

Canaport LNG Project

Canaport Community Environmental Liaison Committee (CCELC)

Minutes of Meeting CCELC # 72
Monday, 24 September 2012
Red Head United Church Hall, Saint John, NB
Meeting 6:00 pm – 9:00 pm

APPROVED AS AMMENDED

Committee Present:

- Armstrong, Carol Resident
- Dalzell, Gordon SJ Citizens Coalition for Clean Air
- Forsythe, Fraser Co-Chair (Canaport LNG)
- Johnston, Jan Resident
- McNeill, Pam Resident
- Smith, Elsie Resident
- Thompson, David H. Fundy Baykeeper
- Turner, Rick Saint John Board of Trade

Committee Absent:

- Brown, Alice Resident
- Debly, Teresa Resident
- Hunter, Roger Resident
- Kumar, Hemant Enterprise Saint John
- Perry, Yvonne Member
- Thompson, David Member

Resources:

- Caines, Crystal Fundy Engineering
- Norton, Erin Fundy Engineering
- O'Brien, Kevin City of Saint John
- Peterson, David NBDENV

(1) OPENING REMARKS:

The meeting commenced at 6:05 pm with Fraser Forsythe welcoming everyone. The agenda was approved. Gordon Dalzell requested to have an update on the sale of the Canaport LNG Terminal.

Review & Approval of Minutes from Meeting #71 11 June 2012

The minutes of meeting # 71 on 11 June 2012 were reviewed, and approved with no revisions. The minutes were accepted by Gordon Dalzell, seconded by Carol Armstrong.

(2) ACTION ITEMS FROM 11 June 2012 MEETING:

71-1: Fraser to report back on Canaport LNG's decision to support the roof repairs for the Red Head United Church

Canaport LNG will be supporting the roof repairs, estimated at around \$20,000. To date, three bids have been received. There is preparation required in order for the roof to be repaired (*i.e.*, removing existing materials, placing plywood on part of the church, then shingling). The work will be completed in the fall.

Gordon Dalzell expressed his gratitude for Canaport LNG's support on the roof repair initiative.

A brief update was provided on the Church's well water and associated remediation. Over the past year, Fundy Engineering on behalf of Canaport LNG has been removing pure oil from the well. A pump test was performed in the summer in attempt to draw more oil into the well. To date, approximately 55 L of oil has been removed from the well. The next step will be obtaining bids for a water treatment system, which is expected to happen in the fall.

71-2: On behalf of the CCELC, send a thank-you letter to Mr. Garnett for all of his contributions to the committee.

The letter was sent on 21 June 2012 to Mr. Garnett thanking him for his contributions to the Committee.

71-3: Send another letter to Mr. Ivan Court to determine his position on the committee.

The letter was sent on 21 June 2012 to Mr. Court thanking him for his contributions to the Committee.

(3) NEW BUSINESS

NBDENV Update

David Peterson provided the NBDENV update. As per the Approval to Operate, Canaport LNG submits monthly monitoring reports which details any upsets and spills, and reports on air and water emissions. Based on the reports, there are no signs of any issues. All parameters are well within the conditions of the Approval to Operate. LNG is very clean, and results in minor emissions. There have been no reportable events since the last meeting.

Q1: (Gordon Dalzell): Have you had any changes in your authority? Is industry still your focus?

A1: (David Peterson): I am your primary contact for water quality issues, as well as the contact for power generation facilities, some municipal sewage treatment, and unsightly premises.

Q2: (Gordon Dalzell) Do the unsightly premise cases take away from more important files?

A2: (David Peterson) Unsightly premises are the lowest priority cases.

Q3: (David Thompson) Does this include illegal dumping?

A3: (David Peterson) Yes. There's a new compliance/enforcement policy to put more pressure on the land owner.

Q4: (David Thompson) By-law enforcement is done by the City, is there a line somewhere?

A4: (David Peterson) The Municipalities Act. As opposed to Unsightly Premises Act or Clean Environment Act. Unsightly Premises Act or Clean Environment Act doesn't have simple cost recovery mechanisms.

