

**MINISTRY OF ENVIRONMENT
INFORMATION NOTE**

November 6, 2014
File: 26250-20/17183
Cliff Reference: 210574

PREPARED FOR: Honourable Mary Polak, Minister of Environment

ISSUE: Deterioration of former fish packing plant in Namu Harbour

BACKGROUND:

This site was operational as a fishing station and fish packing plant by a number of companies from 1916 to 1932, when the site was purchased by BC Packers who operated a fish packing plant on the site until the 1980s. In the early 1990s, the land title was transferred to Namu Harbour Resorts Ltd. and then to Namu Properties Ltd. who sought to redevelop the property as a fishing lodge. The site is comprised of a large private upland parcel and structures built out on Crown-owned foreshore held under three separate tenures. Developed lands exist both on the private upland property and the foreshore; however, it is the structures on pilings that form a part of the Crown tenures that are of particular concern due to the poor state of the infrastructure which is at risk of collapsing onto the intertidal foreshore.

The site can be separated into three distinct geographic locations separated by several hundred metres of undeveloped shoreline. These include: 1) the fish packing plant, 2) community centre and bowling alley, and 3) fuel dock and storage area. In addition to these, there are a number of houses on the uplands that are slowly being reclaimed by the forest and are difficult to access.

Despite the Crown tenure agreements under the *Environmental Management Act* (EMA) principal liability and responsibility for potential pollution related concerns at the site rests with Namu Properties Ltd. and the Ministry of Forests, Lands and Natural Resource Operations (FLNRO) as the current owners and parties having control of the site. Should Namu Properties Ltd fail to take action on the Crown leases and improvements, FLNRO would be held responsible for the Crown portion of the site. Under EMA, Namu Properties Ltd has liability for their own lands but could also be named as a potential responsible person for the Crown lands. If necessary, the Ministry of Environment (ENV) could issue orders under EMA naming the current owners and other past owners as potential responsible persons for the site.

DISCUSSION:

ENV staff (Peter Kickham and Steve Dankevych - Contaminated Sites Officers and John Kervel - Spill Response Officer) attended on September 30, 2014 with staff from FLNRO and identified the following issues.

1. Public Safety – Physical (Photos 1-8)

Fish packing plant - The site is in an advanced state of decay. Some buildings and structures have collapsed and several buildings appeared to be unsafe to enter. Much of

the decking material placed on piles appeared unsafe to walk on and should be secured to prevent public access. Presently, there is a vessel listing that is tethered to the pier structure, which may hasten the pier's collapse. At the time of the site inspection, one building structure on the deck, adjacent to the pier, has collapsed partially on top of the vessel which is adding to the precarious state of the vessel. While there is no water level access to moor a boat, public access to the fish packing plant is currently unrestricted and represents an occupier's liability exposure for the Crown. During the inspection of the site, it was apparent that considerable vandalism and theft had occurred within the buildings.

Community centre and bowling alley – These structures are in an advanced state of disrepair and deemed unsafe for entry.

Fuel dock and bulk fuel storage area – The fuel dock has largely collapsed and fuel lines (gas, diesel, heating) have been compromised. There are two tank farms comprised of seven or eight 10,000-20,000 gallon tanks located 20-30m inland of the dock. The first tank farm is in an advanced state of decay and two tanks have collapsed. A second tank farm was apparently installed in the late 1980s and is in better condition.

2. Public and Environmental Safety – Chemical (Photos 9-17)

Fish packing plant During the inspection a variety of substances in various sized containers (500 ml jars to 45-gallon drums) were noted on this site. Small quantities of chemicals (<50L) likely including acids, solvents, coolant and transmission fluids, lead-based paints, and sodium cyanide were noted. PCBs are also likely to be present in light ballasts and electrical transformers on the site. Larger quantities of petroleum hydrocarbons (gas, diesel, av-gas, waste oil barrels) are also likely present based on staff's observations of the labels on many of the 45-gallon drums. Staff estimated that there are in excess of 150 drums located on the fish packing site, which are in variable condition. No obvious signs of contamination (i.e. sheen or odour) were observed during physical inspection of the foreshore area.

Community centre and bowling alley – This portion of the site was not visited due to the condition of the decking and buildings which were deemed unsafe. Likely contaminants of concern include fuel from above ground heating oil tanks and potentially small quantities of various chemicals (paints, cleaners).

Fuel dock and storage area – There were no visible signs of contamination on the foreshore near the fuel dock, however, on digging to a depth of 4-6 inches near the old tank farm, staff noted the presence of petroleum hydrocarbon odours present in the soils.

NEXT STEPS:

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Attachments: Appendix 1: Site Photos

Appendix 2: FLNRO October 31, 2014 letter

Contact:

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| ADM | LH | Nov 17/14 |
| Ex. Dir | JH | Nov 3/14 |
| Dir./Mgr. | MWM | Nov 6/14 |
| Author | | |

Site Photographs

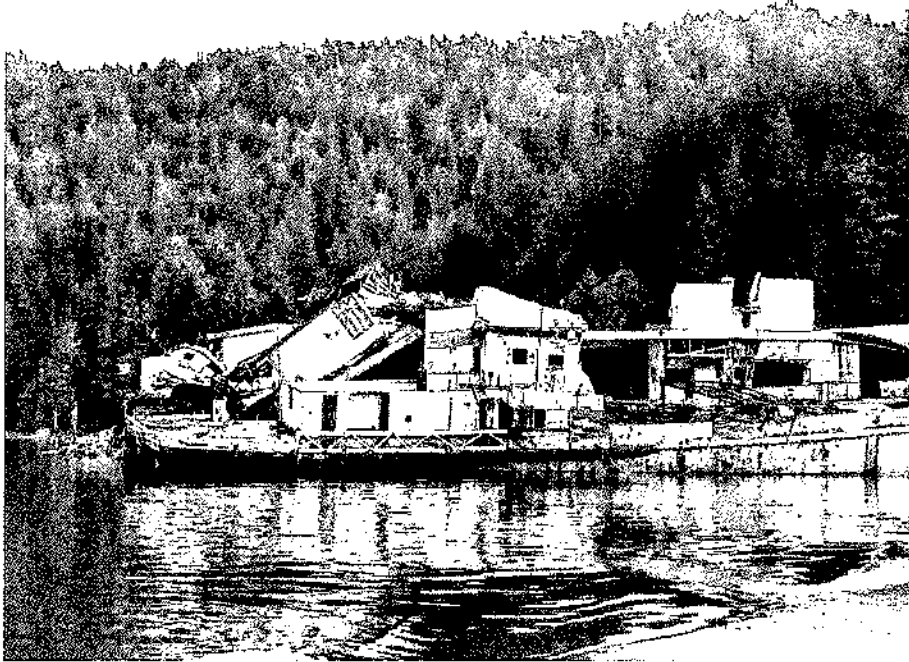


Photo 1. Listing ship and partially collapsed building.



