

Fraser Valley Regional District

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STAFF REPORT

To: Chair and Members of the Fraser Valley Regional District Board
From: Paul Gipps, Chief Administrative Officer
Date: November 18, 2013
Subject: Kinder Morgan Project Review – Staff Committee Report
File No.: 0360-20-086

RECOMMENDATION

THAT the Fraser Valley Regional District Board receive the FVRD staff committee report on the Kinder Morgan project;

THAT staff be instructed to forward the report to Kinder Morgan with a request that Kinder Morgan provide a response in a timely manner;

AND THAT Kinder Morgan's response be taken into account as the Board considers taking an official position on the proposed pipeline expansion.

BACKGROUND

At its June 25, 2013 meeting, the Fraser Valley Regional District Board resolved to direct staff to initiate a working committee to look into the Kinder Morgan expansion project and report back with findings and recommendations.

The outcome of the staff working committee has been the compilation of a list of questions that staff would like addressed. The answers to these questions will provide guidance to the Board in its future deliberations with respect to Kinder Morgan's Trans-mountain pipeline expansion project. Staff have also prepared a Fact Sheet to provide general background to the project and the role that local governments have in the approvals process.

DISCUSSION

As set out in the National Energy Board (NEB) Act, the FVRD has no regulatory authority over pipelines. Per the FVRD's *Transportation and Utility Corridors of Regional Significance Policy*, Kinder Morgan does, however, have an obligation to make an effort to address concerns the FVRD may have about the project. The Staff Committee report includes questions and/or requirements from both a high-level region-wide perspective and more site specific Electoral Area perspective. Staff also reached out to each municipality within our region to seek their input into this report and comments received have been incorporated.

Once the FVRD receives a response from Kinder Morgan, the information will be reviewed by the staff committee and be shared with municipal staff to determine if the response addresses their concerns. A follow-up staff committee report will be submitted to the Board for review as it considers taking an official position on the pipeline expansion project.

Kinder Morgan's Trans-mountain pipeline expansion project continues to move through the Environmental Assessment process as prescribed by the NEB. The company is continuing its public engagement process and is currently meeting with Chambers' of Commerce in the region. Staff will be attending the Chilliwack Chamber of Commerce meeting and will incorporate any additional information into the follow-up staff committee report on the project.

COST not applicable

FVRD: Trans Mountain Expansion Project - Kinder Morgan Pipeline Project Review

The twinning of the existing Kinder Morgan pipeline stands to have a significant impact on the Fraser Valley Regional District both during construction and after completion. The FVRD has to consider the pipeline from both a high-level regional perspective and a more site or neighborhood-specific perspective as the FVRD is the local government for two Electoral Areas through which the proposed pipeline is intended to pass through.

FVRD staff were invited to participate with other stakeholders in several workshops throughout the spring of 2013, one on the Economic and Socio-economic assessment (ESA) of the project; and the other on agriculture. In addition, staff participated at the City of Chilliwack Community Interest and Routing Workshop in June 2013 which identified routing alternatives in the region. While some concerns were addressed through these stakeholder engagements, a number of other concerns have not been addressed or remain unanswered.

This document outlines outstanding questions and issues regarding the project. As the Trans Mountain pipeline expansion proposal is reviewed, the FVRD requests that the following issues be considered and addressed. This constitutes a brief review, additional questions or comments may arise from the responses provided by Kinder Morgan on these and other questions.

REGIONAL CONSIDERATIONS

Many concerns surrounding the twinning of the KM pipeline are regional in nature and stand to have a significant impact on the Fraser Valley in four key areas: socio-economic, agricultural, environmental, and recreational. The region's municipalities may also have concerns, which the FVRD will leave to their discretion to discuss directly with Kinder Morgan. The regional concerns expressed in this document are from an FVRD perspective and do not necessarily reflect concerns of other Local Governments in the Region.

SOCIO-ECONOMIC CONSIDERATIONS

The FVRD's "Transportation and Utility Corridors of Significance" policy considers the potential impact of the proposed pipeline from a socio-economic standpoint. At a regional scale, socio-economic concerns relate to potential impact of the construction process on businesses, farms and residential areas adjacent to the ROW and construction zones. There may be overlaps between socioeconomic impacts and environmental and agricultural interests.

1. Minimizing impact on businesses (including farms) adjacent to pipeline work-site

- 1.1.** What steps will be put in place to ensure business continuity where pipeline construction is adjacent to businesses?
- 1.2.** Where business is affected by adjacent construction activities, will businesses be compensated for lost revenues?
- 1.3.** How will potential disputes between Kinder Morgan and property/business owners be resolved?
- 1.4.** How will potential disputes between Kinder Morgan and local governments be resolved?

