

Screening Report for Castle Mountain Resort Inc.'s Proposed Master Development Plan

Environment and Parks, Government of Alberta

November 4, 2019

Screening Report for Castle Mountain Resort Inc.'s Proposed Master Development Plan

Decision by Heather Dent, Designated Director, *Environmental Protection and Enhancement Act*

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Overview and decision

Castle Mountain Resort is a winter ski and snowboard resort operating on public land in the NE 24-04-04 W5 within the Municipal District of Pincher Creek No. 9 (“MD”) under a Public Lands Disposition Department Licence of Occupation (“DLO”) 781449. The purpose of this DLO is for lift accessed ski development. In May 2017, Castle Mountain Resort Inc. (“CMR”) published a Master Development Plan which detailed opportunities to expand and diversify its winter and summer activities on the DLO and beyond the borders of the DLO.

On July 4, 2018, CMR submitted a request for a determination of whether the full expansion of activities as outlined in the Castle Mountain Resort Master Development Plan (the “CMR Plan”) would require an Environmental Impact Assessment (“EIA”) report under section 44(1) of the *Environmental Protection and Enhancement Act* (“EPEA”). Upon review of the information provided by CMR, the Director made a decision under section 44(1)(b)(i) of EPEA that the potential environmental impacts of the proposed activities warrant further consideration. On July 19, 2018, CMR was informed of this decision and was told that the Director would prepare a screening report as required under section 45(1) of EPEA.

This screening report has been prepared in accordance with section 4(1) of the *Environmental Assessment Regulation*.

Based on the considerations set out in this screening report, CMR will be directed to prepare an EIA report for the proposed activities under the CMR Plan.



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Purpose of the screening

Under section 44(1)(b)(i) of the EPEA, the Director determined that the potential environmental impacts of CMR’s proposed activities warranted further consideration under the environmental assessment process. Pursuant to section 45 of the EPEA, that decision triggered the preparation of a screening report to determine whether an EIA report would need to be prepared.

An EIA report summarizes the proposed activity, its potential adverse effects and their prevention, minimization or mitigation. A screening report helps the Director to determine if an EIA report is required to assist in making regulatory decisions. Information obtained and considered through the preparation of an EIA report includes information about large, complex activities occurring in sensitive environments that may have a broad range of environmental, health, socio-economic and infrastructure effects requiring management or mitigation. An EIA report is also valuable for decision-makers when there is a substantial lack of technical and/or environmental information associated with a proposed activity. Less complex activities with well-understood effects may be appropriately addressed without an EIA report using the EPEA and/or *Water Act* approval application processes and their information requirements. Some kinds of information such as air and water quality modelling may be part of those application processes.

The 2018 Castle Mountain Resort proposed project

CMR's current proposed activities for Castle Mountain Resort as laid out in the 2017 CMR Plan would increase the winter activities at the resort as well as add summer activities, including lift serviced mountain biking, x-country mountain bike trails, hiking and sightseeing, via ferrata and an aerial adventure park.

The current resort operates December through April and has a carrying capacity of 1,710 people per day in the winter months. The CMR Plan would result in a winter carrying capacity of up to 3,952 skiers/day and an additional 30,000 summer visitors. At present, the resort has approximately 93,000 total annual visitors. Under the CMR Plan, the resort could have a maximum 187,000 total annual visitations.

A detailed history of the Castle Mountain Resort from 1996 to the current CMR Plan is in the Appendix.

Description of the proposed activities

Location of the proposed activities

Castle Mountain Resort is located in the MD, in the West Castle River Valley in southwest Alberta approximately 145 kilometers southwest of Lethbridge. The legal address for Castle Mountain Resort is NE 24-04-04-W5. The resort is bordered by the West Castle River to the east, the West Castle Wetland Ecological Reserve to the north east, Gravenstafel and Haig Mountains to the west, and Castle Wildland and Provincial Parks to the north and south.

Biophysical description of site of the proposed activity

The CMR Plan would see ski terrain increase from 368 hectares (“ha”) to 761 ha and the number of ski lifts increase from 6 to 14. While the majority of this would be within its existing DLO, the CMR Plan includes a proposal to obtain additional land adjacent to the DLO to provide additional skiable area. This adjacent land is currently part of the Castle Wildland Park, and a change to the provincial park boundaries would be needed to accommodate the CMR Plan. The CMR Plan proposes a number of summer activities which would expand the operational period of the resort from 5 months to 12 months.

CMR owns 18.069 hectares within the resort boundaries and this base area presently supports the existing ski facility with 131 residential and commercial accommodations units. The MD's existing Area Structure Plan allows the accommodation units to expand to 224; however, to support the full CMR Plan accommodations units must expand to 406. This will require an amendment to the Area Structure Plan along with new engineering details for the utilities and infrastructure.

