

**MINISTRY OF ENVIRONMENT
DECISION NOTE**

Date: June 8, 2015
Cross Ref:
File:0280-40
CLIFF/tracking #: 284820

PREPARED FOR: The Honourable Mary Polak, Minister of Environment

ISSUE: Instating a fee increase for Ts'il?os Park campgrounds from \$11 to \$18/night effective immediately, upon signing of this Decision Note.

BACKGROUND:

Ts'il?os Park includes two front-country campgrounds: Nu Chugh Beniz and Gwedat'sih, each priced at \$11/party/night since 2010. These two campgrounds were excluded from BC Parks' recent, system-wide front-country camping fee increases, effective March 2015, due to the uncertainty surrounding the park's future in regards to ownership and management in light of the June 2014 Federal Appeals Court Title Decision.

The Supreme Court of Canada granted the Tsilhqot'in Nation a declaration of aboriginal title over land that overlaps a portion of Ts'il?os Provincial Park. Aboriginal title includes the right to exclusive use and occupation of the land.

Since that decision, the Province has entered into discussions with the Tsilhqot'in Nation on matters related to transitioning management of that portion of the Park within the Title Area to the Tsilhqot'in. Currently, the two parties are drafting a Bridging Agreement aimed at facilitating the continuation of park status over the lands in question until March 2015 as part of the orderly transition of the Title Lands to TNG control.

DISCUSSION:

During the transition period, the authority for setting and regulation of front-country campground fees will continue to reside with the Province. As such, Minister's approval is required to set and change these fees.

The current park operator for Ts'il?os is the Xeni-Gwet'in First Nation, a band within the Tsilhqot'in First Nation. This park operator has requested a fee increase for the two campgrounds, Nu Chugh Beniz and Gwedat'sih, from \$11 to \$18/party/night. BC Parks has reviewed this request and supports the higher fee as it is in line with the fees of similarly serviced campgrounds within the system. It is anticipated that additional revenue from the higher fees will be entirely retained by the park operator, the Xeni-Gwet'in First Nation.



Approve Option 2/

DECISION & SIGNATURE

Honourable Mary Polak
Minister of Environment

June 23, 2015

DATE SIGNED

Contact:

*Jim Standen
ADM
BC Parks & COS*

Alternate Contact:

*David Ranson
ED Visitor Experience &
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Prepared by:

*Selina Gonzalez,
Senior Economist
BC Parks*

[Insert additional rows if needed]

Reviewed by	Initials	Date
A/DM	MZ	June 17/15
DMO	BC	June 16/15
ADM	JS	June 16/15
Dir./Mgr.		
Author	SG	06/08/2015



File: 30200-20/KUND-05-06

Reference: 284359

June 30, 2015

SENT VIA EMAIL

Scott Perry
President and Chief Executive Officer
AuRico Gold Incorporated
Suite 1601-110 Yonge Street
Toronto ON M5C 1C4
Scott.Perry@auricogold.com

Dear Mr. Perry:

Thank you for your letter of May 25, 2015, addressed to the Honourable Mary Polak, Minister of Environment, requesting consent to transfer Project Approval Certificate M96-03 (Certificate) for the Kemess South Project (Kemess South) from AuRico Gold Incorporated (AuRico Gold) to AuRico Metals Incorporated (AuRico Metals).

As the Associate Deputy Minister and Executive Director of the Environmental Assessment Office (EAO), I give my consent for the transfer of interests in the Kemess South Certificate from AuRico Gold to AuRico Metals. Once the transfer occurs and EAO concludes an amendment to the Certificate confirming the change, AuRico Metals will become the new Certificate holder, responsible for all conditions and commitments.

Please provide EAO written confirmation of the completed transaction between AuRico Gold and AuRico Metals at your earliest convenience. Please include the formal amendment request as well as a \$2,000 fee, as noted in your original letter, at that time.

Sincerely,

Kevin Jardine
Associate Deputy Minister and Executive Director

...2

cc: Chris Richter, Vice President, AuRico Gold Inc.

Chris Rockingham, Vice President, AuRico Gold Inc.

Michelle Carr, Assistant Deputy Minister, Environmental Assessment Office

W. Scott Barillaro, Project Assessment Manager, Environmental Assessment
Office

**MINISTRY OF ENVIRONMENT
MEETING INFORMATION NOTE**

2015-05-27

File:

CLIFF/tracking #: 284340

PREPARED FOR: Wes Shoemaker, Deputy Minister of Environment

DATE AND TIME OF MEETING: June 11, 2015 at 1:00 PM to 5:00 PM

ISSUE(S): 4-hour meeting with Canadian Association of Petroleum Producers to discuss numerous issues with representatives from the BC government, including fiscal (Carbon tax and water handling fees), royalties and infrastructure, permitting, First Nations & communities, social licence, oil and the environment. Specific environment topics include: GHGs, water, air cumulative effects, and environmental assessment.

BACKGROUND:

In preparation for this meeting CAPP provided two documents: one standard agenda that provides the topic/time allotment for each discussion area, and a second that lists each topic CAPP wants to raise and then its primary *concern* related to that topic.

CAPP listed more than 20 *concerns* for this meeting, 11 of which are for MoE or EAO to address, either individually or in partnership with another Ministry:

1. Climate 2.0 (MoE);
2. GHG reporting burden – linear facility definition and verification (MoE);
3. Carbon offsets – electrification in the upstream (MoE/MNGD/FIN);
4. Saline water definition (MoE);
5. Incentives for greater water recycling (i.e. Clean Infrastructure Program) (MoE/MNGD/OGC);
6. Water monitoring / mapping – duplication across agencies (MoE/OGC);
7. NE BC Air Monitoring program (MoE/OGC);
8. Cumulative Effects – Policy proliferation (including Caribou) (FLNRO/MoE/MNGD);
9. EAO >75 litres/second production threshold (EAO)
10. Sweet natural gas processing plants exemption (EAO) - no MoE/EAO content provided
11. Status of Spill preparedness (MoE/MNGD)

Ministry staff have contributed bullets for relevant topics, these bullets have been added directly into the CAPP document that lists its concerns. That amended document with MoE comment is attached directly into this note as the *'discussion.'* MoE comments appear in blue text under each topic, and each MoE topic is highlighted in red for easy reference during the meeting.

