



City of Richmond

Report to Council

To: Richmond City Council
From: Robert Gonzalez, P.Eng.
General Manager, Engineering and Public Works
Re: Jet Fuel Pipeline Update

Date: September 7, 2011
File: 10-6600-06-01/2011-
Vol 01

Staff Recommendation

That the "Jet Fuel Pipeline Update" report dated September 7, 2011 from the General Manager of Engineering & Public Works, be received for information.

Robert Gonzalez, P.Eng.
General Manager, Engineering and Public Works
(604-276-4150)

Att. 2

FOR ORIGINATING DEPARTMENT USE ONLY		
CONCURRENCE OF GENERAL MANAGER		
REVIEWED BY TAG	YES 	NO <input type="checkbox"/>
REVIEWED BY CAO	YES 	NO <input type="checkbox"/>

Staff Report

Origin

The purpose of this report is to provide Council with an update of the status of the Vancouver Airport Fuel Facilities Corporation (VAFFC) Jet Fuel Pipeline Project proposal.

Analysis

On February 2009 the BC Environmental Assessment Office (BC EAO) pre-application phase of the VAFFC Jet Fuel Project commenced. From the beginning of this process the City of Richmond has been advised that, even though this project may have material impacts to the City and the surrounding environment, the final decision on whether this project proceeds rests with the Provincial and Federal Governments.

From the outset Richmond City Council had asked for clarification and further information on the impacts that the project will have throughout the City as well as further information on the ability for Richmond residents and the public in general to provide comments and influence the VAFFC project proposal. Subsequent to receiving clarification on project scope on June 8, 2009 Council again raised concerns to VAFFC and the BC EAO and requested further consideration of other jet fuel pipeline alternatives (see Attachment 1 for Council Resolution from June 8, 2009).

Council members attended the first public information meeting on April 14, 2010 to ensure that Richmond's concerns were clearly documented and understood at the earliest stage in the BC EAO environmental review process. On April 26, 2010 Council passed a two-part motion regarding the jet fuel project proposal. The first part of the motion advised the BC EAO that Richmond is strongly opposed to a jet fuel off-loading facility on the south arm of the Fraser River, a new jet fuel pipeline through farmland and urban areas, and additional trucks to carry fuel. The second part of the motion advised that the public information meeting was inadequate and further public consultation meetings were required (see Attachment 1 for Council resolution from April 26, 2010). Over the next few months, Richmond's strong opposition to the jet fuel pipeline project as proposed would be reiterated to VAFFC and the BC EAO.

On January 5, 2011 VAFFC submitted the EA application to the BC EAO, which started the 180 day review process. As Richmond's comments had not been addressed with the necessary detail, Richmond reiterated its strong opposition to the jet fuel pipeline project as proposed and the comments were reflected on the BC EAO project web site. Richmond's concerns and strong opposition were further reiterated at the public information meeting on March 7, 2011 and through the various BC EAO working group sessions over the ensuing months.

Given that most of Richmond's comments remained largely unaddressed, on March 28, 2011 Council passed a resolution reiterating strong opposition to the jet fuel pipeline project as proposed, requesting more time for public input, endorsing the City's detailed application review comments, and seeking support from MLAs, MPs, Federal and Provincial Ministers, and the Premier (see Attachment 1 for Council resolution from March 28, 2011).

As part of Richmond's detailed comments, Council reiterated that further analysis on alternatives remained outstanding and a resolution was passed on April 4, 2011 advising that upgrade of the current jet fuel pipeline, or an alternative with off-loading facilities close to the airport near the north arm of the Fraser River would be preferred. Should the project be imposed upon Richmond, the detailed comments include a review of a pipeline alternative along the Highway 99 Corridor.

On April 11, 2011 Council met with the Minister of Environment, Honourable Terry Lake together with Richmond's MLAs to discuss and understand Richmond's strong and steadfast opposition to the jet fuel pipeline project as proposed.

On April 28, 2011 the BC EAO advised Richmond that the 180 day EA review period had been suspended for 120 days or until addenda are provided and reviewed by the BC EAO. With the suspension of the review process, the BC EAO have issued a revised project scheduled (see Attachment 2). While the schedule does not show further public consultation meetings being required by the BC EAO, VAFFC have advised Richmond staff that they will likely be undertaking further public consultation in the Fall of 2011 and include any further viable jet fuel pipeline routing alternatives as has been requested by Richmond Council.