Photo 2. Listing ship. Note fuel storage tank in foreground, and crumbling wall/ceiling.



Photo 3. Metal debris (tanks and associated infrastructure) collapsed through decking onto foreshore. Obvious poor condition of pier structure.



Photo 4. Buildings under various states of collapse.



Photo 5. Collapsed ceiling on empty shrimp tins.



Photo 6. Community centre and Bowling alley (deemed unsafe to enter).



Photo 7. Fuelling Dock.

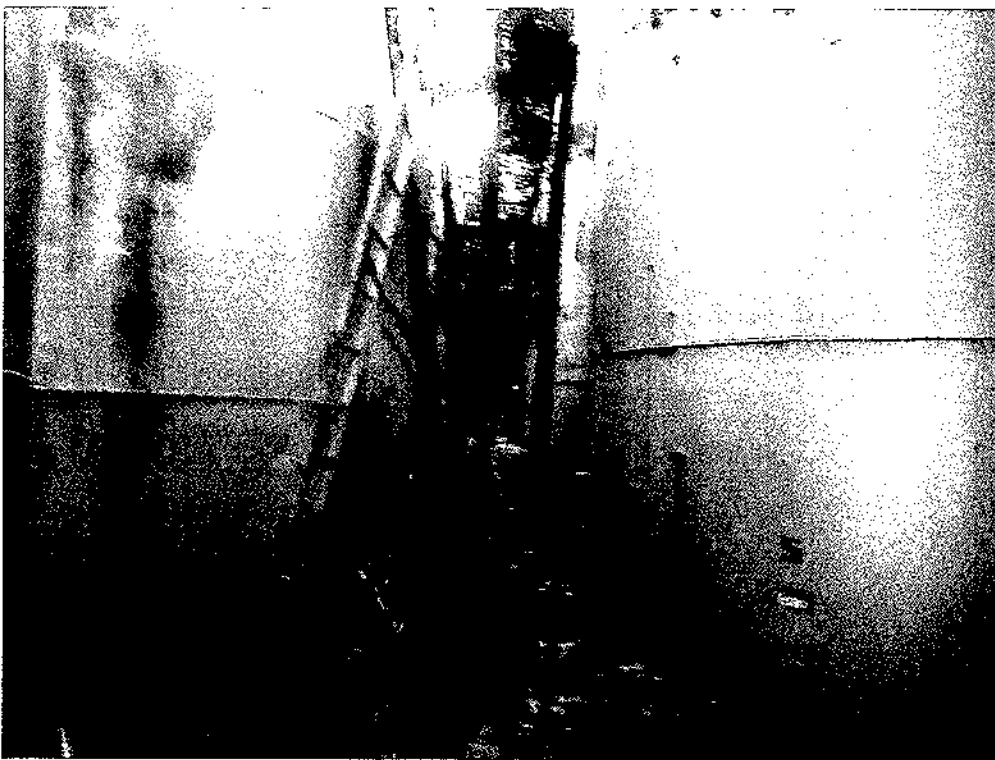


Photo 8. Bulk fuel storage installed in the late 1980s in the vicinity of the fuelling dock.



Photo 9-10. Miscellaneous chemical (Sodium cyanide on right).



Photo 11-12. Examples of leaking drums.



Photo 13- Stacked drum storage.



Photo 14 – Various container storage

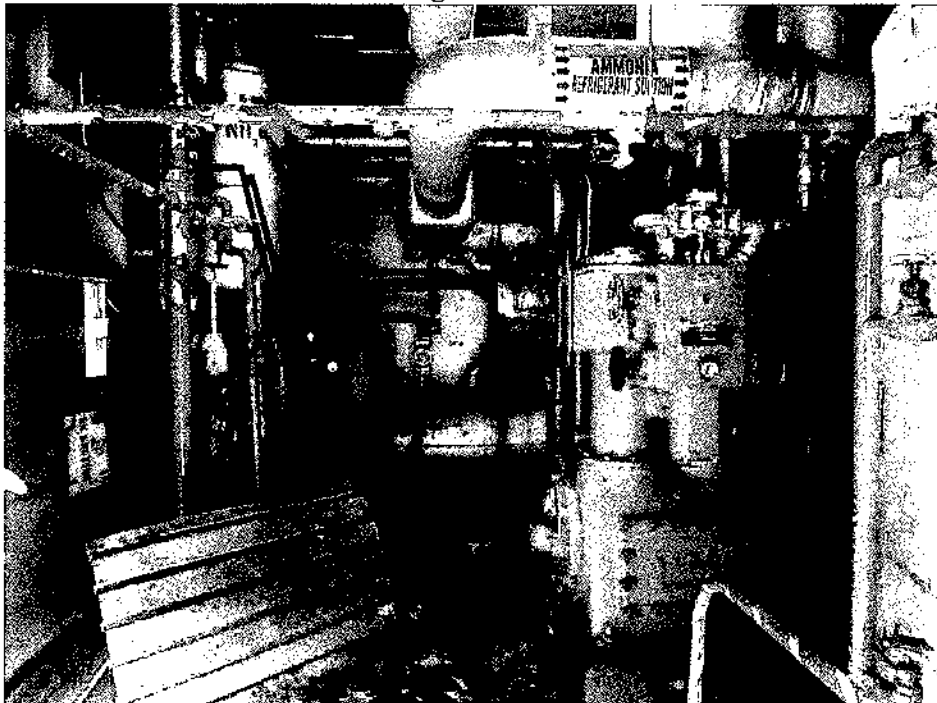


Photo 15. Cooling systems (tanks marked NH_3)



Photo 16. Sulphuric acid tank (hole and staining near bottom indicate the point of release).