DISCUSSION:

BC Deputy Ministers – CAPP Meeting

Victoria, BC - June 11, 2015

Agenda

Topic	Concern	Leading Agency
Welcome and Introductions		MNGD / CAPP
PCOS – Carbon Tax deduction	Producer Cost of Service (PCOS) does NOT include the portion of Carbon Tax that producers pay for moving BC's share of gas (i.e. royalty share) – This has been a concern since 2009 – Province never moved on it due to the considerable fiscal impact, although it's been recognized that the request has merits	MNGD / FIN
PCOS – Water handling costs	PCOS does not include water handling costs and industry has been increasingly concerned about the escalating costs of disposing of water. Concern is, this could have a big fiscal impact, still unknown as request is not fully articulated. Water management costs are included in PCOS as part of the Coalbed Gas Royalty Program, which has zero use as no activity is going on in CG. If industry pushes, our position should be to do a FULL review of PCOS, particularly in light of recent reductions in costs due to the decline in oil prices, plus the opportunity moving to Petrinex brings.	MNGD / FIN
Long Term Royalty Agreements	CAPP has been briefed high level about the contents of Bill 23, and there was a commitment by the DM and the ADM to get back with more details as regulations are discussed. Concerns will likely focus on fairness, ability to access	MNGD

Topic	Concern	Leading Agency
	the new tool, etc.	
Multi-year Infrastructure Royalty Credit Program	A multi-year approval of the IRCP has been discussed for many years, but never accomplished for a variety of reasons. We're supportive and will try again with TBS.	MNGD
Oil royalty program / diversification	There's a considerable potential for shale oil development in the Montney, and four companies in particular have been very vocal about needing royalty programs to be able to "open up" the resource. Some internal analysis has been done and we're still exchanging information with industry. CAPP has been "warm and cold" on this depending on the moment and which companies are requesting what, so CAPP's support has been lukewarm.	MNGD
Petrinex	BC is completing its business case to decide if it will join Petrinex (i.e. Petroleum Registry of Alberta). This was tried a few times but government lacked the funding and some of the key agencies' commitment to make the change. Now, the three organizations (OGC/MNGD/FIN) are supportive, so depending on the results of the business case, it is likely we will. CAPP and industry in general are very supportive of the change, as it will reduce reporting costs and make all of Western Canada have similar reporting structures and portal.	MNGD / FIN / OGC
Climate 2.0	<p>How does the upstream industry participate in this process? How do we maintain competitiveness in the upstream industry? Interested in discussing how the new advisory group will have a scope (TOR) and what that will mean for the upstream.</p> <p>MOE'S RESPONSE: The upstream industry participation in the climate leadership</p>	MOE

Topic	Concern	Leading Agency
	process can occur throughout the process, including in response to the public discussion paper (July) and Climate Leadership Plan (December). The Climate Leadership Team has not yet made decisions regarding the advisory groups. The Ministry and CAS are prepared to meet with the sector as and wherever necessary.	
GHG reporting burden – linear facility definition and verification	<p>Current GHG reporting requires verification, and this, in CAPP’s view is an unnecessary burden. Regulation should require auditable reporting. The linear facility definition is too broad and causes the capture of minor facilities, therefore creating unnecessary costs to industry. The goal would be to discuss ways to achieve the same environmental improvement with a lower cost to industry.</p> <p><u>MOE’S RESPONSE:</u> <i>Third party verification</i> of facility emissions over 25,000 tonnes annually has been part of the Reporting Regulation since 2009. Third party verification ensures integrity in quantifying and reporting GHG emissions and results in increased accuracy of data. Similar verification requirements are used by other jurisdictions including, Ontario, Quebec, and California.</p> <p>When the regulations were introduced in 2009 the government decided to allow trained, accredited third party verification services that companies had the freedom to choose, as opposed to hiring and training additional government staff to verify and audit greenhouse gas emissions. With reports from Alberta of multi-million dollar auditing costs, staff constraints and ongoing reporting compliance issues, we believe we have chosen the correct approach. BC industry broadly concurred with the third party verification approach over government</p>	MOE

Topic	Concern	Leading Agency
	<p>verification and audit at the time the regulations were being developed. With the advent of federal regulations for greenhouse gas emissions from the natural gas sector expected in the coming months, we believe the reporting requirements appropriately balance burden and rigour.</p> <p><i>Facilities that are linearly connected</i> (e.g. natural gas transmission and storage) and managed or controlled by the same entity are subject to reporting requirements if the facilities together emit more than 10,000 tonnes or more carbon dioxide equivalent emissions a year. This approach is similar to the geological basin approach used by the EPA and California.</p> <p>The LFO definition is critical to achieving fairness between companies and preventing the fragmentation of operations to avoid crossing the reporting threshold and to establish comprehensive coverage of emissions despite large variability in the companies' organizational, operational, and structural profiles. The Alberta and federal approach of a 50,000 tonne single facility reporting requirement would exclude a large proportion of facilities and emissions in the BC natural gas sector.</p> <p>CAPP submitted comments on the Greenhouse Gas Industrial Reporting and Control Act Reporting Regulation Intentions Paper posted publically between March-April 2015. These comments are currently under consideration. The concern regarding the definition of LFOs was not addressed in the submitted comments.</p>	

Topic	Concern	Leading Agency
Carbon offsets – electrification in the upstream	<p>CAPP has been supportive to some of their members' request to evaluate potential incentives for electrification in the upstream. Analysis has been done by MNGD with Hydro/CAS/EAED and FIN and demonstrates that the merits of the proposal are very dependent on the price assumptions. New assumptions are being analyzed and CAPP has been challenged to provide additional evidence. There's still no clarity about the merits of the proposal. Climate 2.0 might be the best way of tackling this proposal and looking at potential incentives to electrification, if needed.</p> <p><u>MOE'S RESPONSE:</u> s.12,s.13 s.12,s.13</p>	MOE / MNGD / FIN

Topic	Concern	Leading Agency
Saline water definition	<p>10,000 pp/m vs 4,000 pp/m – this definition is critically important to the trigger of a water license application and for the depth of surface casing. We are looking for a scientific approach to the definition and would encourage harmonization with other jurisdictions.</p> <p><u>MOE'S RESPONSE:</u></p> <p>s.13</p>	MOE
Incentives for greater water	MNGD has fully designed a Clean Infrastructure Royalty Credit Program that would tackle GHG and water use, among other potential technical advances that	MOE / MNGD / OGC

Topic	Concern	Leading Agency
recycling (i.e. Clean Infrastructure Program)	<p>could reduce environmental impacts of development. s.12,s.13</p> <p>s.12,s.13</p> <p><u>MOE'S RESPONSE:</u></p> <p>s.13</p>	f
Water monitoring / mapping – duplication across agencies	<p>What is the status of the NEBC water strategy and Water Sustainability Act. What are the various roles and responsibilities of MoE, FLNRO and OGC? Is government contemplating new regulations?</p> <p><u>MOE'S RESPONSE:</u></p> <ul style="list-style-type: none"> The Northeast Water Strategy (NEWS) was released publically on March 20, 2015, and was collaboratively developed and supported by: the major industry associations operating in the Northeast, including CAPP; Treaty 8 First Nations represented by the Treaty 8 Tribal Association; 	MOE / OGC