On August 19, 2011 staff reiterated the series of detailed comments (endorsed by Council on March 28, 2011) to the BC EAO in response to the BC EAO requesting Richmond's comments on the VAFFC's response to date.

The most recent correspondence is the letter dated September 7, 2011 from VAFFC to the BC EAO (see Attachment 3). The letter outlines VAFFC's intent to:

- Analyse the Highway 99 jet fuel pipeline routing alternative,
- conduct a detailed analysis of spill response and planning
- review the Port Metro Vancouver tanker risk study once completed, and
- conduct a "Project Options" analysis including:
 1. review of the upgrade of the existing jet fuel pipeline from Burnaby
 2. off shore Sea Island terminal options, and
 3. a North Arm barge facility option.

Financial Impact

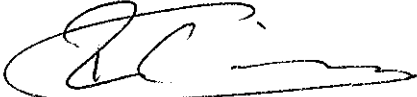
None.

Conclusion

Richmond has been consistent and steadfast in strongly opposing the jet fuel pipeline project as proposed and requesting further public consultation opportunities since the April 26, 2010 Council meeting. Furthermore Richmond has suggested, that in support of the jet fuel supply needs for YVR, jet fuel supply alternatives exist that may have a lesser impact on the environment and on the City of Richmond in general. While Richmond does not play a role in

the final decision on whether or not the project is approved, Richmond's comments have been noted given the suspension in the BC EAO review process and further review of alternatives that is taking place.

As further information becomes available, staff will apprise Council accordingly in order to provide meaningful response in a timely manner.

A handwritten signature in black ink, appearing to read 'RG', with a long horizontal flourish extending to the right.

Robert Gonzalez, P.Eng.
General Manager, Engineering and Public Works
(604-276-4150)

Council Resolution from June 8, 2009

Vancouver Airport Fuel Delivery Project Proposal UPDATE

(File Ref. No.: 10-6600-06-01/2009-Vol 01) (REDMS No. 2597962, 2568370, 2653442)

Recommendation Forwarded From Committee Meeting

That in relation to any new and necessary jet fuel supply systems to YVR, a preference be endorsed for:

- (a) jet fuel supply system options that result in no net gain of jet fuel line length on Lulu Island;***
- (b) the further consideration and review of alternatives to the current VAFFC proposal;***
- (c) significant removal of fuel delivery trucks from regional roadways; and***
- (d) options that do not include an off-loading facility on the south arm of the Fraser River.***

ADOPTED ON CONSENT

Council Resolution from April 26, 2010

Vancouver Airport Fuel Delivery Project

(File Ref. No.: 10-6600-06-01)

That the City of Richmond advise the BC Environmental Assessment Office and the VAFFC of the following:

- (1) That in any new jet fuel supply systems to the Vancouver International Airport, Richmond Council is strongly opposed to:***
 - a) an off-loading facility on the south arm of the Fraser River;***
 - b) a new jet fuel line through Richmond farmland and urban areas of Richmond; and***
 - c) any increase in the number of trucks carrying jet fuel on City streets.***
- (2) That the recent VAFFC public open house was inadequate to inform the public of the full situation and that the minimum criteria for adequate consultation would include:***
 - a) an opportunity for attendees to provide written input;***
 - b) full disclosure of the proponent's analysis;***
 - c) a discussion and analysis of the options rather***

- than the assertion of one option; and*
- d) *many opportunities at various locations for input.*

ADOPTED ON CONSENT

Council Resolution from March 28, 2011

**Vancouver Airport Fuel Delivery Project Proposal –
Certificate Application Review**

(File Ref. No.: 10-6600-06-01 (REDMS No. 3179247))

It was moved and seconded

- 1) *That City Council reiterate its position on the YVR Fuel Delivery Project as follows:*
 - (a) *The City is opposed to the delivery of jet fuel involving the South Arm of the Fraser River and/or having the line going across the City;*
 - (b) *there has been a lack of effective public consultation, and more time is needed for public input, at least until the end of June 2011;*
- 2) *That, the proposed City comments identified in Attachment 4 on the Environmental Assessment Certificate Application for the Vancouver Airport Fuel Delivery Project be endorsed for submission to the BC Environmental Assessment Office; and*
- 3) *That letters be sent to the local MLA's, MP Candidates, Federal and Provincial Ministers of the Environment, the Prime Minister, and the Premier stating the City's position and seeking their support.*

Council Resolution from April 4, 2011

VANCOUVER AIRPORT FUEL DELIVERY PROJECT PROPOSAL

(File No.: 10-6600-01) (REDMS No. 3189161)