Photo 17. Bulk fuel storage on the packing plant site



File: 0084891, 0131264, 0235099

Date: October 31, 2014

REGISTERED MAIL

Namu Properties Ltd.
9701 - 201 Street
Langley, BC
V1M 3E7

Attention: David Milne

Dear Mr. Milne:

RE: Crown Land Leases 0084891, 0131264 and 0235099 at Namu

The Ministry of Forests, Lands and Natural Resource Operations (FLNR) visited Namu on July 18th and October 1st, 2014, to inspect the three tenures held by Namu Properties Ltd. The information gathered from the inspections confirmed that the condition of the area under land files 0084891, 0131264 and 0235099 are in breach of the lease contracts.

Please be advised that Section 4.1 (d) of the tenure documents require the lease holder to "keep the Land and the Improvements in a safe, clean and sanitary condition satisfactory to us, and at our written request, make the Land and the Improvements safe, clean and sanitary". This letter is notice under Section 4.1 (d) that the Province requires you bring the lease area into a safe, clean and sanitary condition.

An area of immediate concern to the Province is the failing pilings and deck located within Block A of District Lot 1541, Range 2, Coast District (Lands file 0084891). Part of the area of concern is shown on the attached photographs. **You must immediately begin removing or stabilizing these improvements and bring the land back to a safe condition.** If the deck and buildings resting on the pilings are to be removed they must be brought to a lawful disposal location.

In addition to the requirement above, within 60 calendar days of the date of this letter please submit a written plan with reasonable target completion dates that demonstrates how Namu Properties Ltd. will bring the improvements in the tenure area to a state in which they are

Page 1 of 3

Ministry of Forests, Lands and Natural Resource Operations West Coast Region

Location:
142-2080 Labieux Road
Nanaimo, BC
V9T 6J9
CANADA

Mailing Address:
142-2080 Labieux Road
Nanaimo, BC V9T 6J9
Tel: 250-751-7220
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Namu Properties Ltd.

usable for the purposes that they are authorized in the tenure document. The purpose statements of the tenure documents are as follows:

- 0084891 – For the purpose of fish buying station
- 0131264 – For the purpose of oil station
- 0235099 – For the purpose of commercial sport fishing resort

Alternatively to the written plan requirement above, please provide a written plan within 60 calendar days of how the improvements will be removed and the land brought back to a condition that would be considered safe, clean and sanitary. Please include target completion dates along with any supplemental information that may be relevant. Please be advised that the Province will require acceptable reporting under the *Environmental Management Act* prior to termination of the lease contracts.

It is noted in past reports that there are hazardous materials remaining on the site that are regulated under the *Environmental Management Act*. Any work required in this letter must be consistent with the *Environmental Management Act* and other legislation that governs land use in British Columbia. There may be environmental concerns on the adjacent private property that is also owned by Namu Properties Ltd. It may be prudent to contact the Ministry of Environment (MOE) to coordinate any work required by the MOE with the work required by FLNRO. Please contact Peter Kickham, Manager of Risk Assessment and Remediation, at Peter.Kickham@gov.bc.ca for further information on MOE's requirements.

As per previous letters from the Province, Namu Properties Ltd. has outstanding rental payments on all tenures that are required under the lease contracts. Please immediately contact our office, at the contact information below, to discuss a payment plan for the outstanding rental.


If a response is not received from Namu Properties Ltd. regarding the requirements above and outstanding rentals are not immediately paid, the tenure contract may be subject to cancellation. If the tenure contracts are cancelled, Namu Properties Ltd. will immediately be required to return the land into a safe, clean and sanitary condition, and cancellation of the tenure will not cancel the outstanding debt owed to the Province.

As required under the tenures contracts, FLNR holds a safekeeping agreement with Namu Properties for a total of \$100,000. If the work and reporting requested above is not completed, the Province has the ability under Section 6.3 of the tenure documents to draw down the safekeeping agreement to complete our requirements. If the amount is drawn down, the Province will require that the safekeeping agreement be restored to its original amount of \$100,000.

Namu Properties Ltd.

If needed, the Province will be able to meet with you to discuss our expectations of the lease area. If you have any further questions regarding the requirements of the letter, or wish to schedule a meeting with Provincial staff, please contact Cameron Bezanson, Senior Land Officer, at Cameron.Bezanson@gov.bc.ca.

Yours truly,



Greg Gage
Director
Crown Land Authorizations

Attachment(s): Photos of Lands File 0084891

MINISTRY OF ENVIRONMENT INFORMATION NOTE

November 10, 2014
File: 280-30
CLIFF/tracking #: 211230

PREPARED FOR: Honourable Mary Polak, Minister of the Environment

ISSUE: Organic Matter Recycling Regulation (OMRR)

BACKGROUND:

The OMRR (enacted in 2002) governs the production, quality and land application of certain types of processed organic matter. It provides clear guidance for local governments and compost and biosolid producers on how to recycle organic material and satisfy the Ministry's expectations regarding protecting soil quality and drinking water sources.

In 2006, the Ministry identified a series of potential amendments for OMRR. Stakeholders were consulted twice regarding the amendments: in 2006 and 2011. Furthermore, as of summer of 2014, the internal and external stakeholders have been updated via webinars. Stakeholders asked questions about feedstocks, backyard composting exemptions, presence of foreign matter in compost, leachate environmental assessment, and odour management for composting facilities. Additional clarity was provided through a few follow-up conversations with individual stakeholders.

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DISCUSSION:

The effects of the proposed amendments to the OMRR are to:

- Support the Ministry's Service Plan Performance Measure #7 regarding reducing waste disposal and increasing organics recycling. Results of waste composition studies across the province indicate that 40-50% of the disposed municipal solid waste is organics. The addition of suitable organic wastes to OMRR, such as clean construction and demolition, paper, cardboard, waxed paper, pulp and paper mill residuals and domestic composting toilet sludge, would promote more organics recycling and divert these materials from landfills and incinerators.
- Provide flexibility for compliance with OMRR, by improving Director's discretion to address unique circumstances, (e.g. odour management and feedstock).
- Make OMRR more understandable and easier to read (consultation on the latest draft with the regional staff and private sector indicate success).

