of the CP Emerson Railway Bridge; and
  - Improvements to the West Dike.
- Commence construction on new components included in the preliminary tender plan:
  - Improvements to the Seine River Siphon;
  - The remainder of the West Dike; and
  - Erosion Protection Work on the West Bank of the Red River across from the Outlet.

## Environmental Licensing

- **Ongoing Environmental Commitment** – Ensuring ongoing compliance with conditions outlined in the Manitoba Environment Act License and Federal Government authorizations.

## Public Consultation

- Ongoing public consultation – Continue to raise public awareness regarding the project

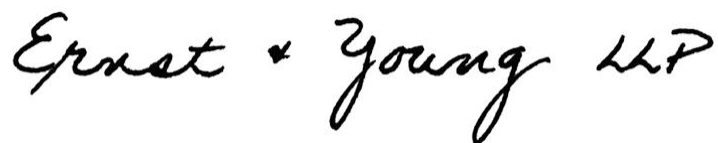
# AUDITOR'S REPORT

To the Minister of Finance of the  
Province of Manitoba and the Directors of the  
**Manitoba Floodway Authority**

We have audited the balance sheet of the **Manitoba Floodway Authority** as at March 31, 2008 and the statements of operations and cash flows for the year then ended. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Authority as at March 31, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

The image shows a handwritten signature in black ink that reads "Ernst & Young LLP". The signature is written in a cursive, flowing style.

Chartered Accountants

Winnipeg, Canada,  
May 15, 2008.

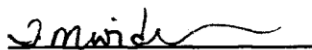
**Manitoba Floodway Authority**  
**Balance Sheet**  
**As at March 31, 2008**

	<b>2008</b>	<b>2007</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Funds on deposit with Minister of Finance	\$ 23,035,695	\$ 24,926,873
Due from the Province of Manitoba (Note 3b)	<u>4,920,408</u>	<u>-</u>
<b>Total Assets</b>	<u><u>\$ 27,956,103</u></u>	<u><u>\$ 24,926,873</u></u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 26,760,828	\$ 20,139,276
Interest payable	1,195,275	1,359,686
Due to the Province of Manitoba (Note 3b)	<u>-</u>	<u>3,427,911</u>
	<u>27,956,103</u>	<u>24,926,873</u>
<b>Total Liabilities</b>	<u><u>\$ 27,956,103</u></u>	<u><u>\$ 24,926,873</u></u>

Contractual Obligations and Contingencies (Notes 6 and 9)

(see accompanying notes and schedules to the financial statements)

On behalf of the Board:





**Manitoba Floodway Authority  
Statement of Operations  
Year ended March 31, 2008**

	<b>2008</b>	<b>2007</b>
<b>Expenses</b>		
<b>Salaries and Benefits</b>	<u>\$ 2,666,554</u>	<u>\$ 2,609,267</u>
<b>Other Operating Expenses</b>		
Transportation	226,138	125,404
Communications	214,462	176,624
Supplies and Services	895,896	816,814
Minor Capital	12,487	24,899
Other Operating	<u>337,543</u>	<u>257,234</u>
	<u>1,686,526</u>	<u>1,400,975</u>
<b>Total Expenses</b>	<u>4,353,080</u>	<u>4,010,242</u>
<b>Recoveries</b>		
Capital Assets under Construction on behalf of the Province of Manitoba (Schedule 1)	3,478,215	3,320,730
Operating Grants (Note 5)	<u>874,865</u>	<u>689,512</u>
	<u>4,353,080</u>	<u>4,010,242</u>
<b>Net Operating Results</b>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

(see accompanying notes and schedules to the financial statements)

**Manitoba Floodway Authority**  
**Schedule of Capital Assets Constructed on Behalf of the Province of Manitoba**  
**Year ended March 31, 2008**

