

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 45

Monday 8 September 2008

Red Head United Church Hall, Saint John, N.B.

Meeting 6:10 pm – 8:20pm

Approved as Amended

Committee Present:

- | | |
|---------------------|-------------------------------------|
| • Armstrong, Carol | Resident |
| • Armstrong, Stuart | Co-chair of CCELC, Resident |
| • Dalzell, Gordon | SJ Citizens Coalition for Clean Air |
| • Debly, Teresa | Resident |
| • Forsythe, Fraser | Co-Chair (Canaport LNG) |
| • Garnett, Vern | Resident |
| • Griffin, Glenn | Resident |
| • Johnston, Jan | Resident |
| • MacKinnon, Claude | ACAP Representative |
| • McNeill, Pam | Resident |
| • Smith, Elsie | Resident |

Committee Absent:

- | | |
|-------------------|---------------------------|
| • Brown, Alice | Resident |
| • Court, Ivan | Mayor of Saint John |
| • Griffin, Dennis | Resident |
| • Hunter, Roger | Resident |
| • Melvin, Keith | Enterprise Saint John |
| • Perry, Yvonne | Member |
| • Rogers, Kathy | Member |
| • Thompson, David | Member |
| • Turner, Rick | Saint John Board of Trade |

Resources:

- | | |
|-------------------------|--------------------|
| • Caines, Crystal | Fundy Engineering |
| • O'Brien, Kevin | City of Saint John |
| • Norton, Erin | Fundy Engineering |
| • Van der Veen, Carolyn | Canaport LNG |
| • Walker, Carolyn | NBDENV |

(1) OPENING REMARKS:

The meeting commenced at 6:10 pm with Fraser Forsythe welcoming everyone to the meeting. He asked members to review the agenda; “New Business” item moved to the beginning of the Agenda.

Review & Approval of minutes from 15 July 2008 meeting:

The minutes of meeting #44 on 15 July 2008 were approved. Vern Garnett requested a change / clarification in regards to the reckless driving. The reckless drivers he has witnessed were driving their personal vehicles (mostly with out-of-province license plates). This was changed within the minutes.

The minutes were approved as amended motioned by Gordon Dalzell. Claude McKinnon seconded the motion. Approved minutes will be posted to the Canaport LNG website (www.canaportlng.com) and the Fundy Engineering website (www.fundyeng.com).

(2) NEW BUSINESS:

Q1. (Gordon Dalzell) [Re: recent 143 mm rainfall] How did the drain work manage during the storm? Were there any environmental issues?

A1. (Fraser Forsythe) There were no environmental issues at the site. Precautions and preparations were made prior to the rainfall. A walk over of the site was conducted after the rain, and there was no loose debris or erosion noted.

Q2. (Gordon Dalzell) [Re: article in Report on Business siting PetroCan and their lack of secure gas suppliers] Are there any foreseen supply issues for Canaport LNG?

A2. (Fraser Forsythe) None that I'm aware of.

(Carolyn Van der Veen) LNG supply is a tough commodity to obtain. To date, Repsol has had no issues.

Gordon Dalzell was interviewed by the Christian Science Monitor regarding Saint John being the Energy Hub, which included the LNG project. This interview and article has been published.

Gordon Dalzell brought up another article that was in the Globe and Mail (6 August 2008, Report on Business) that discussed Repsol YPF experiencing greater profits than initially projected due to high oil prices. Fraser Forsythe added that Repsol YPF is a publicly traded company and their financial information is accessible.

Q3. (Pam McNeil) Is there a problem with the liners in the tank?

A3. (Fraser Forsythe) Tank construction consists of welding metal pieces together. Intense heat can cause warping in the metal, which is what occurred in Tank 1. This is a common welding occurrence and was fixed by opening the tank floor, laying sand underneath the tank, and re-welding the floor shut.

The tank was then hydrotested using ocean water, which is twice as heavy as LNG, thus the tank only needs to be two thirds full for testing 150% of the structural integrity. Once the tank is filled with water, deflection of the walls and tank base response is measured. The tank performed as expected, and the hydrotesting is now in the process of pumping out the last 5 m of the seawater, which should be completed tomorrow. The tank will then be vacuumed out and another visual inspection completed.

Q4. (Pam McNeil) Canaport LNG recently stated in an article that there were no issues with the tanks. Why was this said?

A4. (Fraser Forsythe) The issue that arose wasn't a 'problem' as it is not an unexpected welding occurrence. The tank was corrected using a sand remediation technique. The hydrotest proved that there are no issues with the tank.