The FVRD would like to receive copies of Kinder Morgan's strategy to minimize business impacts.

2. Minimizing impacts on residential areas

- 2.1.** How much notice will be provided to residents before construction activity begins in their neighbourhoods?
- 2.2.** How will affected residents be kept informed about construction activities and will they be provided with contact numbers if they have any questions or concerns about the construction activity?
- 2.3.** How will potential disputes between Kinder Morgan and local residents be resolved?

The FVRD would like to receive copies of Kinder Morgan's strategy to minimize residential impacts.

3. Minimize impact on municipal or private infrastructure – flood control, drainage, water works, and roads.

- 3.1.** What steps will be put in place to ensure that municipal and private infrastructure is not damaged during construction activities?
- 3.2.** What steps will be put in place to ensure that maintenance or upgrading activities related to municipal infrastructure will not be encumbered in the future?
- 3.3.** Will protocols be established with local government in relation to construction activity adjacent to municipal or private infrastructure, including diking structures?
- 3.4.** Does Kinder Morgan have examples of protocols have been used in other jurisdictions?
- 3.5.** The eastern Fraser Valley, especially the Greendale and Sumas Prairie areas in Chilliwack and Abbotsford respectively, have very high water tables at times. How will the pipeline be designed to ensure shifting water tables and/or flooding will not damage the pipeline?
- 3.6.** When the pipeline route is adjusted, will owners of land with development potential be compensated for lands lost to a new right-of-way?
- 3.7.** Water supply interruptions could have significant impact on intensive agricultural operations that are found along the route (dairy, poultry, greenhouses etc.). How will Kinder Morgan address water service disruptions should they occur?
- 3.8.** What measures will be taken to prevent the contamination of nearby canals, wells, and other water sources for irrigation in the event of a spill?

4. Ensuring that emergency access to surrounding properties is maintained and that emergency service providers are notified of any anticipated road closures.

- 4.1.** Will protocols be developed with local emergency service providers to ensure emergency access to adjacent properties is maintained at all times?
- 4.2.** Are there examples of protocols that KM has used in other jurisdictions?
- 4.3.** Given the highly sensitive nature of the Fraser River and the close proximity of pipeline route to the river, will spill response equipment and trained staff be based in the upper Fraser Valley for rapid deployment in the event of a spill?

5. Responding to local government and public concerns in event of a spill

- 5.1.** A clear communications strategy as to how KM will inform and work with local governments and communities in the event of a spill is necessary. How will KM communicate with the FVRD and our member municipalities in the event of a spill? How will this vary in terms of severity, location and potential impacts of a spill (eg. close to wells, irrigation infrastructure etc)?
- 5.2.** Will protocols be developed to ensure local government concerns are addressed in a timely manner?
- 5.3.** Does KM have examples of protocols that have been used in other jurisdictions?

6. Limiting socio economic impacts on agriculture and recreation

- 6.1.** In Kinder Morgan's response to an FVRD question about socio-economic aspects of agricultural and recreational impacts KM states that these aspects will be addressed as part of the "Human Occupancy and Resource Use" elements of the study. How have the socio-economic impacts on agriculture and recreation been addressed/assessed and is this information available for review to ensure accuracy?

7. Protecting community health

- 7.1.** In KM's meeting notes from the March 7, 2013 ESA workshop (Surrey), KM indicated that "information regarding our engagement of municipal governments in the community health component of the assessment" would be provided. Is this information available for review?

AGRICULTURAL CONSIDERATIONS

Agriculture is a fundamental component of the Fraser Valley's economy and way of life. The Fraser Valley Regional District ranks number one in the province, annually generating over \$1 billion in gross farm receipts on only 1.6% of the province's ALR lands. Protecting agriculture is vital for maintaining and growing the region's economy. It creates jobs, and generates more than \$2.5 billion of economic activity in the region each year. To protect this economic strength, it is also vital that we protect the fertile soils and water sources on which agriculture depends.

The Regional policy on transportation and Utility Corridors of Regional Significance states the importance of minimizing the consumption of agricultural land, ensuring safe and unrestricted movement of agricultural vehicles and goods in agricultural areas, and protecting the drainage and productivity of agricultural land. The economic importance of agriculture, warrants ensuring that agricultural productivity is not compromised and that disruptions are kept to a minimum during and after construction.