	<b>2008</b>	<b>2007</b>
<b>Funding from the Province of Manitoba (Note 4)</b>	<u>\$149,945,209</u>	<u>\$ 145,664,474</u>
<b>Capital Expenditures by Component (Note 4):</b>		
Administration	3,478,215	3,320,730
Aqueduct Modifications	95,708	9,026,237
Contract Administration	8,508,403	6,380,899
Environmental Mitigation	2,915,351	219,532
Final Design	2,425,720	8,963,737
Floodway Channel	52,360,025	47,577,004
Inlet Structure	6,225,555	372,798
Insurance	134,720	251,014
Interest	1,195,275	1,359,686
Land	333,018	342,334
Miscellaneous Drainage Structures	818,928	-
Outlet Structure	10,718,557	-
Railway Bridges	27,899,018	25,027,536
Roadway Bridges	9,874,930	34,480,909
Utility Relocations	4,697,705	1,241,815
West Dike	<u>18,264,081</u>	<u>7,100,243</u>
	<u>149,945,209</u>	<u>145,664,474</u>
<b>Net Expenditures</b>	<u>\$ -</u>	<u>\$ -</u>

(see accompanying notes and schedules to the financial statements)

**Manitoba Floodway Authority**  
**Statement of Cash Flows**  
**Year Ended March 31, 2008**

	<b>2008</b>	<b>2007</b>
<b>Operating transactions</b>		
Net operating results	\$ -	\$ -
Net changes in non-cash working capital balances related to operations		
Accounts receivable - Province of Manitoba	(402,104)	171,667
Accounts payable and accrued liabilities	<u>(10,018)</u>	<u>(67,559)</u>
Cash provided by (used in) operating transactions	<u>(412,122)</u>	<u>104,108</u>
<b>Financing transactions</b>		
Due to the Province of Manitoba	<u>(7,946,215)</u>	<u>(7,769,243)</u>
<b>Capital transactions</b>		
Capital assets constructed on behalf of the Province	(149,945,209)	(145,664,474)
Net changes in non-cash working capital balances related to capital		
Accounts receivable - Province of Manitoba	-	791,027
Accounts payable and accrued liabilities	6,631,570	8,265,277
Interest payable	(164,411)	1,186,080
Contributions related to capital assets	<u>149,945,209</u>	<u>145,664,474</u>
Cash applied to capital transactions	<u>6,467,159</u>	<u>10,242,384</u>
<b>Increase (decrease) in funds on deposit with Minister of Finance</b>	<b>\$ (1,891,178)</b>	<b>\$ 2,577,249</b>
<b>Funds on deposit with Minister of Finance, beginning of year</b>	<u>24,926,873</u>	<u>22,349,624</u>
<b>Funds on deposit with Minister of Finance, end of year</b>	<u><u>\$ 23,035,695</u></u>	<u><u>\$ 24,926,873</u></u>

(see accompanying notes and schedules to the financial statements)

**Manitoba Floodway Authority**  
**(formerly Manitoba Floodway Expansion Authority Inc.)**  
**Notes to the Financial Statements**  
For the Year ended March 31, 2008