Topic	Concern	Leading Agency
	<p>local governments; and provincial natural resource and health agencies.</p> <ul style="list-style-type: none"> • An inter-agency NEWS provincial steering committee, that will include FLNRO, ENV and the OGC and other agencies, is being established to promote enhanced agency coordination of water management in Northeast BC through the delivery of NEWS (which incorporates specific WSA actions), and consistent communication of provincial priorities and actions under the NEWS and other provincial initiatives, including the implementation of the WSA and its associated regulations and policies. • A multi-partner Northeast Water Working Group is also being established, co-chaired by the Province and Treaty 8 First Nations, to guide implementation of the NEWS. Membership will include provincial, federal and local governments, Treaty 8 First Nations, industry associations, and non-government organizations. • The NE Water Working Group will help guide the implementation of the NEWS through various projects. A key priority for phase one of the NEWS implementation is the development of an enhanced surface and groundwater monitoring system for Northeast BC. Monitoring and assessment of surface and groundwater resources in NE BC will be coordinated through this working group and the inter-agency steering committee. Other NEWS priorities are still in the process of being identified. 	
Alternative water	Are there ways to incent new disposal methods? Vaporization could be an	OGC

Topic	Concern	Leading Agency
disposal methods (vaporization)	interesting one to look at, but there could be others.	
NE BC Air Monitoring program	<p>Discussion to ensure the monitoring is complementary and compatible with CAAQS and BLIERS etc</p> <p><u>MOE'S RESPONSE:</u></p> <ul style="list-style-type: none"> • The Air Quality Management System (AQMS) is a new, comprehensive air management system that is being implemented across the country. • Air zones are the basis for monitoring, reporting and managing air quality under AQMS. • The Canadian Ambient Air Quality Standards (CAAQS) are the drivers for improvements to protect human health and the environment. • The Northeast Air Zone is one of seven broad air zones that the province has identified. • The Ministry began operating a new fully equipped AQHI monitoring station in Fort St. John in January 2015. • Data from this site will be used to report out on CAAQS achievement in future years. • CAAQS reporting is one factor that will be given consideration in developing a sustainable monitoring network for the Northeast. • Recognizing that Fort St. John is only one community in a large, diverse region, the NE Monitoring Project is instrumental in understanding air 	MOE / OGC

Topic	Concern	Leading Agency
	<p>quality levels in communities beyond Fort St. John.</p> <ul style="list-style-type: none"> • Three portable monitoring stations measuring sulphur dioxide (SO₂) and total reduced sulphur (TRS) will soon be moved to new long-term locations in the Peace River Regional District. • The ministry is currently involved in discussions to identify new CAAQS for SO₂. • In response to a request by CAPP members, ministry staff will be taking part in discussions with CAPP staff regarding potential implementation issues for new SO₂ CAAQS that will likely include monitoring, modelling and other issues. • The first meeting is scheduled for Thursday, June 4. • The province has committed to reviewing its own interim air quality objectives for SO₂ and nitrogen dioxide (NO₂) once the CAAQS are established. • This review process will involve more fulsome consultation with a broad range of stakeholders. • The CAAQs are the driver for measuring the environmental outcomes from the implementation of the national Air Quality Management System. The CAAQs measure the cumulative effects of air emissions from all sources in a region. • BLIERS are emission standards for large point source facilities. Compliance with BLIERS will be through a facility reporting process 	

Topic	Concern	Leading Agency
	rather than by ambient air quality levels in a region in relation to the CAAQS.	
Cumulative Effects – Policy proliferation (including Caribou)		FLNRO / MOE /MNGD
EAO >75 litres/second production threshold	<p>Saline vs fresh: the 75 litres/second is a trigger (CAPP to confirm they have this accurately) for an EA. CAPP would like to discuss if saline water could exempted from this trigger, as an incentive to use non-fresh water. So, for example, if the reg trigger was for ‘fresh or potable’ water this could be a solution.</p> <p><u>MOE’S RESPONSE:</u></p> <ul style="list-style-type: none"> • The current threshold for an environmental assessment of groundwater diversions is for diversions greater than 75 litres per second (about 1000 gallons per minute) • It is expected that industry will seek an exemption from the EA requirement for wells using deep saline groundwater under the proposed regulation (>600m depth and >4000 pp/m total dissolved solids) • Projects accessing deep saline groundwater have been waived out of the EA process in the past subject to specified information requirements. • Further discussions among the EAO and ENV are recommended prior to providing any direction on the request for amending the EA threshold. 	EAO

Topic	Concern	Leading Agency
	<ul style="list-style-type: none"> EAO has prepared separate background material and Kevin Jardine will be on hand to assist on or lead these topics. 	
Sweet natural gas processing plants exemption	<p>Status of exemption</p> <ul style="list-style-type: none"> EAO has prepared separate background material and Kevin Jardine will be on hand to assist on or lead these topics. 	EAO
Alternative permitting initiatives (pad? Area based?)	General discussion	MNGD / OGC
Status of Oil and Gas Consultation Agreements / LNG ESI	Update	OGC / MNGD
Fair Share agreement update	CAPP looking for assurance that government has a plan to bring 'peace' to the peace country and that industry is not going to get dragged into the middle of this and/or exposed to new local tax initiatives.	MNGD

Topic	Concern	Leading Agency
Human Health assessment – Next steps	Update	MNGD / OGC
Update on 5 conditions	Update	MNGD
Status of Spill preparedness	<p>Update</p> <p><u>MOE'S RESPONSE:</u></p> <ul style="list-style-type: none"> Government is committed to the design principles that received broad support during the engagement by government with industry, First Nations, local governments and other stakeholders during the Two Intentions Papers namely: <ol style="list-style-type: none"> Polluter pays – this principle is already in effect in B.C. and will not change. Companies that spill or pose the risk of having a spill should be responsible for the costs associated with preparing for and responding to a spill. Risk-based requirements – all spillers will be required to meet new response requirements. The requirements for planning and preparedness will be based on a defined risk threshold which will consider toxicity, persistence and volume. Avoids duplication – recognizing there are some effective and 	MOE / MNGD

Topic	Concern	Leading Agency
	<p>collaborative spill response procedures in place in certain sectors, supplementation is still required to ensure environmental protection and also ensure British Columbia's system can be considered world-leading.</p> <ol style="list-style-type: none"> 4. Fair and transparent process – government has committed to continued dialogue through consultation on the development of new legislation and regulations. 5. Opportunities for First Nations and communities in preparedness, response and recovery – active engagement by First Nations and communities on all aspects of a world-leading system are considered key to the successful design, implementation and operations. 6. Strong government oversight – new requirements will provide both clarity and certainty for spillers, meet public and First Nations expectations and maximize the protection of the environment. 7. Continuous improvement – government is committed to continuous improvement ensuring a sustainable world-leading system by applying lessons learned from exercises, incidents and other jurisdictions. Additionally, any technological innovations will continue to be considered. 	