- Align with Federal regulations (the CFIA and the CCME standards) and the BC-related standards to increase marketability of the compost and consequently increasing job market capacity in the organics recycling sector.

Overall, stakeholders are in favour of the potential amendments.

During the recent webinar the Ministry proposed requiring the preparation of a Leachate Environmental Assessment Report (LEAR) (signed by a Qualified Professional) for new and existing composting facilities regardless of the production tonnage. Requiring this report for facilities, focusing on leachate, rather than requiring a broader “Environmental Impact Study”, will target higher risk environmental concerns and establish consistency across the sector.

As we proceed with finalizing the policy and drafting, the Ministry will work with stakeholders to seek their input on LEARs, specifically who would be required to complete one, when it would be due, how often it would be repeated and would there be credit given for previously submitted environmental impact studies.

NEXT STEPS:

Proceed with the OMRR amendment process by:

- Sending out the communication piece to the stakeholders;
- Continuing with the drafting process;
- Finalizing the policy work (fall 2014);
- and amending the regulation (2015, effective date one year after).

Attachments:

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Contact:

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| ADM | LH | 14/11/14 |
| Exec Dir | DR | 14/11/14 |
| Manager | CJ | 14/11/10 |
| Author | MM | 14/11/10 |

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**MINISTRY OF ENVIRONMENT
DECISION NOTE**

Date: November 14, 2014

File: 280-20

CLIFF/tracking #: 211299

PREPARED FOR: The Honourable Mary Polak, Minister of Environment

ISSUE: Addressing immediate financial pressures in BC Parks as part of a long term financial viability strategy

BACKGROUND:

Over the past decade, BC Parks has operated under a generally constant budget that has not accounted for important cost drivers. Two of the most prominent in this regard are:

- Increasing costs for contracted park facility operators (PFOs).
 - Deficiency payments to PFOs make up shortfalls not covered by recreation (e.g. camping) user fees
 - The delivery of recreational services is a business; business costs rise regularly and, in the absence of corresponding user fee increases (or significant attendance increases), lead to increased deficiency payments
 - Deficiency payments have increased 63% over the past decade and currently total over \$4 million per year
 - Deficiency payments are estimated at \$7.0 million in 2015/16, an increase of 24% over 2014/15 payments (estimated \$5.7 million).
- Increasing costs to replace aging infrastructure
 - BC Parks has approximately \$700 million of investment in infrastructure
 - Capital replacement best practices suggest 2% annual investment (\$14 million for BC Parks)
 - While BC Parks has received a lift to its capital budget in recent years, it has not received corresponding financial support to cover amortization costs
 - Unfunded amortization costs are currently just under \$8 million per year and are expected to grow by \$0.33 million per year over the next four years (to \$9.2 million by 2018/19).

The financial pressures associated with these costs have, in recent years, forced BC Parks to shorten operating seasons, eliminate park ranger positions, reduce preventive maintenance and implement other program cuts. Financial pressures and priorities within government more broadly make it unlikely that BC Parks will receive additional funding from government. However, the organization cannot continue to operate at current funding levels without seriously encroaching on other budgets within the Ministry (jeopardizing other important environmental programs) or further reducing services.

In response, BC Parks has developed a plan to progressively move toward long term financial sustainability. A critical first step is the adoption of several immediate actions

to reduce expenses and increase revenues without negatively affecting park service levels or the visitor experience.

In 2007, Treasury Board approved BC Parks' implementation of a new flexible fee structure which allowed the Minister to establish recreation user fees within ranges approved by Treasury Board. The approved fee ranges for frontcountry camping are \$5 to \$35 per party/night.

Park facility operators retain revenue from recreation user fees at a pre-determined, contracted rate. *Raising fees to offset deficiency payments is one of the only regulatory tools available to government to immediately lower the operating costs of BC Parks.*

DISCUSSION:

BC Parks practices price differentiation between campgrounds, charging more for those with higher service and demand levels. BC Parks has identified a group of 26 campgrounds in 20 parks (see Appendix 1) that are viewed as prime candidates for fee increases, as these campgrounds have relatively high attendance levels and are expected to have the most resilient response to fee increases **s. 13**
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BC's inflation rate during May through September 2014 (the period of time when most camping fees are in effect) varied between 1.2% and 1.9%¹.
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BC Parks has also evaluated the effects of an increase of \$2/night to all other frontcountry campgrounds (134) outside the above mentioned specifics. This system wide increase is estimated to have an additional net benefit to government of approximately \$500,000 per year in increased revenues. These proposed fee increases are summarized in Table 1, assuming projected revenues will be entirely used to either decrease deficiency payments or increase returns to Crown, whichever is applicable.

¹ BC Stats. Consumer Price Index/Household Spending:
<http://www.bcstats.gov.bc.ca/StatisticsBySubject/Economy/ConsumerPriceIndex.aspx>

Table 1 – Summary of Proposed Fee Increases

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In service of financial sustainability, BC Parks has also examined other options to ‘Lean’ the organization and the parks systems, increase revenues and decrease expenses. A

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Public response to the proposed fee increases is expected to be most sensitive for the 26 high attendance campgrounds, since those are where the largest fee increases will be evident. It is also expected that all the proposed fee increases will be of concern to the PFOs: since BC Parks has just undertaken an active procurement in 75% of the frontcountry campgrounds, the PFOs have had no direct say in the fee change process. The proposed fee increases will likely be met by some adverse response from park visitors and ENGOs; camping attendance may drop but should return to normal levels within one to two years.