The CMR Plan states that 33 million gallons of water annually will be required for snowmaking. However, no detailed snowmaking plan exists at present to accommodate that requirement. CMR has received a preliminary certificate under the *Water Act* with conditions to divert 35,922 cubic metres (7 million gallons) of water annually from the Haig Creek for the purpose of snowmaking once the infrastructure is constructed. Snowmaking infrastructure including underground piping and a pump house is to be constructed in 2019 for operation in the 2019/2020 ski season.

Water is also required for domestic use within the resort village for residents and day use visitors. The CMR Plan states that 28 million gallons of water will be required at full build out for domestic consumption. In their Disclosure Document, CMR states the MD will provide treated potable water to the area via a regional water supply pipeline that will continue from the community of Beaver Mines to Castle Mountain Resort. This water supply is under construction and is anticipated to be completed by fall of 2019. This water source will supply all the domestic water needs of the Castle Mountain Resort community and ski hill facilities.

Sewage from Castle Mountain Resort is treated using wastewater lagoons. The lagoons have the capacity to accommodate the committed and planned development within the existing Area Structure Plan, which allows for 224 residential units. From the wastewater lagoons, the treated effluent is disposed of using an irrigation system. An expanded and upgraded sewer system and lagoons will be required to accommodate the proposed 406 accommodations units.

Adjacent land uses

Human settlement in area of proposed activity

Beaver Mines in the MD, is the closest community to the Castle Mountain Resort and is located 25 kilometers north of the resort. Beaver Mines is located in the foothills of the Canadian Rockies on Highway 507, approximately 19 km west of Pincher Creek. As a designated place in the 2016 Census of Population conducted by Statistics Canada, Beaver Mines recorded a population of 82 living in 36 of its 59 total private dwellings.

Description of adjacent land uses

The Castle area has a long and varied history of traditional use, recreational use, designations and commercial activity. In 1895, part of the area was included in the newly formed Waterton Dominion Park. In 1921, that area was removed from the Dominion Park boundaries and transferred to the Alberta Government to become a Provincial Game Reserve.

In 1954, the Provincial Game Reserve status was removed. As part of the commercial land base, industrial activities such as logging, mining and oil and gas extraction were conducted, and a network of accompanying roads spread through the area. In 1974, an Alberta Government study recommended a park be established in the headwaters of the Castle River, and that the West and South Castle watersheds be placed under Consultative Notation, indicating the government's intent to proceed with a protected area. Three years later, the Eastern Slopes Policy created areas of Prime Protection, Critical Wildlife and General Recreation in the Castle area.

Through the 1970s and 1980s, integrated resource planning and access management planning was conducted for the Castle area. This period showed a significant growth of off highway vehicle use and random camping throughout the area, which has continued to today. In 1992, an Access Management Plan was developed and put in place to address and provide operational level direction for the recreational use of off highway vehicles in the Castle River area. In 1993, the Special Places 2000 Committee recommended the backlog of sites identified for protection, including the Castle area, be established by the end of 1994.

In 1996, a 112,000-ha area was endorsed as a candidate site for review under the Special Places program, on the recommendation of the Provincial Coordinating Committee. In May of that year, five Provincial Recreation Areas were established. They are Syncline, Castle River Bridge, Castle Falls, Beaver Mines Lake and Lynx Creek. In October 1996, a Special Places Local Committee was convened. The Local Committee's role was to recommend boundaries for the site, land use activities and management guidelines, and to facilitate public review and input. In July 1997, a report was submitted outlining a 10-point plan for managing the Castle area. Due to these

recommendations, the 94 ha West Castle Wetland Ecological Reserve was established in 1998. The remainder of the candidate site was established as the Castle Special Management Area Forest Land Use Zone, with the intent to better manage motorized access and to protect ecologically sensitive backcountry areas.

In September 2014, the South Saskatchewan Regional Plan identified the prime protection zone of the Castle area as a Wildland Provincial Park. The South Saskatchewan Regional Plan also designated a public land use zone for the lower valley areas, referred to as the Castle Conservation Area. In 2015, the Government of Alberta announced its commitment to expand and formalize the protection of the Castle area through the establishment of a Provincial Park and Wildland Provincial Park. The Castle Provincial Park and Castle Wildland Provincial Park were created in 2016 and surround the Castle Mountain Resort.