Q5. (Teresa Debly) The problem with the warped floor was discovered when the tank was filled with water?

A5. (Fraser Forsythe) No, it was known before water was added. The floor was noticeably warped.

Q6. (Gordon Dalzell) When was this article?

A6. (Carolyn Van der Veen) The reporter made an error in the article and confused the LNG site with issues on the monobuoy. Carolyn will send reference to Gordon.

Q7. (Glen Griffin) How are the tank beds prepared?

A7. (Fraser Forsythe) Dexter Construction was the contractor performing the site leveling. The contractor under blasted, to reduce the chances of fractures within the rock, and achieved the final elevation through the use of hydraulic hammers. Once final elevation was reached, natural fractures were visible. All fractures were excavated and all loose rock was removed. The rock was washed down, all debris was removed, and lean concrete was poured into the fractures to fill the voids. Crushed $\frac{3}{4}$ minus compacted rock was used to bring up to the elevation required. A ten inch reinforced concrete base was poured, followed by the tank base (@ 1 m thick on middle, 1.5 thick under wall).

Q8. (Glen Griffin) Can we request DFO come and give a presentation regarding the HADD authorization and program?

ACTION 45-1: Request DFO come and give a presentation on the HADD authorization process and program.

Q9. (Teresa Debly) What is the \$710,000 Letter of Credit that has been referenced?

A9. (Fraser Forsythe) The Letter of Credit is a security deposit in lieu of the HADD compensation program. It is basically a check DFO are holding to ensure CLNG put together a compensation proposal that is satisfactory to the DFO in that it meets the habitat compensation requirements for impacts realized as a result of the jetty construction. Currently, Canaport LNG has put together a compensation proposal retrieving ghost lobster traps off of Canaport.

Q10. (Teresa Debly) How much has been spent to date?

A10. (Fraser Forsythe) I would hazard to guess \$100,000.

Stuart Armstrong clarified that the Letter of Credit is just an insurance policy, and not all the money set aside in the Letter of Credit has to be spent on the compensation project.

Crystal Caines updated the group that there has been two weeks of side scanning to identify potential ghost traps, and two - three weeks of ghost trap retrieval to date.

Q11. (Teresa Debly) Will there ever be a final dollar amount?

A11. (Fraser Forsythe) There is no final dollar amount. CLNG will honour the point of the HADD authorization. DFO has security to ensure this is completed to their satisfaction. CLNG will spend what they need in order to fulfill the requirements of the HADD.

Glenn Griffin commented on the garbage disposal at Blacks Point, and whether or not they are required to compensate. Fraser Forsythe responded that it was the federal government; therefore, does not believe they are required to compensate themselves.

Q12. (Teresa Debly) Was it Fundy North that suggested the ghost trap project? Who approved the project?

A12. (Fraser Forsythe) Yes, Fundy North suggested the project. It was the DFO director in Halifax that approved it.

(3) BUSINESS ARISING FROM PREVIOUS MEETING:

Action Items July 2008:

44.1 (*re: Canaport LNG to report back to the committee on the specific issues identified above, relating to the committee's electrical concerns*).

(Fraser Forsythe) CLNG did not want to use exothermic on site where it is non-disconnectable. The Canaport site uses C-type compression fittings. The nature of the geology on site (little soil and a lot of rock) makes it difficult to achieve grounding specifications; however, utilizing a sea electrode system we have

been able to achieve a ground resistance of less ½ ohm. This exceeds the specification of < 5 ohms. The overall grounding system on site was not designed to use cad welds.

Q13. (Glen Griffin) Are the sea-based electrodes part of grounding system?

A13: (Fraser Forsythe) Yes.

Q14. (Glen Griffin) Are you concerned about corrosion?

A14. (Fraser Forsythe) No.

Q15. (Gordon Dalzell) What was done in regards to supervisors not taking corrective action in regards to employees concerns? Has there been any resolution for this?

A15. (Fraser Forsythe) If something is thought to be done incorrectly, an employee is to bring it to the attention of their supervisors. CLNG have 15 people on site who are part of the QA/QC group. If problems are identified with the work, the work is redone according to the appropriate specs. Like any construction job, contractors have suggestions; however, it is the owner's decision as to what is acceptable. The project is also under the scrutiny of the electrical officer.

Q16. (Glen Griffin) Has the lightning system been installed on the tanks?