SP11/5-1

It was moved and seconded

Whereas Richmond City Council has confirmed its continued opposition to any new jet fuel pipeline across the City of Richmond:

- (1) *That a meeting be scheduled as soon as possible with Richmond's three MLAs together with the Minister of Environment, if possible, to discuss the proposed jet fuel line route to garner their support in opposing this project as it is currently planned; and*

- (2) *That Richmond City Council state for the record that the preferred route for the jet fuel pipeline at this time is the continued use of the Kinder Morgan Pipeline and/or upgrading it as necessary, or alternatively a location on the North Arm of the Fraser River, close to the airport.*

CARRIED

ENVIRONMENTAL ASSESSMENT OFFICE

Projected Schedule of Major Steps for Application Review Stage

Proposed Vancouver Airport Fuel Delivery Project

Please note that these are anticipated dates for the purpose of work planning and scheduling; these dates may be subject to change.

Activity	Target Date	Responsibility
Submitted Application for EAO evaluation against AIR. Includes Public Consultation Plan.	Jan 5, 2011	Proponent
Comments from WG Screening Group Due (tentative: telecom Jan 25 9am to 11am)	Jan 21, 2011	WG Screening Group
Evaluated and EAO decision rendered on accepting Application for EA Certificate	Feb 4, 2011	EAO
Produced and distributed copies of the Application	Feb 18, 2011	Proponent
Commencement of 180 day review period – project documents posted on EAO website	Feb 18, 2011	EAO
45-day public review and comment period	Feb 25 to April 11, 2011	EAO Proponent
Full working group meeting to initiate review of the Application	March 2, 2011	First Nations, Federal, Provincial, Local governments
Public Open House (Richmond) and Presentations	March 7, 2011	EAO, OGC, PMV Proponent
Technical sub-committee WG meeting(s) (technical committees to be established at March 2 WG meeting and scheduled as needed)	March 10 to 25, 2011	First Nations, Federal, Provincial, Local governments
Comments due on the Application from First Nations, Federal government, provincial government and local government (1 month after start of review)	March 18, 2011	Public First Nations, Federal, Provincial, Local governments
Full/partial/technical working group meeting (s) on outstanding issues, as needed	April 11 to end of May	EAO
Project EA (180 day clock) Suspended for 120 days or until addenda are provided and reviewed	April 28, 2011	EAO
Responses from the Proponent to public	June 8, 2011	Proponent
Responses from the Proponent to First Nations, and agency comments (Issues Tracking Table).	June 29, 2011	Proponent
Working Group comments due on Issues Tracking Table	July 20, 2011	First Nations, Federal, Provincial, Local governments
Full WG meeting to discuss Issues Tracking Table, Proponent additional memos etc.	July 19-20, 2011	First Nations, Federal, Provincial, Local governments
Proponent revisions to issues tracking table (if required), to EAO and agencies	Aug 18, 2011	Proponent
Proponent submits First Nations Consultation report to EAO	Aug 26, 2011	Proponent

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First draft of Assessment Report & draft Table of Commitments-- Circulated to Working Group (without First Nations section) for four week review	Sept 7, 2011	EAO
EAO Consultation Report circulated to First Nations for Review	Sept 14, 2011	EAO
Comments due from the Working Group on first draft of Assessment Report & Table of Commitments	Oct 5, 2011	First Nations, Federal, Provincial, Local governments
Proponent submits Public Consultation Report to EAO (following proponent public consultation including on the additional pipeline route)	October 20, 2011	Proponent
Comments due from First Nations on the EAO Consultation Report	October 12, 2011	First Nations
Second Draft of Consultation Report circulated to First Nations	Oct 26, 2011	EAO
Second Draft of Assessment Report & Table of Commitments - Circulated to Working Group for two week review	Oct 19, 2011	EAO
Comments due from First Nations on the final draft EAO Consultation Report	November 10, 2011	First Nations
Comments due from the Working Group on Second draft of the Assessment Report & Table of Commitments	November 4, 2011	First Nations, Federal, Provincial, Local governments
Day 150 - Closure on changes to Assessment Report and Proponent's Commitment Table	Nov 15 DAY 150	First Nations, Federal, Provincial and local governments
Day 150 to 180 – EAO Prepares Final Assessment Report, Consultation Report and Referral Package for Ministers	Nov 15 – Dec 5, 2011	EAO
Referral	Dec 15, 2011	EAO
Ministers Decision on whether to grant an EA Certificate	Jan 30, 2012	Ministers