OPTIONS:

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RECOMMENDATION:

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December 03, 2014

DECISION & SIGNATURE

DATE SIGNED

Mary Polak
Minister of Environment

Attachments:

Appendix 1: Proposed Changes to the 2015 Fee Schedule
Appendix 2: Private Sector Comparables

Contact:

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BC Parks & COS

Alternate Contact:

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Prepared by:

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| Dir./Mgr. | AC | Nov 14/14 |
| Author | SG | Nov 14/14 |

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APPENDIX 2: PRIVATE SECTOR COMPARABLES

| REGION | Campground Name | Prices* | Party size (people) |
|-----------------------|-------------------------------|---|--------------------------|
| KOOTENAY/ OKANAGAN | Summerland | \$32 - \$39 unserviced; \$45 - \$49 serviced | 4 |
| KOOTENAY/ OKANAGAN | Beaver Valley | \$15 - \$20 unserviced | N/A |
| KOOTENAY/ OKANAGAN | Mount Baker | \$26 unserviced; \$32-\$38 serviced | 2 |
| KOOTENAY/ OKANAGAN | Wright's Beach | \$34 - \$47 unserviced; \$42 - \$64 serviced | 2 |
| NORTH | iRVin's | \$22 unserviced; \$28 - \$37 serviced | 2 |
| NORTH | Usk | \$20 - \$35 serviced | N/A |
| SOUTH COAST | Vedder River (Cultus) | \$26 - \$28 unserviced; \$28-\$37 serviced | 2 |
| SOUTH COAST | Klahanie | \$32 - \$35 unserviced; \$38 - \$44 serviced | 2 adults + 2 children |
| SOUTH COAST | Eagle Vista | \$38 - \$42 serviced | 2 |
| SOUTH COAST | Creekside (Sunshine Coast) | \$24 unserviced; \$35 serviced | 2 |
| THOMPSON/ CARIBOO | Cariboo Bonanza | \$25 unserviced; \$30 - \$32 serviced | 2 |
| THOMPSON/ CARIBOO | Fawn Lake | \$23-\$25 unserviced; \$26 - \$28 serviced | 2 |
| WEST COAST | Parkside | \$21 unserviced; \$28 - \$32 serviced | 2 |
| WEST COAST | Thunderbird | \$21 - \$28 unserviced | 2 |
| WEST COAST | Gorge Harbour | \$25 unserviced; \$32.50 - \$40 serviced | 4 |

**Serviced* generally includes power, water, sewage dump, and sometimes WiFi and Cable

Note: Many of these campgrounds have additional fees for extra persons, extra vehicles, etc.

**MINISTRY OF ENVIRONMENT
MEETING INFORMATION NOTE**

November 14, 2014
File: 280-20
CLIFF/tracking #: 211055

PREPARED FOR: Minister Mary Polak

DATE AND TIME OF MEETING: November 24th 2014, 10:00-10:30

ATTENDEES: Minister Polak, Minister Thomson and Marmot Recovery Foundation

ISSUE(S): To discuss the future of recovery efforts for the Vancouver Island marmot.

BACKGROUND:

Vancouver Island Marmot

One of the most rare mammals in the world and is listed as Endangered under the federal *Species at Risk Act* (SARA) and by the Committee on the Status of Endangered Species (COSEWIC).

It is a Priority 1 species under the BC Conservation Framework and classified as Critically Endangered by the International Union for Conservation of Nature (IUCN) Red List of Endangered Species.

The population has increased from a low count in 2003 of less than 30 wild marmots living in a handful of colonies to 281-406 in 2013 with a highlight of 75-80 pups being born in the wild in 2013.

An ENV-led recovery strategy for the Vancouver Island marmot (*Marmota vancouverensis*) in British Columbia was released in 2008.

The original recovery target was to achieve a self-sustaining wild population of 400–600 marmots, dispersed in three metapopulations on Vancouver Island.

Somewhat controversial predator control (eagles, cougars) to help reduce mortality within wild metapopulations was used previously.

Marmot Recovery Foundation (MRF)

The MRF is a registered public charity formed in 1998 to provide a partnership organization working to save the endangered Vancouver Island marmot from extinction.

The Foundation provides a direct link between government, industry and the public to ensure the long-term commitment necessary for species recovery.

Ministry of Environment has made significant monetary (\$2.5 million) and in-kind contributions to the MRF for the recovery of marmots in the past;

The foundation has attracted complementary funding from various levels of government, corporations, landowners, funding agencies and private individuals and the MRF feels they have delivered a cost-effective program in support of marmot recovery.

The MRF is currently downsizing captive breeding program by discontinuing breeding marmots at the Mt Washington facility and removing marmots from the Mountain View Conservation and Breeding Centre. MRF will continue to breed marmots in captivity at only the Toronto and Calgary Zoos.

DISCUSSION:

The MRF is the leading force behind the recovery of this species and has developed considerable stewardship capacity among its members to produce concrete recovery outcomes.

The MRF has likely exhausted their capital and are probably seeking a new injection of funding to continue their recovery work.

ENV's Five-Year Plan For Species at Risk highlights that:

1. species-at-risk conservation requires a shared stewardship approach, and
2. cost-sharing opportunities and arrangements with industry and other partners are needed to support species-at-risk mitigation and recovery efforts.

MRF is seeking continued policy and financial support from ENV.

SUGGESTED RESPONSE:

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| Author | | |



BRITISH
COLUMBIA

Towards Financial & Business Viability for BC Parks: Phase 2

Prepared by Rob Abbott, PhD, CMC

Executive Director, Business Strategy

BC Parks and Conservation Officer Service

November 18, 2014

Briefing Material for The Honourable Mary Polak, Minister of Environment

December 1, 2014



First Principles

- The journey to financial and business viability for BC Parks is a two-phase process:
 - Phase 1: Strategic fee increases that provide **short-term stability** – this stage is by-and-large complete
 - An initial recommendation for fee increases was presented to Caucus on November 26, 2014
 - A parallel Treasury Board submission is being developed that seeks to expand the fee range for camping and targeted parks experiences (hot springs fees; house boat camping fees; Bowron lakes fees)
 - Phase 2: **Broader and deeper transformation** – of funding/revenue, of service delivery, and of sponsorships/partnerships and system configuration
- BC Parks is seeking approval to proceed with the necessary background research to identify options that enable broader and deeper transformation - that moves the organization onto a secure, long-term financial footing.

What does Financial Stability Look Like?