Topic	Concern	Leading Agency
	<ul style="list-style-type: none"> • New legislative and regulatory requirements for preparedness, response and recovery will be developed. • The Provincial Government is focussed on building a regime that fills the gaps that currently exist – be that on the land or in the marine environment. The currently identified gaps are the focus of the second intentions paper. • To ensure we meet these design principles, government will work with Industry to build a new land based spill regime together. Your active participation in the design will ensure that our robust regime not only meets our environmental objectives, but that we do so efficiently and effectively, leveraging resources already in place, ensuring coordination and reducing duplication of effort. 	

Reviewed by	Initials	Date
DM	WS	6/10/15
DMO	--	--
ADM	MZ	6/8/15
Dir./Mgr.		
Author		

BC Deputy Ministers – CAPP Meeting

Victoria, BC - June 11, 2015

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Oil royalty program / diversification	There's a considerable potential for shale oil development in the Montney, and four companies in particular have been very vocal about needing royalty programs to be able to "open up" the resource. Some internal analysis has been done and we're still exchanging information with industry. CAPP has been "warm and cold" on this depending on the moment and which companies are requesting what, so CAPP's support has been lukewarm.	MNGD
Petrinex	s.12,s.13	MNGD / FIN / OGC
Climate 2.0	How does the upstream industry participate in this process? How do we maintain competitiveness in the upstream industry? Interested in discussing how the new advisory group will have a scope (TOR) and what that will mean for the upstream.	MOE
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Incentives for greater water recycling (i.e. Clean Infrastructure Program)	MNGD has fully designed a Clean Infrastructure Royalty Credit Program that would tackle GHG and water use, among other potential technical advances that could reduce environmental impacts of development. Is.12.s.13 s.12,s.13	MOE / MNGD / OGC
Water monitoring / mapping – duplication across agencies	What is the status of the NEBC water strategy and Water Sustainability Act. What are the various roles and responsibilities of MoE, FLNRO and OGC? Is government contemplating new regulations?	MOE / OGC
Alternative water disposal methods (vaporization)	Are there ways to incent new disposal methods? Vaporization could be an interesting one to look at, but there could be others.	OGC
NE BC Air Monitoring program	Discussion to ensure the monitoring is complementary and compatible with CAAQS and BLIERS etc	MOE / OGC
Cumulative Effects – Policy proliferation (including Caribou)		FLNRO / MOE /MNGD
EAO >75 litres/second production threshold	Saline vs fresh: the 75 litres/second is a trigger (CAPP to confirm they have this accurately) for an EA. CAPP would like to discuss if saline water could exempted from this trigger, as an incentive to use non-fresh water. So, for example, if the reg trigger was for 'fresh or potable' water this could be a solution.	EAO
Sweet natural gas processing plants exemption	Status of exemption	EAO
Alternative permitting initiatives (pad? Area based?)	General discussion	MNGD / OGC

Topic	Concern	Leading Agency
Status of Oil and Gas Consultation Agreements / LNG ESI	Update	OGC / MNGD
Fair Share agreement update	CAPP looking for assurance that government has a plan to bring 'peace' to the peace country and that industry is not going to get dragged into the middle of this and/or exposed to new local tax initiatives.	MNGD
Human Health assessment – Next steps	Update	MNGD / OGC
Update on 5 conditions	Update	MNGD
Status of Spill preparedness	Update	MOE / MNGD

**MINISTRY OF ENVIRONMENT
INFORMATION NOTE**

May 13, 2015
March 10, 2015
File:
CLIFF/tracking #: 284032

PREPARED FOR: Honourable Mary Polak, Minister of Environment and Honourable Bill Bennett, Minister of Energy and Mines

ISSUE: Indemnity Agreements for Mines

BACKGROUND:

The Province has been approached regarding options to extinguish liability at two Barrick Gold mine sites (Eskay Creek mine and SNIP mine). These mines are both located in NW BC and were operating gold mines that have since closed. Both mines were permitted and have long-term monitoring and maintenance requirements. The Ministry of Energy and Mines (MEM) holds financial security for both.

A prospective purchaser has approached Barrick Gold about the purchase of the sites and Barrick would like a commitment from government that they would no longer be responsible for any remediation or environmental liability from the two closed mines should they be transferred. The Ministry of Environment currently has little or no information on contaminant liabilities at these two mines.

The *Environmental Management Act* is the provincial legislation which deals with liabilities of various parties related to contaminated sites on both public and private land. The principles embodied in the legislation are national principles for “polluter pay”. Section 45 of EMA lists the people who may be considered responsible for cleaning up contaminated sites. These include:

- *a current owner or operator of a site;*
- *a previous owner or operator of a site;*
- *a producer or transporter of a substance that caused contamination; and*
- *any of the above if a site was contaminated by a substance migrating from an adjacent site.*

Under EMA, a responsible person is “*absolutely, retroactively and jointly and severally liable to any person or government body for reasonably incurred costs of remediation of the contaminated site, whether incurred on or off the site*”. These liability principles apply despite the terms of any historic, abandoned or current permit or approval that authorizes the discharge of waste into the environment.

The *Financial Administration Act* requires that all indemnities agreed to by government require the prior written authority of the Minister of Finance or that the director of the Risk Management Branch of the Ministry of Finance, or a person specified by the director has given prior written assurance that the proposal for the indemnity has been reviewed and accepted by the Risk Management Branch.

Approval for guarantees on behalf of government also requires the Minister of Finance's prior written approval unless the liability is less than \$1 million or if the LGiC approves in writing after consulting with Treasury Board.

DISCUSSION:

The assistance being sought in this case may include an indemnity, a guarantee or both. Environmental indemnifications that provide a direct benefit to a party, other than the provincial government, are considered an exception by the Risk Management Branch.

Over the last 20 years, of the few exceptions where the Province entertained such agreements, the indemnification requests have been at the request of the party interested in acquiring the lands not the vendor of the lands and have demonstrated an ability to meet a provincial objective. In these few cases, the circumstances have largely been that the previous responsible person for the lands has either gone bankrupt or the company responsible has been dissolved (e.g., Port Alice pulp mill, Nexen at Squamish).

The steps for seeking liability indemnification are as follows:

1. Framework for Evaluating Requests for Assistance to Develop Contaminated Sites

The framework is a policy, approved by Cabinet, which sets out principles and criteria to guide provincial decision making where the Minister of Finance, Cabinet or another ministry wish to further review the possibility of providing an indemnity. Under the framework, indemnification should not undermine established polluter pay principles and the 'no subsidy' policy. Senior staff from the relevant ministries (ENV, JTST, MEM, FIN) meet with and without the proponent to evaluate the request in light of the principles and criteria of the framework.

2. *Financial Administration Act* and Guarantees and Indemnities Regulation

If the proposed assistance (indemnity or guarantee) is supported by the ministries participating in the Framework evaluation, the sponsoring ministry (in this case JTST or MEM) would bring the request forward to Treasury Board and Cabinet for consideration pursuant to the FAA. If supported by Treasury Board and Cabinet determines it is in the public interest, Cabinet would then, by OIC, grant the appropriate instruments with any applicable conditions.