1. Minimizing disturbance/interference with agricultural practices during construction

- 1.1.** What measures will be taken to ensure that the disruption of agricultural operations adjacent to the job site will be minimized during construction?
- 1.2.** Maintaining a high level of biosecurity is of critical concern in the Region given the significant economic impacts that would result from any disease outbreak. How will KM work with the BC Ministry of Agriculture and CFIA to ensure that appropriate protocols are developed and followed during and after construction.
- 1.3.** Will KM, in consultation with Ministry of Agriculture and local farmers, identify appropriate construction "windows" to ensure construction activity takes place at a time of year that will minimize long-term impacts on soils and economic activity?
- 1.4.** Soil conditions in FVRD portion of the pipeline route are complex. How will KM consult with affected individual farmers (who are most knowledgeable about their land), as the alignment is being finalized?
- 1.5.** How will KM work with the Ministry of Agriculture and local farmers to address such concerns as soil compaction and dust abatement during and after construction?

2. Minimizing Impact of pipeline on agricultural production after construction

- 2.1.** At the May 23rd 2013 agriculture workshop, KM presented a plan to ensure existing soil layers remain intact. Will a soil assessment be done for every property along the pipeline to ensure that construction is tailored to the distinct soil composition and depths of each location?
- 2.2.** How deep will pipeline be placed to ensure that farming practices will not be encumbered by proximity to the pipeline?
- 2.3.** How will KM work with the Ministry of Agriculture and local farmers to monitor long term impacts on productivity related to the operation of the pipeline?
- 2.4.** Will farmers be compensated for short and long-term loss of productivity?

3. Compensation in the event of a spill in or adjacent to farm operations

- 3.1.** Will there be compensation/crop insurance for the loss of crops or the decrease in crop values in the event of a spill?
- 3.2.** What will be the protocol to seek compensation?

ENVIRONMENTAL CONSIDERATIONS

Many of the questions and concerns identified by staff about the environmental considerations of this project have already been presented to KM either at the March 2013 workshop or during follow-up communications that were responded to in April 2013. Below are some follow-up questions based on either these responses or on the comments from the workshops.

1. Protecting Air Quality

- 1.1.** At the March 7, 2013 ESA workshop in Surrey, KM discussed burning of timber during the construction phase where there will be ROW clearing. The burning of wood waste is unnecessary and unacceptable given the sensitivity of the FVRD's airshed. What alternative methods of wood waste removal will be utilized instead of burning?
- 1.2.** Air Quality Modeling Plan (RWDI)
 - 1.2.1.** The air quality modeling plan prepared by RWDI uses a single surface meteorological station in the FVRD for modeling around Sumas Terminal (Abbotsford-Mill Lake T33, which is incorrectly named in the modeling plan). There is a second station in the area, Abbotsford-Airport T45. We recognize that the base year for meteorological data in the modeling plan is 2011 and T45 was installed in 2012, but request inclusion of data from that station if possible, or at least a discussion surrounding its presence in the modeling work.
 - 1.2.2.** How will the 24 km by 24 km modeling grid around the Sumas Terminal capture the air quality impacts on other parts of the region, such as Chilliwack and Hope? Can an additional larger domain be modeled that includes these communities?
 - 1.2.3.** How does RWDI define "select receptors of interest" when conducting air modeling? (written on page 4 of the October 3, 2013 Model Detailed Plan by RWDI). In addition to the receptors noted on the Sumas map, could model output for all hospitals and schools in the modeling domain be presented?
 - 1.2.4.** The air modeling plan indicates that potential spills (marine and pipeline) will be modeled under a separate scope. What provisions for cleaning, maintenance and other potential 'peak'

episodes will be included in the modeling scenarios? Is averaging projected ship volumes throughout the year realistic (that is, is it possible to have busier times of the year, and can those times be captured in the modeling work)?

- 1.3. How are construction emissions being accounted for? What steps will KM take to ensure minimal air quality impacts from construction-associated vehicles and equipment? Will KM commit to abiding by the Metro Vancouver non-road diesel engine emission regulation when conducting work in the FVRD?
- 1.4. How will KM monitor air quality impacts during construction and expanded operation? Which pollutants will be monitored, by what equipment, and at what locations? How will KM rectify any ambient air quality objective exceedances during construction or operation?
- 1.5. How will KM account for and minimize emission of greenhouse gases during construction and operation of Transmountain?
- 1.6. How will KM rectify the greenhouse gas emissions and climate change impacts associated with combustion of the oil products Transmountain will carry? Regardless of where the oil is consumed, climate change has global impacts. In that context, how does the expansion of this pipeline act in the best interests of all British Columbians and Canadians?