- **Address critical financial shortfalls**
 - Close the gap on current shortfall and relieve pressure on Ministry budget
 - Approved fee increases go a ways towards this
- **Move the organization onto a more secure financial footing**
 - Build on the initial fee increases with additional fee changes including: an expansion of differential pricing for different park experiences
 - Resolve capital amortization issue
 - Become proactive in securing corporate sponsorship and partnership to support delivery of park services
 - Look at regularized increases as a way to allow fees to keep pace with costs
- **Create conditions where the organization is delivering value-added services**
 - New sources of revenue to support services not presently offered

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A Word about Process

- Over the next 4-6 months, BC Parks will conduct research in each of the defined cluster areas, as well as emergent clusters (e.g. model/system change, for example).
- Periodic briefings will be scheduled with the Minister to highlight progress and avoid any surprises.
 - With respect to work that we initiate on corporate sponsorships, there may be a role the Minister wants to play. This will be scheduled and discussed as needed
- An emphasis will be placed on ensuring engagement and alignment of BC parks staff and colleagues across government.
- The nature and type of external stakeholder engagement will be discussed with the Minister before action is taken in this regard.

**MINISTRY OF ENVIRONMENT
MEETING INFORMATION NOTE**

November 24, 2014
Date of previous note: June 19, 2014
File: 280-30
CLIFF/tracking #: 212034
X-reference: 207652

PREPARED FOR: Honourable Mary Polak, Minister of Environment

DATE AND TIME OF MEETING: November 25, 2014, 5:00 pm, Room 112

ATTENDEES: Honourable Mary Polak, Minister of Environment
Wes Shoemaker, Deputy Minister
Lisa Matthaus, Organizing for Change
Oliver Brandes, Polis Institute

ISSUE(S): Meeting with Organizing for Change regarding progress on their campaign initiatives.

BACKGROUND:

“Organizing for Change” is a project focused on developing more effective approaches to advancing environmental policy initiatives in BC consisting of the following organizations: Canadian Parks and Wilderness Society – BC Chapter; Conservation Northwest; Dogwood Initiative; Ecojustice; ForestEthics; Georgia Strait Alliance; Greenpeace; Pembina Institute; Sierra Club BC; West Coast Environmental Law; and Wildsight.

Lisa Matthaus is the provincial lead for Organizing for Change, the Campaign’s Director at Sierra Club BC. Oliver Brandes, co-director of the POLIS Institute at the University of Victoria and lead on the POLIS Water Sustainability Project will be accompanying Lisa to join the discussion on the *Water Sustainability Act* (WSA).

DISCUSSION:

Ms. Matthaus has requested the meeting to discuss the progress made on a number of the Organizing for Change campaign priorities including implementation of the WSA, progress on the Great Bear Rainforest initiative, and the potential for an extension of the December 1st expiry of the work permit deferrals in the Klappan (Sacred Headwaters).

As the main focus of the meeting is intended to be on the WSA, Lisa and Oliver are expected to ask about the Minister’s plans to ensure meaningful and adequate engagement with First Nations on the WSA and provide sufficient resources for the implementation of the Act. This follows a coalition statement of support on the WSA (see Attachment 1).

Lisa has also indicated that although she recognizes it is not an ENV initiative, she will be bringing the ENGO communities' concerns with the provincial government's white paper on the *Societies Act* that was released by the Ministry of Finance in August 2014, to the Minister's attention.

SUGGESTED RESPONSE:

The Ministry of Environment is appreciative of the support and great work being conducted by Organizing for Change and its affiliates and will continue to engage them on key policy and program areas going forward.

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Attachment 1: Coalition statement of support on the WSA

Contact:

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| DM | - | - |
| DMO | VJ | Nov 24/14 |
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Statement of Support for B.C. Water Sustainability Act and Regulations

November 13th, 2014

ATTN:

Hon. Michael de Jong (Minister of Finance and Chair of Treasury Board)

Hon. Mary Polak (Minister of Environment)

Hon. Steve Thomson (Minister of Forests, Lands and Natural Resource Operations)

Re: Ensuring meaningful and adequate engagement with First Nations and providing sufficient resources for implementation of the B.C. Water Sustainability Act

Water is critical to life. It is also essential to economic and community prosperity. Protection of precious water resources must be a priority. British Columbians welcome the new *Water Sustainability Act* (WSA) for its improved freshwater protection and opportunities for modern water management and governance.

It is critical that the WSA and its regulations are brought into force and implemented in a timely manner, as the changes articulated in the legislation are long overdue. We write now to urge you to take action on two critical issues essential to the success of WSA implementation:

- 1. Ensure First Nations' interests are meaningfully and adequately addressed in the development of regulations supporting the WSA through direct consultation on a government-to-government basis.** Recent Supreme Court decisions recognizing and affirming aboriginal rights and title indicate First Nations must be full participants in developing the legislative framework and decision-making processes around land and water use. First Nations have not been properly consulted during the WSA drafting process and concerns remain high that consultation for the current regulatory development processes will not be satisfactory. The WSA has implications for constitutionally protected aboriginal rights and title and thus requires a high level of engagement at the individual nation level. To ensure First Nations' interests are meaningfully engaged in the development of regulations supporting the WSA, First Nations must be consulted directly on a government-to-government basis. This serves to not only help satisfy the Crown's legal obligations, but also works to establish relationships of trust. It is this relationship that ultimately forms the basis upon which the Province and First Nations can advance mutual interests and reconcile the past.
- 2. Provide adequate and sustained funding for the new water law regime.** Important decisions about water licence pricing (including groundwater) and resourcing the implementation of the WSA are underway. We believe that the WSA must be fully implemented to achieve its promised benefits. Sufficient resources must be made available to support not only development of the new and necessary regulations, but also their implementation. We recognize that financial resources are limited and the new regulations will have cost implications. The current review of water licence pricing offers a good opportunity to generate the needed resources. At a minimum, full administrative costs associated with drafting and implementing the regulations should be recovered from water users in the province through the increase in water licence pricing currently being considered.

Given the vital importance of fresh water to our communities, our economy, and British Columbia's future, this Statement of Support seeks to assist the Province in addressing two existing challenges facing the successful implementation of the WSA.

This statement is the result of a recent workshop attended by a diversity of organizations—including First Nation groups, watershed boards, funders, stewardship groups, academia, and experts in policy and law—working on issues related to water sustainability, both across the province and regionally. This group of water leaders has been meeting regularly since 2009 to facilitate collaboration and help create an innovative and robust water law regime in B.C. As hosts of the recent workshop, Oliver Brandes (omb@uvic.ca) and Raluca Hlevca (water@polisproject.org) can be contacted for further discussion or questions regarding this Statement of Support.