A16. (Fraser Forsythe) It has not been completely installed on the tanks. It has yet to be tied into the grounding grid. There are lightening rods, but they are not connected at this time. In response to the other issue raised in terms of inappropriate equipment on the loading platform, all equipment must be intrinsically safe or explosion proof.

44.2 (re: Fraser Forsythe to bring the motion to remove the Canaport LNG logo from the Ocean Park playground back to CLNG, and report back to the committee)

(Carolyn Van der Veen) CLNG will not be removing the sign.

Q17. (Glen Griffin) What about renaming it in memory of Joseph Omar Allain? Glen Griffin put a motion on the floor to add "In Memory of Joseph Omar Allain" to the Ocean Drive Playground sign. Gordon Dalzell seconded the motion. There was no opposition from the committee members for the motion, and the motion was accepted.

Action 45-2: Make a request to the city that "In Memory of Joseph Omar Allain" be added to the Ocean Drive Playground sign (with approval from family members)

44.3 (re: Replace the Canaport LNG traffic sign, located prior to Hewitt Drive, with a larger, more visible sign).

(Fraser Forsythe) The sign is on order. This item is to be completed. Jan Johnston indicated that she has had eight people stop at her property looking for Mispec Beach. Signage for the beach is lacking in the area.

Action for Kevin 45-3: Kevin to request signage for Mispec Beach from the City.

Q18. (Gordon Dalzell) Will the lines be repainted on Bayside Drive?.

Action 45-4: Kevin O'Brien to bring request to the city to repaint lines on Bayside Drive.

44.4 (re: Canaport LNG to report reckless driving issues to Brunswick Pipeline)
Note: this has been changed – see Review & Approval of minutes from 15 July 2008 meeting above.

(Fraser Forsythe) CLNG are continually requesting and encouraging EPC contractors to use the RHSAR.

Q19. (Teresa Debly) How many workers are on site?

A19. (Fraser Forsythe) 1,500 daily average.

(4) UPDATES:

NBDENV Monthly Status Reports:

Carolyn Walker provided a copy of the Monthly Status Report to members, and briefly reviewed the report. The following questions / comments were made during the status report updates.

Q20. (Teresa Debly) Can we get a copy of the traffic report for the past couple of months?

Action 45-5 Carolyn Walker to provide hard copy of traffic reports to members.

Q21. (Gordon Dalzell) Can we get a list of mitigation items that were discussed in the EIA in terms of traffic?

Action 45-6: Review the mitigation items within the EIA relating to traffic.

A21. Fraser Forsythe listed some mitigative measures including bussing, and scheduling. Fraser commented that CLNG did build a new RHSAR that was not included as part of the EIA identified mitigation.

Q22. (Teresa Debly) Can I get a copy of the Flare Public Involvement Report? Jan Johnston, Carol Armstrong, Elsie Smith, and Vern Garnet would also like to have copies of the report.

Action 45-7: Send copies of the Flare Public Involvement Report to those who have requested.

Q23. (Teresa Debly) Why does it take so long to report spills (referencing two spill reports that were reported late)?

A23. (Fraser Forsythe) CLNG are constantly communicating the need for contractors to report incidents. Any amount of fluid spill is to be reported, but not every truck driver / construction worker follows protocol. Maybe the person cleans up a small spill themselves, a day later tells the foreman, resulting in paperwork being delayed. Regardless, the spill is cleaned up immediately, although sometimes the paperwork isn't completed.

(Carolyn Walker) The Department is continuing to investigate the sound monitoring exceedences experienced on Red Head Road.

Q24. (Teresa Debly) Can we get the sound level exceedences?

Action 45-8: Carolyn Walker to provide hard copy of sound monitoring exceedences to members.

Canaport Site Update:

Fraser Forsythe provided an update on construction activities offshore and onshore. Currently, CLNG are 83% complete of the overall Project (including engineering, design and construction). Seventy-nine percent (79%) of work is complete onshore; while 89% is complete offshore for a total of 77% construction completion.

Q25. (Carol Armstrong) When is the plant anticipated to open? Will notice be given in advance to start-up?

A25. (Fraser Forsythe) Commissioning is anticipated for February / March 2009. Notice will be given well in advance.

Q26. (Teresa Debly) What percentage of the pipeline is complete?

Action 45-9: Gordon Dalzell to inquire on the pipeline completion percentage at the next pipeline liaison meeting.