Screening process

On July 4, 2018, CMR submitted a request for a determination of whether they would be required to prepare an EIA report under section 44(1) of EPEA for their Castle Mountain Resort Future Development activities outlined with the Master Development Plan. Upon reviewing the information provided by CMR, and considering the known public interest in this area, the Director made a decision under section 44(1)(b)(i) of EPEA that the potential environmental impacts of the proposed activity warrant further consideration. On July 19, 2018, CMR was informed of this decision and was told that the Director would prepare a screening report as required under section 45(1) of EPEA.

In September of 2018, CMR submitted a disclosure document to the Director as required under section 44(2) of EPEA and a public notice was developed as required under section 44(5). The Director provided written approval of the advertising plan and notices were placed in the following newspapers on October 3, 2018: Lethbridge Herald, the Calgary Herald, the Crowsnest Pass Herald, and Shootin' the Breeze. The notice also appeared in the on-line Aboriginal publication Windspeaker. The notice indicated that the deadline for statements of concern was November 16, 2018.

On October 4, 2018, a screening referral was sent to staff of Alberta Environment and Parks, Alberta Culture and Tourism, Alberta Health and Alberta Indigenous Relations seeking input on the project.

List of sources of information used and departments and agencies consulted

The following information sources were considered in the preparation of this screening report:

- Disclosure Document for Castle Mountain Resort Future Development submitted September 2018
- South Saskatchewan Regional Plan
- Statements of Concern
- Referral comments from government agencies
- Advice from Alberta Environment and Parks staff

The following departments and agencies were consulted in the preparation of this report:

- Alberta Culture and Tourism
- Alberta Environment and Parks
- Alberta Health
- Alberta Indigenous Relations

Public statements of concern

The department received a total of 35 statements of concern as a result of the notice. Six of these were from associations, societies or other not-for-profit organizations and the remainder were from individuals or families. Three of the statements of concern opposed any expansion of CMR while the remaining 32 stated that an EIA should be required.

Many of the statements of concern submitted highlighted four major issues:

1. The Master Development Plan contemplates the expansion of Castle Mountain Resort beyond its LOC and into the newly-designated Castle Wildland Provincial Park.
2. “Syncline Brook”, “West Castle River and tributaries”, and “South Castle River and tributaries”, are all identified as Critical Habitat for Westslope Cutthroat Trout in the 2014 Recovery Strategy for the Westslope Cutthroat Trout (*Oncorhynchus clarkii lewisi*), Alberta Populations in Canada. The proposed developments at Castle Mountain Resort would change the water regime, and alter, damage, or destroy portions of this Critical Habitat contrary to Canada’s Species at Risk Act.
3. Changes in water use per the Master Development Plan would alter, and likely damage, the West Castle Wetlands Ecological Reserve.

4. Habitat impacts on large and small mammals, amphibians, birds, and huge numbers of plants. The Castle Wildland and Provincial Parks are the most ecologically-biodiverse places in Alberta.

In addition, several people mentioned the potential impact of increased sewage requirements and increased demand for emergency and medical services in the area, and the need for increased fire protection measures with increased user numbers.

Alberta Wilderness Association (AWA)	Huntley, Judy	Ryan, Wendy
Amos, Barbara	Hurly, Andy	Seward (David, Scott, Layne, Blair)
Andersen, Don	Jacob, Aerin	Smith, Arnold
Backcountry Hunters and Anglers (BHA)	Jane	Smith, Sam
Camps, Laurie	Joiner, Alan	Smith, Ted & Heather
Castle-Crown Wilderness Coalition (CCWC)	Larson, Gary	Sumner, Keith
Canadian Parks and Wilderness Society & Yellowstone to Yukon (CPAWS & Y2Y)	Lee, Peter George	Timberwolf Wilderness Society
Crowsnest Conservation Society	McInnis, Bob	Tweedie, James
DeLong, Justin	McNeill, David & Farley, Linde	Virginillo, Mark
Devries, James	Petersen, Gordon	Wallis, Cliff
Fitch, Lore	Pocock, Renae	Young, Shirley
Hession, Barbara-ann	Redman, Logan	

Significant adverse effects

The potential significant adverse effects to wildlife and species at risk

The CMR Plan proposes two types of expansions for the Castle Mountain Resort through:

1. A boundary expansion into the existing Castle Wildland Provincial Park, and
2. A temporal expansion from a winter resort to an all season resort.

The proposed expansions may result in significant potential adverse effects such as the destruction of sensitive habitat, disruption of existing movement patterns and increased human/wildlife conflict. These significant potential adverse effects may impact species at risk, migratory birds and more specifically Grizzly Bears, Westslope Cutthroat Trout, Bull Trout, Mountain Whitefish, Mountain Goats, and Bighorn Sheep.