Kevin O'Brien added that illegal dumping is enforced by a solid waste by-law in Saint John. David Peterson indicated that GNB had four sites cleaned up recently, the cost for which comes out of the Local Service District budget.

Gordon Dalzell spoke about a dump station at Anthony's cove and suggested putting up a barricade to prevent access. It is unsightly and affects natural habitat like sand pipers.

Action Item 72-1: Kevin O'Brien to speak with operational manager and see what can be done to reduce / stop dumping at Anthony's Cove and provide an update at the next CCELC meeting.

Business in News

Fraser Forsythe spoke to the incident that occurred out at Canaport which resulted in emergency response vehicles being dispatched. The incident was related to an arching

incident within an electrical enclosure at the Canaport Crude Terminal. The Crude Terminal called Emergency Services, whom arrived at the Canaport LNG Terminal gate. Canaport LNG made contact with the Canaport Crude Terminal, and the services were then sent over to their entrance gate.

NB Power planned an outage of their 69 kW power line. The outage started at 10:00 am to 10:00 pm. Without power, the LNG Terminal was put into recirculation mode. Flaring may have been noticed at this time due to the power shutdown. The new gas compressor being constructed at the Terminal will help to minimize flaring from this type of event.

Canaport LNG was not informed about the incident, as is supposed to happen within the two companies (*i.e.*, Canaport LNG & Canaport Crude Terminals) written procedures. If Canaport LNG were informed, they would have escorted the response team through the CLNG entrance gate and into the Crude Terminal. Canaport LNG has spoken to the manager at the Crude Oil Terminal about the written procedure.

Q5: (Carol Armstrong) How many Canaports are there?

Carol Armstrong indicated there was some confusion among emergency responders as to the location of Canaport (that could be heard via a scanner) and resulted in wasted time.

A5: (Fraser Forsythe) The emergency access road was a condition of EIA to provide a second means to exit/enter the LNG Terminal. Canaport LNG and the Crude Oil Terminal have an understanding that both exits can be used in the event of an emergency to exit/enter either facility.

Jan Johnston suggested the emergency access road have a civic number added. David Thompson commented on the value of the information being discussed. Mr. Thompson proposed the following motion:

Motion 72-1: Invite the current person responsible for emergency measures to the next meeting, and have them explain the situations as it stands (*i.e.*, what needs to be done, why it failed, current processes, what needs to be done to improve).

Carol Armstrong seconded that motion.

Action Item 72-2 Canaport LNG to present an “after action report” to the CCELC to be made available for the next meeting.

CLNG Site Update

Fraser Forsythe provided the Terminal update. Currently, the BOG recovery project is underway, and should be completed in the fall of next year. The foundation work is completed, and the gas chromatograph shelter has been relocated. Steel will begin being erected this week for the new compressor shelter, and a new pipe rack will be added. The BOG recovery project will allow the plant to run at lower gas send out. Currently, the Terminal is running at about 10% capacity. The BOG project is on schedule, with about 20 people working at the moment. It is anticipated there will be up to 150 workers over the winter and summer months of next year.

Q6: (Gordon Dalzell): Will the change in ownership stop the project?

A6: (Fraser Forsythe): No.

Aside the BOG compressor project, Canaport LNG are also working to replace the fire proofing on the high pressure pump skids. The fire proofing did not stand up well to the local environmental conditions. This should be complete by the end of October. Miscellaneous painting is ongoing. Yearly servicing is being completed to the unloading arms to service the emergency release couplings. There will be more paving in October to increase parking space.

Sale of LNG Terminal

Fraser Forsythe provided an update on the sale of the Terminal. Canaport LNG cannot be sold separately, and is being sold as a package deal (*i.e.*, have to buy all Repsol's LNG business assets). The reason Repsol is selling en mass is so that it is attractive to buyers. Originally, YPF was a state owned company in Argentina, which was later sold to Repsol to manage and explore for gas in Argentina. The government has since nationalized the company (YPF) and took over its assets. This action by the Argentinian government had a very significant impact on Repsol's balance sheet resulting in a major reduction in the company's assets. Repsol had to do something to bring their corporate balance sheet back inline by selling some of their assets. As of this time, a number of potential buyers have expressed interest.