Attachments: 1. Briefing Note 276525 prepared for Deputy Shoemaker

Contact:

Lori Halls

Assistant Deputy Minister

Environmental Protection

Division

250-387-9997

Alternate Contact:

Prepared by:

[Insert additional rows if needed]

Reviewed by	Initials	Date
DM	WS	May 14/15
DMO		
ADM		
Dir./Mgr.		
Author		

MINISTRY OF ENVIRONMENT INFORMATION NOTE

March 10, 2015

File: 280-20

CLIFF/tracking #: 276525

PREPARED FOR: Wes Shoemaker, Deputy Minister, Ministry of Environment

ISSUE: Indemnity Agreements for Mines

BACKGROUND:

The Province has been approached regarding options to extinguish liability at two Barrick Gold mine sites (Eskay Creek mine and SNIP mine). These mines are both located in NW BC and were operating gold mines that have since closed. Both mines were permitted and have long-term monitoring and maintenance requirements. The Ministry of Energy and Mines (MEM) holds financial security for both.

A prospective purchaser has approached Barrick Gold about the purchase of the sites and Barrick would like a commitment from government that they would no longer be responsible for any remediation or environmental liability from the two closed mines should they be transferred. The Ministry of Environment currently has little or no information on contaminant liabilities at these two mines.

The *Environmental Management Act* is the provincial legislation which deals with liabilities of various parties related to contaminated sites on both public and private land. The principles embodied in the legislation are national principles for “polluter pay”. Section 45 of EMA lists the people who may be considered responsible for cleaning up contaminated sites. These include:

- *a current owner or operator of a site;*
- *a previous owner or operator of a site;*
- *a producer or transporter of a substance that caused contamination; and*
- *any of the above if a site was contaminated by a substance migrating from an adjacent site.*

Under EMA, a responsible person is “*absolutely, retroactively and jointly and severally liable to any person or government body for reasonably incurred costs of remediation of the contaminated site, whether incurred on or off the site*”. These liability principles apply despite the terms of any historic, abandoned or current permit or approval that authorizes the discharge of waste into the environment.

The *Financial Administration Act* requires that all indemnities agreed to by government require the prior written authority of the Minister of Finance or that the director of the Risk Management Branch of the Ministry of Finance, or a person specified by the director has given prior written assurance that the proposal for the indemnity has been reviewed and accepted by the Risk Management Branch.

Approval for guarantees on behalf of government also requires the Minister of Finance's prior written approval unless the liability is less than \$1 million or if the LGiC approves in writing after consulting with Treasury Board.

DISCUSSION

The assistance being sought in this case may include an indemnity, a guarantee or both. Environmental indemnifications that provide a direct benefit to a party, other than the provincial government, are considered an exception by the Risk Management Branch.

Over the last 20 years, of the few exceptions where the Province entertained such agreements, the indemnification requests have been at the request of the party interested in acquiring the lands not the vendor of the lands and have demonstrated an ability to meet a provincial objective. In these few cases, the circumstances have largely been that the previous responsible person for the lands has either gone bankrupt or the company responsible has been dissolved (e.g., Port Alice pulp mill, Nexen at Squamish).

The steps for seeking liability indemnification are as follows:

1. Framework for Evaluating Requests for Assistance to Develop Contaminated Sites

The framework is a policy, approved by Cabinet, which sets out principles and criteria to guide provincial decision making where the Minister of Finance, Cabinet or another ministry wish to further review the possibility of providing an indemnity. Under the framework, indemnification should not undermine established polluter pay principles and the 'no subsidy' policy. Senior staff from the relevant ministries (ENV, JTST, MEM, FIN) meet with and without the proponent to evaluate the request in light of the principles and criteria of the framework.

2. *Financial Administration Act* and Guarantees and Indemnities Regulation

If the proposed assistance (indemnity or guarantee) is supported by the ministries participating in the Framework evaluation, the sponsoring ministry (in this case JTST or MEM) would bring the request forward to Treasury Board and Cabinet for consideration pursuant to the FAA. If supported by Treasury Board and Cabinet determines it is in the public interest, Cabinet would then, by OIC, grant the appropriate instruments with any applicable conditions.

Attachment: Briefing Note 89069 prepared for Minister Bill Bennett

Contact:

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Assistant Deputy Minister
Environmental Protection
Division
250-387-9997*

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*Jim Hofweber,
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Reviewed by	Initials	Date
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DMO	VJ	March 12/15
ADM	LH	March 12/15
ED	JH	March 5/15
Dir./Mgr.	MWM	March 5/15
Author		

**MINISTRY OF ENERGY AND MINES
BRIEFING NOTE FOR INFORMATION**

I PREPARED FOR: Honourable Bill Bennett, Minister of Energy and Mines

II ISSUE: March 11, 2015 meeting with Ron Netolitzky and Wendy Chan regarding the impact of government policy on asset transfers from senior to junior mining companies

III BACKGROUND:

In a discussion with Wendy Chan, business strategist with Moxie Strategy at AME BC's Mineral Exploration Roundup 2015, the impact of government policy on asset transfers from senior to junior mining companies was raised with Minister Bennett. Ron Netolitzky, an accomplished Canadian geologist, was identified as a key contact for further discussion on this matter.

Mr. Netolitzky has over 30 years of experience in mining exploration and has been described as "one of the greatest geologists of his generation." He received the 1990 Prospector of the Year Award from the Prospectors and Developers Association of Canada (PDAC) and was inducted into the Canadian Mining Hall of Fame in January 2015.

Mr. Netolitzky is best known for his instrumental role in finding and developing the Eskay Creek and Snip mines in northwest BC. The Eskay Creek mine operated from 1995 to 2008 and produced over 3.5 million ounces of gold and 160 million ounces of silver over its production lifetime. Snip mine primarily produced gold, generating over one million ounces over its production lifetime, in addition to silver and copper by-products. Snip mine opened in 1991 and closed in 1999.

Mr. Netolitzky's current work includes:

- Acting Chief Executive Officer of Boss Power Corp. since April 2013
- Advisor of Nickel North Exploration Corp. since August 2012
- Advisor of Sama Resources Inc.
- Chief Executive Officer and President of Masuparia Gold Corp. since September 2011 and serves as its Chairman
- President of Keewatin Consultants Inc. since April 1988

IV DISCUSSION:

There is a concern that current government policy regarding environmental liability is negatively affecting mineral exploration and development in BC. Specifically, a prospective buyer has approached Barrick about the purchase of the Eskay Creek and Snip mine sites and Barrick would like a commitment from government that they would no longer be responsible for any remediation or environmental liability from the two closed mines should they be transferred. The Eskay Creek and Snip mines were permitted and have long-term monitoring and maintenance requirements.

