

agreement are to be met by April 30, 2004, for the agreement to be executed and completed. With CHG's agreement, the condition requiring the ~~Certificate of Compliance (CoC)~~ can be waived; however, CHG is only prepared to waive this condition if the City is committed to pursue and obtain the CoC.

Environmental Issue of Concern

As part of the overall investigation and testing, it has been found that the groundwater in the surface layers of the pit ~~in both subject lots~~ exceed the ~~Canadian BC Contaminated Sites Regulation Schedule 6~~ Drinking Water Quality Standards for iron, aluminum and manganese. These elements are more a taste and aesthetic concern rather than a health concern for drinking water and exceedances of these metallic elements in surface layer groundwater is a frequent occurrence in southwestern British Columbia. Similar exceedances of these elements were found at the Port Kells transfer station site that received a CoC in late 2002. However, because of wells for domestic water supply in the general area, the Province has flagged these exceedances as an issue of potential concern. Compounding this issue is the very recent introduction by the Province of a new ~~testing~~ protocol (Protocol 9) where such exceedances occur. Protocol 9 calls for the testing of the groundwater in adjacent natural areas and with tests to be spaced out over a reasonable time period in order to demonstrate that exceedances are a normal "background" condition. This new Protocol consequently adds considerable time, both for testing and data analysis, and review time by the Ministry. This means that it could be 4 to 6 months before ~~at the required~~ CoC ~~and Determination are~~ received to satisfy the conditions of the agreement with CHG regarding the sale of the lands.

The attached letter from Dillon Consulting ~~Ltd Limited~~ states their opinion on achieving ~~at the~~ Certificate of Compliance ~~and Determination for the two subject lots, respectively, within~~ for Stokes Pit. As stated, there is no known foreseeable reason why ~~a CoC Provincial clearance will not be able to be~~ achieved for this site. It is also anticipated that the necessary procedures to go through the Provincially prescribed protocols can be completed within the established budget and can be completed within a maximum one-year timeframe.

In view of the timeframe involved and the assurances from Dillon Consulting Ltd., conditions relating to the CoC will be deleted from the agreement and, in place, the City will provide CHG with its commitment to deliver the CoC and associated Determination by April 30, 2005.

CONCLUSION

The actions outlined in this report are in support of Council's approved direction of increasing the City's industrial land base. The waiving in the Purchase and Sale Agreement of the CoC condition and the commitment by the City to deliver the necessary Provincial approvals over the next year will allow the first phase of the Campbell Heights Industrial area to commence development on schedule.

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