Q7: (Gordon Dalzell): Would the new owner be required to obtain a new ATO?

A7: (David Peterson): No, the name of the ownership would simply change.

Q8: (Gordon Dalzell): What about Irving's 25% ownership?

A8: (Fraser Forsythe): It is my understanding that the existing partnership agreement covers this type of situation.

Q9: (David Thompson): What is the timeframe for the sale?

A9: (Fraser Forsythe): It is expected to have an offer from a potential buyer at the end of the year. A period of investigation would most likely then occur (6-9 months), and if all conditions are met, the sale would be finalized.

Gordon Dalzell commented that he would like the committee to recommend to the new ownership that the committee continue to meet.

David Peterson had indicated that from the Department's perspective, there are not a whole lot of environmental issues. As the DENV moves forward, it may be a good time to start thinking about who is best positioned (*i.e.*, resources and mandate) to attend the CCELC meetings, and suggested it was not the City or Environment, but the Department of Public Safety.

David Thompson put forth the following motion:

Motion 72-2: As soon as it is determined that there is going to be new ownership, that action be taken to inform and advise new owners of this committee, and the value this committee puts on the continuation of this committee. The committee would request to have the new representative present with Fraser Forsythe at one of the meetings.

Gordon Dalzell seconded the motion. All were in favour, and the motion was carried.

Q10: (Gordon Dalzell) What is the morale of the people working at the Terminal?

A10: (Fraser Forsythe) There is logical concern amongst employees as potential buyers require confidentiality and therefore we are not party to information about the possible sale.

Q11: (Gordon Dalzell) Is it affecting their capacity to do their job?

A11: (Fraser Forsythe): No.

Gordon Dalzell informed the committee that the Air Quality Monitoring Report is now online. The report talks about pollutant trends. There have been some improvements in Air Quality. The document can be viewed by visiting the following link:

<http://www.ec.gc.ca/Air/default.asp?lang=En&xml=8ABC14B4-ED53-4737-AD51-528F8DBA2B4C>

Q12: (Gordon Dalzell): Are there any updates on Mispic Beach?

A12: (Fraser Forsythe): There were about 20 volunteers that picked up garbage along the beach and the lawns were mowed. In addition to the clean-up, Canaport LNG replaced the stairs last year.

Q13: (Gordon Dalzell): What are the City plans for the beach?

A13: (Kevin O'Brien): I believe that is being discussed at tonight's Council meeting.

Action 72-3: Kevin O'Brien to provide update on City's plans for Mispic Beach

ADJOURNED:

8:05 pm

Submitted by: Fundy Engineering

NEXT MEETING DATE:

Monday, 10 December 2012 at 6:00 pm

ATTACHMENTS:

- Table of Action Items

Table of Actions/Responsibilities – 24 September 2012

Action #	Action Item	Responsible Party	Due Date
72-1	<i>Kevin O'Brien to speak with operational manager and see what can be done to reduce / stop dumping at Anthony's Cove and provide an update at the next CCELC meeting.</i>	<i>Kevin O'Brien</i>	<i>Dec 10, 2012</i>
72-2	<i>Canaport LNG to present an "after action report" to the CCELC to be made available for the next meeting.</i>	<i>Canaport LNG</i>	<i>Dec 10, 2012</i>
72-3	<i>Kevin O'Brien to provide update on City's plans for Mispic Beach</i>	<i>Kevin O'Brien</i>	<i>Dec 10, 2012</i>

Motion 72-1: Invite the current person responsible for emergency measures to the next meeting, and have them explain the situations as it stands (*i.e.*, what needs to be done, why it failed, current processes, what needs to be done to improve).

Motion 72-2: As soon as it is determined that there is going to be new ownership, that action be taken to inform and advise new owners of this committee, and the value this committee puts on the continuation of this committee. The committee would request to have the new representative present with Fraser Forsythe at one of the meetings.

ACTION ITEMS FROM PREVIOUS MEETINGS:

70.-1: Canaport LNG to post the monitoring summaries on their website

The monitoring summaries will be posted on the website over the summer months – need update from Fraser / Kate.