Under the *Mines Act*, a permit can be transferred through application and the new permit holder assumes responsibility for the reclamation requirements. However, under the *Environmental Management Act* (EMA), a responsible person is “*absolutely, retroactively and jointly and separately liable to any person or government body for reasonably incurred costs of remediation of the contaminated site, whether incurred on or off the site.*” These liability principles apply despite the terms of any historic, abandoned or current permit or approval that authorizes the discharge of waste into the environment. As a result, Barrick would continue to be responsible for the environmental condition of the sites following the transfer of assets.

According to the Ministry of Environment the steps for seeking liability indemnification are as follows:

1. Framework for Evaluating Requests for Assistance to Develop Contaminated Sites

The framework is a policy, approved by Cabinet, which sets out principles and criteria to guide provincial decision making where the Minister of Finance, Cabinet or another ministry wish to further review the possibility of providing an indemnity. Under the framework indemnification should not undermine established polluter pay principles and the no subsidy policy. Senior staff from the relevant ministries (MOE, JTST, MEM, Finance) meet with and without the proponent to evaluate the request in light of the principles and criteria of the framework.

2. *Financial Administration Act* (FAA) and Guarantees and Indemnities Regulation

If the proposed assistance (indemnity or guarantee) is supported by the ministries participating in the Framework evaluation, the sponsoring ministry (in this case JTST or MEM) would bring the request forward to Treasury Board and Cabinet for consideration pursuant to the FAA. If supported by Treasury Board and Cabinet determines it is in the public interest, Cabinet would then, by OIC, grant the appropriate instruments with any applicable conditions.

V CONCLUSION:

The Province has held that indemnification of environmental liability should not undermine established polluter pay principles and government's no subsidy policy. In addition, s.13

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**MINISTRY OF ENVIRONMENT
INFORMATION NOTE**

April 20, 2015
File:76750-40/107616
CLIFF/tracking #:283063

PREPARED FOR: Ministry of Environment

ISSUE: Biosolids usage under regulation in the Nicola Valley

BACKGROUND:

Biosolids composting and land application in the Nicola Valley (west of Merritt) has raised concerns by several stakeholder groups including First Nations and has drawn significant media attention. See attached Issues Note.

Biosolids are the solid portion of wastewater treatment residuals/sewage sludge that are further treated to be beneficially and safely used in the environment in accordance with regulations. Biosolids contain nutrient and organic matter that is essential for plant growth and can be used as a fertilizer and soil amendment.

How biosolids are composted and land applied is governed by the Organic Matter Recycling Regulation (OMRR) under both the Environmental Management Act and the Health Act. Where biosolids are composted and land applied is governed by local zoning. The Agricultural Land Reserve Act and its regulation also contemplate composting and land application.

While there are several sites in the Nicola Valley where this practise has taken place over a number of years, s.13

s.13

Since March 10th a blockade has been in place to prevent trucks hauling biosolids to the Sunshine Valley Road. Recognizing this, the Central Okanagan Regional District has made temporary arrangements to ship their biosolids to a Clinton facility at an increased cost of approximately \$30,000/month. Ministry of Environment staff are working with Ministry of Transportation and Infrastructure to look at temporary alternative sites for CORD biosolids. Sites such as Pennask Pit on the Coquihalla would require First Nations support and would need to be evaluated individually to determine whether they would be appropriate.

s.13

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They have previously raised concerns regarding the impact on their business and may seek compensation from the Province.

Two green houses are proposed to be built at the composting facility to provide additional processing resulting in a drier/lighter better compost product. These facilities are not expected to have any impact on odour concerns as any odour is present during the initial

receipt and composting of the biosolids material. Drier compost products may result in reduced concerns of material leaking from trucks during transport.

DISCUSSION:

The two most vocal groups with the issue are the Nicola Valley First Nations (Nooaitch, Lower Nicola, Shackan, Coldwater and Upper Nicola Indian Bands) and a community group called “The Friends of the Nicola Valley”. The main concern of these groups includes the lack of site specific consultation and perceived human health and environmental risks.

Ministry staff have inspected the Sunshine Valley Road site and it is in compliance with the OMRR. This site is a “permitted” use under the Agricultural Land Reserve Act Regulation and it appears to be in compliance.

The Thompson Nicola Regional District is currently contemplating an amendment to their zoning bylaw that would further restrict this practise in both location and operation. The regional district has referred the preliminary amendment to the ministries of Transportation, Environment, Agriculture and the Agricultural Land Commission. These agencies are reviewing the amendment and there has been some preliminary questions raised internally regarding the inter-relationship of the bylaw with provincial regulations and other specific items. More information to follow once the review is complete.

The OMRR requires notification to the Ministry of Environment in advance of conducting activities under the regulation. In some instances the local Health Authority and the ALC must also be notified. No further notification or consultation with the public is required.

There are significant provincial implications to this issue including:

- Jeopardizing current regulatory framework ie: “rules of general application” (no decisions/no appeals, certainty, consistency, risk based approach, notification specific to activity).
- As municipalities move towards secondary treatment more biosolids will be produced and the need for processing will increase (the Federal government currently has regulations in place that will require secondary treatment for larger facilities by 2020, 2030 and 2040). There will also be associated costs implications.
- Potential loss of jobs in composting and agricultural/ranching industry.
- Significant local government infrastructure investment that relies on the beneficial use of biosolids versus disposal.
- If biosolids are landfilled, the cost of landfilling increases along with methane and greenhouse gas impacts. Due to limited landfill capacity, more landfills may be required.
- Loss of revenue on sales of value added product.
- Increased use of chemical fertilizers.

To help resolve the biosolids issue in Merritt and mitigate any spread or provincial impact, the Ministry of Environment is proposing to establish a Letter of Understanding between the Province and First Nations governments that would:

- Establish a Seniors Official Committee to oversee the implementation of:
 - Joint Technical Working Group to gather the necessary technical and scientific information to understand and address the impacts of biosolids and their application on sites in the Nicola Valley including among other things the impact on wildlife consumed by First Nations
 - Establish an independent Science Panel charged with reviewing leading science, emerging areas of concern and technology. This work may be utilized by others and used in future decision/policy making.
 - Implement a monitoring and testing regime that includes First Nations participation and ensures that results are shared with local First Nations and First Nations Health Authority.
 - Undertake compliance audits with First Nations of existing sites and ensure transparent publication of the compliance results
 - Development and dissemination of education materials based on work of the technical working group and science panel.
 - Requirement that all biosolid applications be referred to Nicola Valley First Nations for notification/consultation to ensure their concerns regarding site specific applications are addressed. Commit to evaluating the effectiveness of this referral and determine what if any process changes are needed in the future.

Similar to the attached Letter of Understanding between the Provincial Government and Williams Lake Indian Band and Soda Creek Band in response to Mount Polley, consideration could be given having the Seniors Officials Committee report to a Principals Table.

CONCLUSION:

Negotiations on a Letter of Understanding that outlines the government to government commitment to work with Nicola Bands could begin immediately.