Schedule 2

**Manitoba Floodway Authority**  
**Schedule of Capital Assets**  
**As at March 31, 2008**

	<b>Cost</b>	<b>Federal Contributions</b>	<b>Cost net of Federal Contributions</b>	<b>Accumulated Amortization</b>	<b>2008 Net Book Value</b>
Land	\$ 6,975,528	-	\$ 6,975,528	\$ -	\$ 6,975,528
Floodway Infrastructure - 1969	49,905,100	28,804,900	21,100,200	18,990,180	2,110,020
Floodway Infrastructure - Improvements - 2001	1,943,000	-	1,943,000	97,150	1,845,850
Improvements - 2000	3,348,116	2,338,951	1,009,165	75,687	933,478
Improvements - 1997	1,830,607	915,304	915,303	137,295	778,008
Assets Under Construction - 2004	64,002,351	32,059,155	31,943,196	19,300,312	12,642,884
Assets Transferred from the Province March 31, 2004	850,424	-	850,424	-	850,424
Manitoba Floodway Authority - Assets Under Construction - 2004	64,852,775	32,059,155	32,793,620	19,300,312	13,493,308
Capital Assets at March 31, 2004	4,248,615	2,105,742	2,142,873	-	2,142,873
Assets Transferred to the Province April 1, 2004	69,101,390	34,164,897	34,936,493	19,300,312	15,636,181
Capital Assets at March 31, 2005	69,101,390	34,164,897	34,936,493	19,300,312	15,636,181
Manitoba Floodway Authority - Capital Assets Constructed on behalf of the Province - 2005	-	-	-	-	-
Manitoba Floodway Authority - Capital Assets Constructed on behalf of the Province - 2006	9,854,899	4,658,228	5,196,671	-	5,196,671
Manitoba Floodway Authority - Capital Assets Constructed on behalf of the Province - 2006	58,274,527	28,842,008	29,432,519	-	29,432,519

**Manitoba Floodway Authority**  
**(formerly Manitoba Floodway Expansion Authority Inc.)**  
**Notes to the Financial Statements**  
For the Year ended March 31, 2008

Schedule 2  
(con't)

**Manitoba Floodway Authority**  
**Schedule of Capital Assets**  
**As at March 31, 2008**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2008 Net Book Value</u>
<b>Manitoba Floodway Authority - Capital Assets Constructed on behalf of the Province - 2007</b>	<u>\$ 145,664,474</u>	<u>\$ -</u>	<u>\$ 145,664,474</u>
<b>Manitoba Floodway Authority - Capital Assets Constructed on behalf of the Province - 2008</b>	<u>\$ 149,945,209</u>	<u>\$ -</u>	<u>\$ 149,945,209</u>

Note: Due to changes in public sector accounting standards in 2007, applied on a prospective basis, Federal contributions are no longer netted against the cost of the assets.



## **Note 1 - Nature of Operations**

The Manitoba Floodway Authority Act was proclaimed into effect on November 1, 2004. The Act established a crown corporation, the Manitoba Floodway Authority (the Authority) and dissolved the Manitoba Floodway Expansion Authority Inc. (MFEA) which had been incorporated October 3, 2003. The one outstanding share of the MFEA was redeemed upon dissolution for \$1. The purpose of the Authority is to assume the existing operations of the MFEA and to act as the agent of the Manitoba Government in the construction and maintenance of the Red River Floodway.

## **Note 2 - Significant Accounting Policies**

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles.

### **Capital Assets**

Purchased capital assets in excess of \$10,000 are recorded at cost and are amortized on a straight line basis according to their estimated useful life. Purchases under \$10,000 are expensed in the year of purchase. The Authority follows the same capital asset policy as the Province of Manitoba.

### **Pension Plan**

In accordance with the provisions of The Civil Service Superannuation Act (Act), employees of the Authority are eligible for pension benefits in accordance with the Civil Service Superannuation Act. Plan members are required to contribute to the Civil Service Superannuation Fund (Fund) at prescribed rates for defined benefits and will receive benefits based on the lengths of services and on the average of annualized earnings calculated on the best five years prior to retirement, termination or death that provides the highest earnings. The Authority is required to make contributions equal to the amounts contributed to the Fund by the employees. Under this Act, the Authority has no further pension liability. Contributions during the year amounted to \$106,520 (2007 - \$102,660).

### **Accounting Estimates**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, revenue and expenditures recorded in the period, and the disclosure of contingencies at the date of the financial statements. Actual results could differ from those estimates.

### **Financial Instruments**

Financial instruments include funds on deposit with the Minister of Finance, amounts due to/from the Province of Manitoba, accounts payable and accrued liabilities. It is management's opinion that the Authority is not exposed to significant

**Manitoba Floodway Authority**  
**(formerly Manitoba Floodway Expansion Authority Inc.)**  
**Notes to the Financial Statements**  
For the Year ended March 31, 2008

interest, currency or credit risks arising from these financial instruments. The book value of the Authority's financial assets and liabilities approximates their fair value.