(Fraser Forsythe) The 69 KV electrical line will be energized mid next week. There is still 200 km of cable that requires to be pulled, which is anticipated to take another 10 weeks. Hydrostatic testing is currently finishing up on Tank #1. Fundy Engineering are monitoring the TSS values from the water from the tank prior to release in the Bay. Baseline samples reported TSS levels of 35 mg/L. Most samples collected have been well below this value.

Q27. (Teresa Debly) What is the status on Tank 2?

A27. (Fraser Forsythe) They are in the process of welding Tank 2.

Q28. (Glen Griffin) Are they still doing the sedimentation trap sampling offshore?

A28. (Fraser Forsythe) No. It didn't prove effective.

(Fraser Forsythe) Offshore, they are currently wiring for the score boards, performing touch-up painting, and are installing curb under the platform.

Q29. (Teresa Debly) When will the hydrostatic testing of Tank 2 take place?

A29. (Fraser Forsythe) Possibly in October.

Q30. (Teresa Debly) And Tank 3?

A30 (Fraser Forsythe) Possibly August 2009, with tank ready for commissioning in December 2009.

Q31 (Gordon Dalzell) Has there been or will there be any public notice on hydrotesting results?.

A31 (Carolyn Van der Veen) No, there will not be any public notices. There is a great deal of testing that is done on the whole site, and this process is simply one of the tests required.

Gordon Dalzell recommended CLNG provide public notice on the hydrotest as it would be in the public's interest and would be reassuring.

Q32 (Glen Griffin) Is there any light illumination comparison as to how the site will compare with the refinery or the city?

A32 (Fraser Forsythe) There is none to date.

Q33: (Gordon Dalzell) What mitigation measures were included within the EIA report?

Action 45-10: Review EIA and determine what mitigation measures were committed to in terms of lighting.

Q34. (Gordon Dalzell) What is being done in terms of security?

A34. (Fraser Forsythe) Any marine facilities are governed under the Marine Transport and Security Act. The regulator, Transport Canada Marine Safety (TCMS), inspect facilities to ensure it meets regulations. They will govern the CLNG site. Department of Public Safety govern any kind of warehouse facility requiring security inside the Port of Saint John. The CLNG site will also fall under their jurisdiction. CLNG are developing an intimate relationship with both parties.

Q35. Gordon Dalzell questioned whether or not the guard house on site will be moved as it is currently halfway down the access road. Mr. Dalzell indicated he recently toured the NB pipeline, and was able to walk right up to the fence line.

A35. (Fraser Forsythe) The guard house will not be moved. TCMS has studied the security plans, and are satisfied with the layout. There will be security around the meter house.

Gordon Dalzell expressed his concern regarding security and noted he would like to see a more defensive structure.

(5) MEMBERS STATEMENT:

Two members (Carol Armstrong and Pam McNeil) noted that they had not received the previous meeting minutes and this meeting's agenda.

ADJOURNED:

8:20 pm

Submitted by: Fundy Engineering

NEXT MEETING DATE:

Red Head Church on Monday, 20 October 2008 at 6:00 pm.

ATTACHMENTS:

NBDENV Monthly Status Report – August - September 2008
Table of Outstanding Action Items

Table of Actions/Responsibilities –September 2008

Action #	Action Item	Responsible Party	Due Date
45-1	Request DFO come and give a presentation on the HADD authorization process and program	Fundy Engineering	20 October 2008
45-2	Make a request to the city that "In Memory of Joseph Omar Allain" be added to the Ocean Drive Playground sign (with approval from family members)	Co-Chairs	20 October 2008
45-3	Kevin to request signage for Mispec Beach from the City	Kevin O'Brien	20 October 2008
45-4	Kevin O'Brien to bring request to the city to repaint lines on Bayside Drive	Kevin O'Brien	20 October 2008
45-5	Carolyn Walker to provide hard copy of traffic reports to members	Carolyn Walker	20 October 2008
45-6	Review the mitigation items within the EIA relating to traffic	Fundy Engineering	20 October 2008
45-7	Send copies of the Flare Public Involvement Report to those who have requested	Fundy Engineering	20 October 2008
45-8	Carolyn Walker to provide hard copy of sound monitoring exceedences to members	Carolyn Walker	20 October 2008
45-9	Gordon Dalzell to inquire on the pipeline completion percentage at the next pipeline liaison meeting	Gordon Dalzell	20 October 2008
45-10	Review EIA and determine what mitigation measures were committed to in terms of lighting.	Fundy Engineering	20 October 2008