

**REPORT TO ENVIRONMENTAL SERVICES COMMITTEE
MEETING OF WEDNESDAY, SEPTEMBER 16, 2020**

SUBJECT **Millstream Meadows Remediation Project**

ISSUE SUMMARY

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

BACKGROUND

The Millstream Meadows site is a 32-acre property in the District of Highlands that was used for the unregulated disposal of septage and other trucked liquid waste between the early 1940s and 1985 (see attached Appendix A site location plan). The Capital Regional District (CRD) acquired the property in 1984 and closed the site in 1985. Since then, the CRD and the Government of British Columbia (the Province) have worked cooperatively to investigate and remediate contamination at the property, with the end goal of divestiture. The overall project approach, schedule and budget is managed in cooperation with, and approved by, the Province.

Upon completion of remediation, the CRD will obtain a Certificate of Compliance to demonstrate compliance with provincial legislation. This provincial certification will reassure the public that contamination from historic site activities at the property poses no risk to health or the environment, and allow the site's redevelopment potential to be fully realized to generate economic development opportunities within the District of Highlands.

In 2007-2008, contractors removed 76,000 tonnes of contaminated soil from the site, and although a significant portion of the contamination was removed at that time, soil and groundwater contamination remains. Since 2016, the CRD has implemented a multi-phase Detailed Site Investigation intended to fully delineate the degree and extent of contamination, which is a requirement of the BC Ministry of Environment and Climate Change Strategy (ENV). Contamination has now been successfully delineated to the north, east, south and west. As a precautionary measure, the CRD continues to provide bottled drinking water to nearby residents and monitor nearby domestic well water quality. The analytical results confirm that domestic well water quality has, and continues to meet, provincial and federal drinking water standards.

Recent investigations have revealed deep groundwater contamination (depth >40m below ground surface) that extends further than anticipated and has likely migrated underneath neighbouring properties to the west of the site (see Appendix B for inferred extent of migration). This change in our understanding of historic contaminant migration has resulted in additional project costs and will likely see an extension in the schedule into 2021 to complete regulatory requirements associated with obtaining provincial certification for the additional properties. No further large sampling or drilling programs are anticipated at this time.

ALTERNATIVES

Alternative 1

The Environmental Services Committee recommends to the Capital Regional District Board:

That the Millstream Meadows project budget increase from \$14.32M to \$14.70M be incorporated into the 2021 capital plan, with the additional project budget of \$0.38M funded from a combination of requisition under Bylaw No. 3519, Hartland tipping fees, provincial funding and the reserve funding from Septage Disposal service in 2021.

Alternative 2

The Environmental Services Committee recommends to the Capital Regional District Board:

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

IMPLICATIONS

Financial Implications

The CRD Board approved the overall project budget of \$14.32M in the 2019-2023 capital plan on May 22, 2019. Project costs are shared between the CRD and the province at 61% and 39%, respectively. The 61% CRD share of the project budget has been funded through Municipal Finance Authority debt, requisition, Hartland tipping fees and the septage disposal service capital reserve.

Due to the contaminant migration to neighbouring properties to the west, additional funding of approximately \$180K is now needed from Millstream service participants to account for associated additional costs to complete the project in 2021. The remainder of the \$380K project budget increase will be funded by provincial funding, Hartland tipping fees and reserve funding from the septage disposal service, bringing the revised total project cost estimate to \$14.70M.

With this budget increase, the project will have funding required to address additional work associated with obtaining Certificates of Compliance under provincial environmental legislation for the Millstream Meadows site and each of the affected adjacent properties.

Environmental & Climate Implications

Although there is residual contamination above environmental standards at the site, the property is closed to the public and there are no exposure pathways for nearby residents. Additionally, site-related contamination has not been observed in the CRD's offsite domestic well monitoring program. Remaining project activities will confirm stability of groundwater contamination, ensure there are no unacceptable current or future risks associated with the site, and obtain certification under provincial legislation.

Intergovernmental Implications

In 2019, the CRD reinitiated an application for rezoning to District of Highlands Industrial Zone (M1). The rezoning is consistent with the District of Highlands' Official Community Plan and would maximize potential redevelopment opportunities for the site and land value upon divestment. The District of Highlands has placed a hold on the CRD application, and initiated a local area planning process for the area.

Ongoing monitoring, site remediation and certification will result in public reassurance that the property does not pose a risk to neighbouring developments or the public, and allow the site potential to be fully realized, generating economic development within the District of Highlands. Completing the remediation will also deliver on the CRD's commitments under the cost-sharing agreement with the Province.

CONCLUSION

Since 2016, the Millstream Meadows remediation project has implemented a multi-phase detailed site investigation intending to fully delineate the degree and extent of contamination, meet regulatory requirements and prepare the site for divestment. Significant progress has been made in understanding contaminant distribution, and the recent discovery of contamination under neighbouring properties has resulted in increased costs and likely a schedule extension. CRD staff recommend an increase in the overall project budget to ensure funding is in place for the remainder of the project. Work continues to satisfy Ministry of Environment requirements to obtain individual Certificates of Compliance for the site and neighbouring affected properties.

RECOMMENDATION

The Environmental Services Committee recommends to the Capital Regional District Board:

That the Millstream Meadows project budget increase from \$14.32M to \$14.70M be incorporated into the 2021 capital plan, with the additional project budget of \$0.38M funded from a combination of requisition under Bylaw No. 3519, Hartland tipping fees, provincial funding and the reserve funding from Septage Disposal service in 2021.

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ATTACHMENTS

Appendix A: Site Location Plan

Appendix B: Map - Extent of Inferred Contaminant Migration