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September 7, 2011

Kathy Eichenburger
 Assistant Executive Project Assessment Director
 BC Environmental Assessment Office
 1st Floor 836 Yates St
 PO Box 9426 Stn Prov Govt
 Victoria BC V8W 9V1

Re: Vancouver Airport Fuel Delivery Project Update

Dear Kathy:

To assist your planning of the review of Vancouver Airport Fuel Facilities Corporation's application for an Environmental Assessment Certificate (EAC), I am writing to provide an update on the work currently underway to supplement our EAC Application. This work will provide additional information to respond to questions from the Technical Working Group and other interested parties participating in the application review.

A brief explanation of these work initiatives follows:

1. Highway 99 pipeline route analysis

We are working with the BC Ministry of Transportation and Infrastructure (MoT) to assess the Highway 99 corridor, between just north of the Steveston Highway Overpass and Bridgeport Trail, as an alternate pipeline route through Richmond. When completed, our assessment of this route will be submitted as an addendum to our Application.

We have completed the preliminary stages of the assessment and are now working with MoT on a more detailed assessment of the pipeline route, including further consideration of other utilities within the corridor, municipal road use and crossings, and future land use. We expect to complete this work and file the addendum to our Application by November.

2. WCMRC analysis of spill response and planning

Western Canada Marine Response Corporation (WCMRC) is certified by Transport Canada under the *Canada Shipping Act* as the Response Organization for the west coast region under Canada's Marine Oil Spill Preparedness and Response Regime.

They are undertaking further analysis of the spill response issues that will enhance and supplement our existing work, including:

- Reviewing the spill fate and effects modelling to identify sensitive areas for spill response planning;
- Identifying the spill response opportunities and measures to protect the sensitive areas;
- Modelling and assessing the effectiveness of the spill response measures; and
- Assessing the operational practices to avoid spills and spill response planning measures to improve the effectiveness of response.

This work will better inform our understanding of the spill risks, spill behaviour and response measures that are necessary to manage the risks with reasonable confidence. It will also assist in developing the spill response plan for the project with a greater level of confidence.

Field trials will continue in September, with a summary report and update of the contingency plan requiring several more weeks to complete.

3. Port Metro Vancouver's tanker risk study

Port Metro Vancouver (PMV) is undertaking a comprehensive review of overall tanker traffic on the South Arm of the Fraser River, the related risks, and the measures to manage the risks safely. The PMV review will assist in giving a broader context to assess the proposed traffic associated with the VAFFC project.

PMV has indicated that the tanker risk study is progressing on time and is expected to be completed by the end of December.

4. Project options analysis

We have engaged two consulting firms, Golder Associates and Ausenco-Sandwell, both with extensive marine and environmental engineering experience, to jointly undertake a more detailed comparative analysis of the project alternatives that have attracted the greatest interest from participants during the review of this project. The alternatives to be further studied include:

- an upgrade of the existing system from Burnaby;
- offshore Sea Island terminal options; and
- a North Arm barge facility.

This work will be completed within the EA review phase although it is not part of the EAC Application requirements. VAFFC has undertaken this further background work to respond to requests to provide further clarification on relative merits of other options that VAFFC assessed before it selected the current project.

The current suspension of the EA review was initiated to allow sufficient time to prepare an addendum to the Application covering the Highway 99 pipeline route analysis. We have also used this time to initiate other work that will provide a useful information supplement to support the review of our EAC application. Given the current progress of the various work initiatives, we expect to be able to file

results of this work, with the exception of the Port's tanker risk study, by the end of November 2011. In the interim, to make efficient use of our time, we believe there may be sufficient material results from the WCMRC work to schedule another working group meeting before November. We will report back to you as the WCMRC work nears completion to identify the scheduling opportunities.

I look forward to hearing any feedback from the EAO regarding the supplemental work, the schedule, and the timing of the next working group meeting. I would be pleased to discuss these items with you if you have any questions or concerns.

Sincerely,
Vancouver Airport Fuel Facilities Corporation



Adrian Pollard, P.Eng.
Project Director

CC: City of Richmond, Mayor & Council
John Yap, MLA Richmond-Steveston
Rob Howard, MLA Richmond Centre
Linda Reid, MLA Richmond East
Vicki Huntington, MLA Delta South
Hon. Alice Wong, MP Richmond
Kerry-Lynne Findlay, MP Delta-Richmond East
Corporation of Delta, Mayor & Council