An EIA report will ensure that the significant potential adverse effects of the proposed expansion on wildlife and species at risk are available to decision makers to consider in making a public interest decision and in the approval process.

Environmental issues

The potential impact on adjacent ecological areas including Castle Wildland Provincial Park and West Castle Wetlands Ecological area

The CMR Plan includes a request to obtain land, which is currently part of the Castle Wildland Provincial Park. A thorough assessment of the impact of and need for this change would be required to justify such a change in land designation. As well, it is unclear if the cumulative impacts of the increased visitation rate to the CMR may impact adjacent protected areas. An EIA report would be able to provide further assessment of impacts to adjacent ecological areas.

The potential water quality and quantity issues stemming from increased usage

The CMR Plan will have a significant additional requirement for water for both snowmaking and domestic use. It is unclear what the source of water (over 25 million gallons) for snowmaking will be given that the South Saskatchewan River Basin is closed to applications for new surface water licences. It is also unclear how this additional water will be stored and handled, and how it will be disposed of. There will also be an increased need for sewage and waste handling that is not

adequately described in the CMR Plan. An EIA report will ensure that all facets of the fully expanded activities are presented for consideration.

Screening report conclusion

Given the information above, the CMR will be directed to prepare an EIA report. This is due to the potential significant adverse effects:

- on wildlife and species at risk,
- to adjacent protected areas such as the Castle Wildland Provincial Park, and
- from larger water needs to support snowmaking and domestic use and treatment of water.

Appendix A

The history of Castle Mountain Resort

1992 Proposal for expansion

Castle Mountain Resort was initially built and operated by a group of local shareholders in 1966 as a winter ski and snowboard facility. In 1978, the Town of Pincher Creek and the MD took over ownership and the Westcastle Development Authority assumed operation of the Resort. In 1985 the Westcastle Development Authority also assumed management of the resort.

In 1992, the Westcastle Development Authority, together with a private developer, Vacation Alberta Corporation, proposed expanding the ski facility into a four-season resort including two golf courses. The proposed activities would have accommodated up to 2,500 visitors on-site and over 200,000 visitors per year. The size of that expansion triggered the requirement for an EIA and review by the Natural Resources Conservation Board (“NRCB”).

In 1993, the NRCB approved the activities conditional on certain changes, including a significant change to the resort layout and the creation of the Waterton-Castle Wildland Recreation Area to mitigate impacts on regional ecosystems.

A multi-stakeholder group was established to develop the Waterton-Castle Wildland Recreation Area, but consensus could not be reached and the proposed expansion was abandoned.

In 1995, the Westcastle Supporters Association, a group of local skiers and residents, purchased the resort and formed Castle Mountain Resorts Inc. From 1996 to 2001, CMR improved the existing facilities, including installing chair lifts, upgrading the drinking water system, installing a wastewater treatment system and building resident and visitor accommodations.

In 2001, CMR undertook the development of an Area Structure Plan (“ASP”) which laid out a long-term strategy for the physical, economic and social development of Castle Mountain Resort. This ASP was later adopted as a bylaw by the MD to define the anticipated development.

2001 Proposal for expansion

In the spring of 2001, CMR submitted a proposal to the department (then called Alberta Environment) to expand its facility in line with the ASP. The proposed expansion involved upgrading the core resort area within 57 hectares of land owned by CMR. It would have also increased water supply and storage, and the clearing of 28 hectares of public land for new ski

runs and a lift. The proposed expansion would accommodate approximately 142,000 visitors/year (~100,000 skiers/year) and provide 225 overnight accommodation units.

It was determined that the proposed activity was not a mandatory activity under the Environmental Assessment (Mandatory and Exempted) Regulation and staff within the department determined that the environmental impacts of the activity could be assessed and dealt with under the regulatory approvals process. The Director decided an EIA report was not required for the expansion activity.

Notwithstanding the Director's decision, the Minister has authority under section 47 of EPEA to order that an EIA report be prepared and submitted if the Minister is of the opinion the nature of the proposed activity warrants one. The Castle Crown Wilderness Coalition requested the Minister to require an EIA report and after consideration, the Minister decided an EIA report was not required. The department advised CMR that it may proceed to apply for any approvals and registrations required for the proposed expansion.

The Castle Crown Wilderness Coalition filed a judicial review of the Director's and Minister's decisions. The Court of Queen's Bench issued its judgment on July 2, 2004, quashing the decisions of both the Director and the Minister of Environment. The Government of Alberta appealed and by judgment dated September 9, 2005, the Court of Appeal reversed the decision of the lower court, and upheld the decisions of the Director and the Minister.

CMR ultimately did not go ahead with the total planned expansion outlined in the 2001 proposal.