Attachments:

- 1) Issues Note
- 2) Example Letter of Understanding re: Mount Polley

Contact:

Lori Halls

Alternate Contact:

K Ord/J McGuire

Prepared by:

Kris Ord

Environmental Protection

Environmental

Environmental Protection

Protection

[Insert additional rows if needed]

Reviewed by	Initials	Date
DM		
DMO		
ADM		
Dir./Mgr.		
Author		

Attachment 1: Issues Note



IN_Biosolids_April
16_2015.docx

Attachment 2: Letter of Understanding Example



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Biosolids in the Merritt area

- The Organic Matter Recycling Regulation (OMRR) is designed to protect human health and the environment in the application of biosolids.
- Currently there are four applications of biosolids in the Nicola Valley that meet the requirements of OMRR.
- The Dry Lake proposal does not currently meet the requirements of OMRR and the ministry has directed the proponent to provide additional information.
- As we've said all along, biosolids will NOT be applied at the Dry Lake site until this additional information is provided and both the ministry and Interior Health Authority have reviewed it to confirm there will be no adverse impacts to the environment and human health. The Ministry is still waiting for a revised plan from the proponent.
- With respect to the Sunshine Valley Road composting facility, because it is a 'permitted use' under the ALC Act, rather than a 'farm use', the local government had the ability to prohibit it. The TNRD has not taken this step to prohibit or restrict this activity.
- I have met with local First Nations and the Regional District to discuss the community's concerns and we must continue to work together if we want to come to a resolution. For our part, we've ensured the use of biosolids at the Sunshine Valley Road facility has temporarily stopped.

- Biosolids have been applied to a variety of locations in the Nicola Valley – and around the province – since 2002 in accordance with OMRR.
- Example of where biosolids are being used and providing environmental benefits include: Vancouver Island University Forest, Aldergrove Regional Park, and landscaping at YVR and along the Sea to Sky Highway.
- The ministry must be notified at least 30 days in advance of any biosolids application to the land base and all notifications must meet the requirements of OMRR.
- A qualified professional with technical expertise must complete a land application plan before biosolids can be applied to any piece of land.

If asked about civil disobedience:

- We respect people's right to protest and we respect Aboriginal rights and title.
- That's why the Ministry of Environment has been consulting with the First Nations.

Background:

- Residents and First Nations in the Nicola Valley are raising concerns about biosolids application in the area – primarily about the effect of biosolids on human health and the environment. This issue has received media interest locally and from major media.
- The group Friends of the Nicola Valley claims the Nicola Valley “is scheduled to become a dumping ground for Okanagan and Lower Mainland human waste” with “no public consultation or notification, and no on-site inspection.” A petition by the group has over 1000 signatures. On March 10th, the group helped organize a blockade to stop a truck carrying biosolids from taking its load to the Sunshine Valley Rd. composting facility.
- On April 14, Friends of the Nicola Valley organized a march to MLA Tegart's office to protest biosolids application in the region. On April 15, First Nations along with the Friends

of the Nicola Valley began occupying Premier Clark's West Kelowna constituency office, stating they would remain until a moratorium on biosolids in the Nicola Valley is in place.

- On January 12, the Chiefs of the Nicola Valley sent a letter to an MoE Regional Director cc'ing Ministers Polak, Rustad, and Thompson, among others, demanding all current bio-waste operations stop and no new notifications proceed "until the Crown and ministry regulators establish a meaningful dialogue" resulting in First Nations support.
- On February 2, 2015, Minister Polak met with the Chiefs of the Nicola Valley and the Thompson Nicola Regional District (TNRD) to discuss concerns. A commitment was made to continued dialogue with both groups focused on: sharing information on all biosolids applications in the Nicola Valley, possible establishment of a science panel to review biosolids research, further discussion on regulatory authorities of both MoE (what and how biosolids are applied) and TNRD (where they may be applied as part of zoning bylaw). Subsequent meetings have also taken place between MoE staff and TNRD.
- On March 20, 2015, Minister Polak and MLA Tegert met with local First Nations who asked for a moratorium on biosolids coming into the Nicola Valley. No resolution was reached at the meeting.
- BioCentral, the company who owns the Sunshine Valley Road composting facility, has voluntarily agreed not to accept any product at this site until an agreement is reached. Instead, they are trucking biosolids to a facility in Clinton.
- The ministry has received two recent notifications to apply biosolids in the Merritt area. MoE and the Interior Health Authority have reviewed the land application plan for the Woodward Road (Dry Lake) proposal (the site being primarily discussed in the media).
- Regulation of biosolids falls under the Organic Matter Recycling Regulation. To comply with OMRR, notification must be provided to MoE at least 30 days prior to biosolids application to the land base and a land application plan needs to be completed by a qualified professional.
- Due to concerns with this site, MoE directed the proponent to provide additional information about their application plan regarding setbacks from surface water and slopes, as well as an evaluation of groundwater depth, drinking water and habitat protection, among other detailed considerations.
- The land application of biosolids may not occur at the Dry Lake site until this additional information has been provided and both IHA and MoE have again reviewed the information. It is anticipated the revised plan will be submitted this spring.
- Within the Nicola Valley there are currently four effective notifications in place to apply biosolids. These notifications were reviewed by MoE staff and meet the requirements of OMRR. Once the land application is carried out, MOE will verify compliance with the plan and ensure there are no adverse impacts to the environment and health.
- The four notifications pertain to: Coquihalla Cattle Company (South of Merritt), Nicola Ranch (North of Merritt), Rey Creek (Logan Lake) and Sunshine Valley Road (West of Merritt) compost site. Applications of biosolids have regularly taken place on these premises for years.
- First Nations have raised concerns over the Sunshine Valley Road composting facility and are requesting operations cease at the facility until consultation has been completed. Public concerns are also being raised about the Rey Creek site.
- In response to concerns raised by the community, MoE staff conducted 2 inspections at the Sunshine Valley Road composting facility (January 30 and February 10), the latter following

concerns from the TNRD regarding leachate on the site. Inspection confirmed it was not leachate; it was snow melt, pooled due to a depression on the land.

- The OMRR also sets standards for metals and pathogens in biosolids and if the requirements of the OMRR are met, environmental risk is considered negligible. Compliance inspections may occur when the ministry is made aware of a potential harm or in response to a complaint.
- Public consultation or notification is not required under OMRR; however, some companies provide public notification and information on a voluntary basis.
- The application of biosolids on ALR lands is considered a 'farm use', if all compost is used on the farm and it conforms to OMRR requirements. In that instance the local government cannot prohibit the operation. An application of compost and biosolids produced and applied not in compliance with the OMRR contravenes the ALC Act, and could result in ALC sanctions.
- However the application of biosolids on ALR land is considered a 'permitted use' if only half of the compost is used on the farm. In that instance the local government could prohibit the operation.
- The Sunshine Valley Composting Facility is considered 'permitted use' because their intent is to move half of the compost off site. Despite having the authority to restrict the facility, the TNRD approved it through its Zoning Bylaw No. 2400 (most recently revised in Nov. 2014).
- According to TNRD Zoning Bylaw No.2400, 2012 (revised Nov 6, 2014):

ECO-DEPOT means a lawfully operated facility where solid waste, organic yard waste, compostable materials, and recyclable materials are accepted and contained and may include onsite composting and acceptance of bio-solids from sewage treatment subject to the requirements of the Organic Matter Recycling Regulation of the Environmental Management Act and Public Health Act.

