

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, JUNE 19, 2024**

SUBJECT **Millstream Meadows Remediation Project**

ISSUE SUMMARY

To seek approval to increase the budget for the Millstream Meadows remediation project.

BACKGROUND

Millstream Meadows, located at 1965 Millstream Road (Site), is a 12.8-hectare (32-acre) property in the District of Highlands (Highlands) that was used for the unregulated disposal of septage and other trucked liquid waste between the early 1940s and 1985 (Appendix A). Since 2005, the Capital Regional District (CRD) and the Province of BC (the Province) have worked cooperatively to investigate and remediate contamination at the CRD-owned property, with the end goal of divestiture. The overall project approach, schedule and budget are managed in cooperation with, and are approved by, the Province.

A large excavation of the most contaminated material took place in 2007-2008; however, soil and groundwater contamination remain below the surface at and adjacent to the Site. Beginning in 2016, the CRD implemented a Detailed Site Investigation (DSI) to delineate the degree and extent of contamination, which is a requirement of the BC Ministry of Environment and Climate Strategy (ENV). A Human Health and Ecological Risk Assessment (HHERA) is underway to demonstrate the remaining contamination does not pose a risk to human health or the environment, and the Site is eligible for certification under commercial land use in accordance with BC Contaminated Sites Regulations (CSR). A soil vapour investigation is currently underway as part of the HHERA and will be completed by the fall. Upon final completion of the DSI and HHERA, the CRD intends to apply to ENV to obtain a risk-based Certificate of Compliance, which will ultimately enable site redevelopment.

Beginning in 2020, the project experienced significant external delays. In August 2020 and May 2021, the CRD submitted two Protocol 6 Pre-approval Applications to ENV. Protocol 6 applications are filed when an alternative approach to site investigation or remediation is desired over the standard approaches set out within the CSR framework. The CRD's applications required ENV approval before the DSI and HHERA could be finalized. Typically, the ENV review process is expected to take three to six months; however, during the Covid-19 pandemic, ENV's response times were extended and the CRD's approval was not issued until 35 months later, in July 2023.

ENV's pre-approval application review process lasted close to three years, resulting in unbudgeted site monitoring and carrying costs. The additional 2.5 years of site care and maintenance from 2020 through 2023 resulted in approximately \$280k of unanticipated costs. The largest share of these costs was approximately \$200k paid for bottled water delivery to residents within one kilometer of the Site, as required under the project terms. Other costs included domestic drinking water well monitoring, project management, site maintenance and invasive species management.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends to the Capital Regional District Board: That the Millstream Meadows project budget increase from \$14.7M to \$15.32M be incorporated into the 2024 capital plan, with the additional project budget of \$0.62M funded from uncommitted project capital on hand.

Alternative 2

That this staff report be referred back to staff for additional information.

IMPLICATIONS

Financial Implications

The CRD Board approved an overall project budget of \$14.7M in 2020, representing an increase from the previous project budget of \$14.32M. The 2020 project budget amendment funded additional groundwater well installation and sampling to delineate deep groundwater contaminant migration under neighbouring properties.

Project costs are shared between the CRD and the Province at 61% and 39%, respectively. The CRD's share has been funded through: Municipal Finance Authority debt, requisition, Hartland tipping fees and the septage disposal service capital reserve.

The Millstream Meadows Remediation project budget of \$14.7M will be fully spent and committed by the end of August 2024. A budget increase of \$0.62M, to a total of \$15.32M, is required to fund the remaining estimated costs, including:

- soil vapour investigation and completion of HHERA
- ENV and Contaminated Sites Approved Professionals submission fees
- resident bottled water delivery service and other site carrying costs
- groundwater monitoring well decommissioning
- follow-up reporting, performance verification plan and contingency

The requested \$0.62M budget increase will be fully funded from uncommitted Millstream Meadows Remediation project capital on hand.

Intergovernmental Implications

The CRD and the Province committed to remediate the Site to protect human health and the environment. Completion of the project and receiving Certificates of Compliance are necessary to meet these commitments.

The future land use of the Site is expected to remain consistent with current commercial and industrial land uses allowed; however, the Highlands is currently in the process of updating its Official Community Plan, which may result in changes to allowable land use.

CONCLUSION

The Millstream Meadows Remediation project is approaching completion; however, regulatory approval delays resulted in unanticipated site-related costs. Additional funds are required to complete key deliverables and tasks for the project. Staff recommend an increase in the overall project budget sourced from the Millstream capital budget reserve. The CRD plans to apply for Certificates of Compliance by the end of 2024, with risk-based certificates expected from the Ministry of Environment and Climate Strategy in early 2025.

Upon project completion, the CRD must proceed with offering the property for sale, as defined in the existing project terms, or it may seek to retain the property to provide solid waste management services.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board: That the Millstream Meadows project budget increase from \$14.7M to \$15.32M be incorporated into the 2024 capital plan, with the additional project budget of \$0.62M funded from uncommitted project capital on hand.

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ATTACHMENT

Appendix A: Millstream Meadows Site Location – Map