Prepared by: Adaptation to Climate Change Team (ACT), Simon Fraser University; B.C. Wildlife Federation; Canadian Freshwater Alliance; Convening for Action Vancouver Island (CAVI); Living Lakes Canada; Nechako Environment and Water Stewardship Society; Organizing for Change; Partnership for Water Sustainability in B.C.; POLIS Project on Ecological Governance, University of Victoria; Real Estate Foundation of B.C.; University of British Columbia–Okanagan; Watershed Watch Salmon Society; WaterWealth; WWF–Canada

cc:

Peter Milburn (Deputy Minister of Finance)
Tim Sheldan (Deputy Minister of Forests, Lands and Natural Resource Operations)
Wes Shoemaker (Deputy Minister of Environment)
Mark Zacharias (ADM, Environmental Sustainability and Strategic Policy)
Terry Lake (Vice-Chair of Treasury Board)
Dan Ashton (Member of Treasury Board)
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Norm Letnick (Member of Treasury Board)
Michelle Stilwell (Member of Treasury Board)

**MINISTRY OF ENVIRONMENT
BRANCH-ORIGINATED INFORMATION NOTE**

November 25, 2014
File:280-30
CLIFF/tracking #: 211149

Prepared for: Honourable Mary Polak, Minister of Environment
What: Government Offset Portfolio
Why: Update Minister on the status of the Offset Portfolio
Required by: November 25, 2014,
Briefing: Susanna Laaksonen-Craig and Suzanne Spence

BACKGROUND:

The Climate Investment Branch (CIB) is mandated to procure and manage the greenhouse gas offsets portfolio to meet British Columbia's carbon-neutral government commitment. The five-year portfolio objectives for carbon neutral years 2014-2019 are:

- At least half of the portfolio from lowest cost projects.
- The balance of the portfolio to meet government objectives, including:
 - Projects that address challenging emissions categories for BC;
 - Community-based projects; and,
 - Projects that align with key provincial strategies, such as the BC Jobs Plan.

The Branch posted its first greenhouse gas offsets procurement call in September 2014 and is presently receiving proposals from industry in response.

DISCUSSION:

CIB anticipates that core government and public sector organizations will require approximately 700,000 tonnes of carbon emission offsets annually to meet BC's carbon neutral government commitment. Sixty percent of this year's demand can be satisfied with volume currently in inventory, under contract or through anticipated contract renewals. The balance is expected to be fulfilled through new contracts generated through the recent procurement call.

Contract renewals and new contracts will be evaluated and selected, in part, based on their fit with the portfolio objectives. Everything else being equal, projects that meet the criteria of more portfolio objectives will be scored higher at the evaluation stage than proposals meeting fewer objectives.

However, the greatest risk exposure being managed when entering into new or renewed contracts is budgetary. To achieve the base \$7 million offset retirement budget, offset costs would need to average no more than \$10 per tonne. s.12.s.13.s.17

s.12,s.13,s.17

NEXT STEPS:

The CIB will continue to execute its procurement and portfolio management role and will develop contingency plans should one or both of the Treasury Board requests be denied.

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| DM | WS | Dec 1/14 |
| DMO | VJ | Nov 27/14 |
| ADM | SLC | 25/11/14 |
| Dir./Mgr. | SMS | 06 Nov 2014 |
| Author | NSJ | 31 Oct 2014 |

**MINISTRY OF ENVIRONMENT
BRANCH-ORIGINATED INFORMATION NOTE**

November 25, 2014

File:

CLIFF/tracking #: 211150

Prepared for: Honourable Mary Polak, Minister

What: Raising the profile of adaptation in new provincial climate initiatives

Why: Recent extreme weather events have highlighted impacts to individuals' property, the economy and the need for effective climate risk management.

Required by: ASAP for incorporation into discussions on Climate Action Plan (CAP) 2.0

Briefing: Yes (if not covered at December 1st Roundtable Meeting)

Recommended Attendees: Minister Mary Polak, Wes Shoemaker,
Susanna Laaksonen-Craig, Thomas White, Liz Lilly

BACKGROUND:

For the next 30 years, the climate we experience will be influenced by greenhouse gases that have already accumulated in the atmosphere due to historical emissions, and expected emissions from new and existing infrastructure that has not reached the end of its useful life.

Many aspects of climate change and associated impacts will continue for centuries, even if anthropogenic emissions of greenhouse gases are stopped now.

In British Columbia, anticipated impacts include sea level rise and ocean acidification, decreasing snow pack, longer and hotter summers and more intense rainfall. These, in turn, impact coastal communities and infrastructure, shellfish aquaculture, water supply and power generation, human health, and, agriculture and forestry (through disturbances such as mountain pine beetle and longer forest fire seasons).

British Columbia's efforts to reduce greenhouse gas emissions complement global efforts to limit the long-term consequences of climate change. However, under any scenario of GHG emissions, BC will have to adapt to the impacts of climate change in order to mitigate the risks to human health and safety; infrastructure and property; economic activity; and, ecosystem services.

DISCUSSION:

Much of BC's leadership on climate change has focused on GHG emission reductions. Adaptation was not part of the 2008 Climate Action Plan. The British Columbia Climate Change Adaptation Strategy was released later in 2010. The Strategy has three elements:

1. Build a strong foundation of knowledge and tools.

2. Make adaptation a part of the Government of British Columbia's business.
3. Assess risks and implement priority adaptation actions in key climate sensitive sectors.

The strategy has resulted in significant progress managing climate risks. It:

- Provided decision-makers in organizations exposed to climate risk, such as BC Hydro, the Provincial government and local governments, with the scientific information, analyses and tools needed to evaluate and plan for changes in climate risk;
- Encouraged action in relevant business areas within government, such as agriculture, environment, forests, tourism, mining, coastal flood protection and health;
- Engaged stakeholders, including professional and industry associations and the general public, through awareness and outreach initiatives, such as the King Tides photo initiative; and
- Facilitated partnerships with the Federal government, who provided more than \$4.2 million since 2009 for BC adaptation projects and launched a new phase of funding for 2012-2016.