**Note 3 - Working Capital Advance and Due to the Province of Manitoba**

**a) Working Capital Advance**

The Manitoba Floodway Authority is included under the provision of Manitoba's Loan Act Authority. Advances from the Province of Manitoba bear interest at rates established by the Minister of Finance. The advances are repayable on demand at the option of the Lieutenant Governor in Council. A maximum line of credit of \$5 million has been established. At March 31, 2008, there were no advances outstanding.

**b) Due to/from the Province of Manitoba**

In addition, the Authority may receive interest bearing advances of approved funding from the Province of Manitoba at rates established by the Minister of Finance. At March 31, 2008, \$4,920,408 was receivable from the Province of Manitoba (2007 - \$3,427,911 payable to the Province of Manitoba).

**Note 4 - Capital Assets Constructed on behalf of the Province of Manitoba**

As an agent of the Province of Manitoba, capital expenditures incurred and transferred to the Province of Manitoba during 2008 and 2007 are as follows:

	<b>2008</b>	<b>2007</b>
Administration	\$ 3,478,215	\$ 3,320,730
Aqueduct Modifications	95,708	9,026,237
Contract Administration	8,508,403	6,380,899
Environmental Mitigation	2,915,351	219,532
Final Design	2,425,720	8,963,737
Floodway Channel	52,360,025	47,577,004
Inlet Structure	6,225,555	372,798
Insurance	134,720	251,014
Interest	1,195,275	1,359,686
Land	333,018	342,334
Miscellaneous Drainage Structures	818,928	-
Outlet Structure	10,718,557	-
Railway Bridges	27,899,018	25,027,536
Roadway Bridges	9,874,930	34,480,909
Utility Relocations	4,697,705	1,241,815
West Dike	18,264,081	7,100,243
<b>Total</b>	<b><u>\$149,945,209</u></b>	<b><u>\$145,664,474</u></b>

## **Note 5 - Transactions related to Operations and Capital**

The Province of Manitoba has a shared cost agreement with the Government of Canada for both capital and operating expenditures related to the Red River floodway expansion project. All eligible costs are shared equally. The Authority receives its funding from the Province of Manitoba. Claims under the shared cost agreement are submitted by the Authority on behalf of the Province of Manitoba with funds received from the Government of Canada recorded in the Operating Fund of the Province of Manitoba.

Government transfers from the Government of Canada under this shared cost agreement in the amount of \$73,850,682 (2007 - \$71,876,877) are recorded as revenue in the Operating Fund of the Province of Manitoba.

Grants from the Province of Manitoba of \$475,337 (2007 - \$346,660) related to operating expenses were reflected in the operations of the Authority. In addition, \$399,528 (2007 - \$342,852) of operating grants were received as government transfers under the shared cost agreement and were recorded as revenue of the Authority.

## **Note 6 – Contractual Obligations**

As an agent of the Province of Manitoba, the Authority has entered into various contracts in the stages of the Floodway expansion project. Contractual obligations relating to the project total \$83,429,659 at March 31, 2008 (2007 - \$96,453,102).

Contractual obligations for the lease of office space to the Province of Manitoba Department of Transportation and Government Services for the next year is as follows:

2009	\$ 151,705
------	------------

## **Note 7 - Economic Dependence**

The Authority is economically dependent on funding received from the Province of Manitoba.

## **Note 8 – Public Sector Compensation Disclosure**

For the purpose of the Public Sector Compensation Disclosure Act, all compensation for employees is disclosed in a separate audited statement available on request.

## **Note 9 - Contingencies**

An individual accident claim is pending filing against the Authority. As the outcome of this matter is not determinable and amounts are not reasonably estimable at this time, liabilities have not been recorded in the financial statements.