3.15 Waste Management Facilities - All waste management facilities such as but not limited to eco-depot, waste transfer station and waste management use permitted in the AF-1, RL-1, I-2 and I-3 Zones shall be approved and operated in compliance with the TNRD Solid Waste Management Plan. TNRD Zoning Bylaw 2400:

<https://tnrd.civicweb.net/Documents/DocumentList.aspx?ID=70091>

Regarding Biosolids in Clinton

- BioCentral, the company who owns the Sunshine Valley Road composting facility in Merritt, also owns another composting facility in Clinton (The OK Ranch).
- The company is temporarily trucking biosolids intended for the Sunshine Valley Road facility to Clinton because of the protests/blockades that have been occurring.
- The Mayor of Clinton, Jim Rivett, stated in an interview on CJFC there was “not a big impact on the village per se” and “There is precedence for transferring waste from the mainland and whatnot. You look at the Cache Creek Landfill - there’s another example where there’s a business opportunity. So do I think it’s the wrong thing to do? Not necessarily. If it’s governed properly and there’s no impact on the environment then I think why not?”
- The Mayor also stated on CNHL: “From a Clinton point of view, it's far enough away that it really doesn't impact us. But it does sound like they followed all the regulations and it's not harming the environment and they've been doing it for a number of years without complaints.”



Letter of Understanding between

Soda Creek Indian Band, Williams Lake Indian Band

And

The Province of British Columbia

Guiding principles:

The Soda Creek Indian Band and the Williams Lake Indian Band (collectively, the "First Nations") and the Province of British Columbia ("British Columbia") agree to work in partnership, on a government-to-government basis through shared decision-making wherever possible, to jointly address all aspects of the tailings storage facility breach at the Mount Polley Mine ("Mount Polley Mine Incident").

The First Nations and British Columbia (collectively, the "Parties") agree that the processes for the joint oversight set out below will be conducted in accordance with the First Nations' traditional protocols, having regard to both traditional and scientific knowledge, and as expeditiously as possible.

The Parties agree that the health and safety of the public and workers, including members of the First Nations, are paramount.

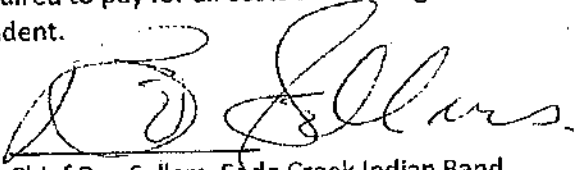
The Parties therefore agree as follows:

1. The Parties agree to establish a principals table consisting of the Chiefs of the First Nations and the Ministers of Environment, Aboriginal Relations and Reconciliation, and Energy and Mines to oversee a government-to-government response to the Mount Polley Mine Incident ("Principals Table").
2. The Parties agree to establish a senior officials committee consisting of designates of the First Nations, and the Assistant Deputy Ministers of the Ministries of Environment, Aboriginal Relations and Reconciliation, and Energy and Mines, and other ministries as appropriate ("Committee"). The Committee shall be responsible for overseeing the following activities in response to the Mount Polley Mine Incident:
 - a. assessing impacts, monitoring, cleanup, remediation planning and implementation, and any decisions related to the future of Mount Polley mine;
 - b. developing a plan to provide safe access to the impact zone for the purposes of assessing archaeological and environmental impacts;
 - c. discussing permitting required for future work at the Mount Polley mine;

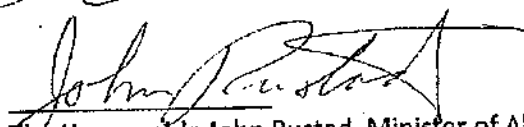
- d. assessing the adequacy of existing laws, regulations and policies in relation to the Mount Polley Incident;
- e. addressing the First Nations' immediate and long-term funding requirements to respond to all aspects of the Mount Polley Mine Incident;
- f. identifying economic opportunities for the First Nations to participate in responding to the Mount Polley Mine Incident;
- g. reporting back to the Principals Table; and
- h. addressing any other issues related to the Mount Polley Mine Incident as agreed to by the Committee.

The Parties agree that this letter of understanding does not fetter statutory decision makers in carrying out their duties and responsibilities under the relevant provincial laws and regulations that apply to the Mount Polley Incident.

- 3. British Columbia agrees to provide \$200,000 to each of the Soda Creek Indian Band and the Williams Lake Indian Band as soon as possible to cover costs already incurred and to be incurred in responding to the Mount Polley Mine Incident.
- 4. The Parties acknowledge the impact of the Mount Polley Mine Incident on public confidence in mining and recognize the important economic contribution of mining to British Columbia. Accordingly, British Columbia, in partnership with the Soda Creek Indian Band and the Williams Lake Indian Band, commits to commencing a dialogue about existing laws, regulations and policies in relation to the mining industry in British Columbia. The scope and mechanism for this dialogue will be considered by the Senior Officials Committee and recommendations will be made to the Principals Table. Those future discussions will be informed by the collaborative work between the Parties on the Mount Polley Mine Incident.
- 5. The Parties agree that the entities responsible, in accordance with applicable legislation, be required to pay for all costs and damages incurred in relation to the Mount Polley Mine Incident.


Chief Bev Sellars, Soda Creek Indian Band


Chief Ann C. Louie, Williams Lake Indian Band


The Honourable John Rustad, Minister of Aboriginal Relations and Reconciliation

**MINISTRY OF ENVIRONMENT
INFORMATION NOTE**

May 14, 2015

File:

CLIFF/tracking #: 284017

PREPARED FOR: Honourable Mary Polak, Minister of Environment

DATE AND TIME OF MEETING: Meeting with Haisla First Nation on May 19th, 3:15pm.

ATTENDEES: Honourable Mary Polak, Honourable Rich Coleman, Mr. Ken Rea and Lori Halls.

ISSUE: Discussion of Haisla spill response work to date.

BACKGROUND:

- The Haisla First Nation opposes the Northern Gateway pipeline and were active intervenors in the National Energy Board hearings for that project.
- The Government of BC has always been clear – we have five conditions that any heavy oil pipeline project must meet and, if they don't, we won't support the project.
- To-date, only condition one - successful completion of the environmental review process - has been met for one project (Northern Gateway), which is still subject to 209 conditions set by Canada's National Energy Board.

SUGGESTED RESPONSE:

s.13

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