Successful adaptation to climate change is a long-term effort that will require sustained attention and much more needs to be done. In particular, the Province needs to engage and support the needs of four specific groups:

1. Provincial government ministries and Public Sector Organizations, with responsibilities for land-use decision-making, long-lived infrastructure investments and asset management, public health, economic development, and electricity supply;
2. Local governments, with responsibilities for land-use management and the provision of public infrastructure, such as flood protection works;
3. Industry, businesses and private interests, who own real-estate and other assets that are exposed to climate risk; and,
4. First Nations communities facing risks and challenges posed by climate change impacts.

Investment in adaptation in the short term will alleviate costs associated with weather-related disasters and sea level rise. For example: updating flood plain maps to support safer development in flood plains; investment in fire management to reduce the risk to homes and infrastructure. A recent report prepared for the United States Geological Survey estimates a 5:1 return on investment for enhanced mapping to support floodplain mapping and wildfire management.

Many national and sub-national jurisdictions are updating their approaches to adaptation in legislation, policy or programming and have established accountability mechanisms to regularly assess their performance.

NEXT STEPS:

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| DM | WS | Dec 2/14 |
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| Dir./Mgr. | LL | 25/11/14 |
| Author | TW | 25/11/14 |

MINISTRY OF ENVIRONMENT INFORMATION NOTE

November 14, 2014
File: 280-30
CLIFF/tracking #: 211228

PREPARED FOR: Deputy Minister Wes Shoemaker

ISSUE: LNG, air quality and the proposed Prince Rupert airshed study

BACKGROUND:

Air quality and the related cumulative effects (CE) of multiple LNG project proposals have been the focus of public concern, particularly in the Kitimat and Prince Rupert regions. Contaminants associated with LNG production include sulphur and nitrogen oxides (SO₂ and NO₂), small particulates and ozone. At increased levels, these contaminants can cause acidification in the environment and human health impacts, including increased hospitalization and respiratory symptoms.

To date, Government has taken a number of proactive measures to understand and mitigate the potential risks of increased industrial air emissions due to LNG development. These include commissioning an independent assessment of the Kitimat airshed, a review of gas turbine emission standards, significant consultation with industry on air quality management and, most recently, updating provincial ambient air quality objectives for SO₂ and NO₂.

Due to a history of industrial emissions and confined geography, the Kitimat airshed is considered sensitive and was prioritized for an assessment of the potential impacts of LNG development to air quality. The 2014 Kitimat Airshed Assessment (KAA) built on existing comprehensive studies on SO₂ completed by Rio Tinto Alcan (RTA) in 2012, and evaluated how additional emissions of SO₂ and NO₂ from a number of future development scenarios might affect the environment and human health. A government review of the KAA results indicated that with ongoing airshed monitoring, increased industrial development could likely proceed with acceptable impacts to the Kitimat airshed.

DISCUSSION:

Local government, First Nations, and health authorities have concerns about the impact of LNG proposals on the Prince Rupert airshed and have made inquiries through the EA process, First Nations negotiations, and UBCM discussions. Based on these concerns and the outcomes of the KAA, government has already indicated that it intends to complete a second airshed assessment for the Prince Rupert area and has allocated \$600k to be spent by end of fiscal 2015. Work is moving forward now to initiate the study to be completed by spring 2015.

Unlike the KAA, the Prince Rupert Airshed Assessment (PRAA) does not have local airshed studies to draw on as a data resource and the open coastal geography of the larger Prince Rupert area is considered to be more challenging to model due to stronger coastal influences on airflow patterns and meteorology. Based on the lessons learned and criticisms of the KAA, additional considerations for the study design of the PRAA include whether to include additional contaminants (primarily PM_{2.5}), how to factor in unique weather patterns (stale air days) and whether to include environmental impact assessments of the other variables (such as marine ecosystems). The interactions of interest for the PRAA currently include: potential impacts to naturally acidic freshwater lakes, water and soil acidification from acid deposition and vegetation and human health impacts related to direct exposure.

As the Prince Rupert airshed is a trans-boundary region with Grassy Point only 12 km away from United States waters, efforts will be made to involve the state of Alaska as a neighbouring jurisdiction to comment on the PRAA process and potentially provide their environmental data for inclusion in the analysis. Contact with Alaska will be coordinated with the EAO, ENV's Intergovernmental Relations Unit and MNGD.

First Nations have also expressed concerns with the impacts of LNG to air quality. Similar to the process for the KAA, the PRAA will engage with First Nations in the Prince Rupert area including the Nisga'a, Lax, Metlakatla, Kitselas, Kitsumkalum, Gitxaala/Kitkatla.

As part of the environmental assessment process, proponents are required to provide their analysis of the impacts of their facility based on a limited number of existing and foreseeable emissions. The PRAA will provide government regulators and industry with a broad assessment of a number of development scenarios over a study area extending from Grassy Point to Port Edward. As a result, the PRAA will consider additional information that would likely fall outside the scope of a single proponent's environmental assessment application requirements. Similar to the KAA, proponents will be invited to share their projected emissions, facility stack design and other relevant data to be included in the study.

An industry information session on the PRAA and the implementation guidelines for the recently announced provincial interim ambient air quality objectives (IAAQOs) will be scheduled the week of November 24th, prior to finalizing the RFP for the airshed study. The session will be facilitated and provide an opportunity for industry to provide feedback on the PRAA study design and identify whether they have additional information to contribute to refine the final RFP. The joint session will include a high level overview of the new IAAQOs that apply to all new emissions in the Province of BC.

Similar to the KAA, it is expected that the results of the PRAA will provide a solid foundation for Government to base their permits and monitoring requirements and assure communities that LNG air emissions will not cause adverse effects to the environment and human health in the Prince Rupert airshed.

Next Steps:

1. Finalize the scope and extent of the proposed assessment (November 28, 2014).
2. Coordinate information session on PRAA and IAAQOs with industry and engage with other jurisdictions, First Nations and stakeholders (December 1, 2014).
3. Award contract for PRAA study analysis (January 15, 2015), draft report (March 31, 2015), review and finalize the airshed report (May 2015).

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| Exec Director | AD | |
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