2. Avoiding sedimentation/water quality impacts

- 2.1. In response to the FVRD and during the March 2013 workshop, KM has stated that there is “good research” that shows short-term increases in suspended sediment have little impact on benthic invertebrate communities. However, it is understood that this research is based on small mountain streams, not the slow moving low gradient streams or sloughs common in the Fraser Valley. What measures will be taken to avoid sedimentation and turbidity impacts on the region’s watercourses and wetlands?

3. Controlling introduction and spread of Invasive Species

- 3.1. Invasive species are a significant concern in the Fraser Valley. What mitigation measures will be used to control the introduction and spread of invasive species during and after project construction, and what protocols will be in place to ensure that contractors working on the project will be following these measures?
- 3.2. Are these protocols available for review?

4. Protecting Wetlands - KM consultants have suggested to the FVRD in prior correspondence that the project “will temporarily disturb wetlands during pipeline installation and temporary vehicle crossings during construction.” When asked about the number of wetlands that will be impacted, KM stated at the March Surrey workshop “Don’t have an exact number yet, but likely more than 1000”. Given the number of wetlands potentially affected, and the sensitivity of these wetlands to disturbance, there are a number of further questions and concerns about the potential impacts to these wetlands

- 4.1. What measures will be taken to conduct complete amphibian and fish salvage prior to commencement of work?
- 4.2. What measures will be taken to address the following concerns?
 - 4.2.1. Temporary drying of wetlands during construction may allow reed canary grass (an aggressive invasive plant species that was previously held at bay), to invade the wetland, permanently

altering the structure of the site. Once established, control of reed canary grass is extremely difficult and costly.

4.2.2. During the March 2013 ESA workshop in Surrey, KM stated that in treed wetlands (where the trees are removed for the purposes of the project), “the succession species will be growing there following construction instead of trees – but the wetland will still be functioning as a wetland.” This assumption does not reflect the reality in the Fraser Valley that when trees are removed from a wetland, reed canary grass will very likely move in rather than normal successional species. This will result in a significant loss in wetland function. Removing trees from “treed wetlands” should be avoided if at all possible.

4.2.3. KM also mentioned that “Construction will be occurring year round, but we can avoid working in certain areas during important and sensitive windows.” Timing for working in and around wetlands is particularly important due to amphibian sensitivities to disturbance, noise, and vibrations. Work involving prolonged continuous noise (e.g., helicopter work, logging) or significant vibrational disturbance (e.g., poundings, drilling) should be avoided during and directly after the breeding season (Feb-June).

5. Mitigating for climate change

5.1. Climate change could have a detrimental effect on the drainage of agricultural lands in the eastern Fraser Valley, requiring more substantial diking and drainage infrastructure as tidal influences move eastward up the Fraser River. Will the pipeline construction and design take into account long term drainage infrastructure requirements?

RECREATIONAL CONSIDERATIONS

Outdoor recreation is a significant economic driver in the Region. The FVRD’s Regional Growth Strategy recognizes the assets and importance of the rural communities and their associated lifestyles. It also recognizes the value and potential in the large recreational resources that the region has to offer. The FVRD has ten regional parks and trails managed by the FVRD totaling approximately 1,675 hectares, two of which are in close proximity to the expanding Kinder Morgan facilities.

BC Parks also manages a number of Recreation Areas and Conservancies throughout the FVRD, some of which are adjacent to or accessible through the proposed pipeline route. In addition, the Ministry of Natural Resource Operations maintains 27 recreation sites and trails on Crown land within the region. These back-country camping and recreation sites are located along the shores of Harrison Lake, throughout the Chilliwack River Valley, and in the Fraser Canyon.

1. Protecting sensitive park ecosystems

1.1. Cheam Lake Wetlands Regional Park stands to be directly affected by the proposed pipeline. This park is home to many protected or endangered and rare species of flora and fauna. There is concern that the construction phase will disturb sensitive habitat, interfering with migratory birds and other protected species such as the Great Blue Heron who currently have a rookery in Cheam Lake Wetlands Regional Park. What measures will be taken to mitigate disruptions caused by construction and ensure the protection of sensitive species during construction?

1.2. Restoration of a disturbed site can take years to recover. The FVRD requests that restoration plans for areas where the pipeline infringes on, or is adjacent to, our parklands be provided to the Region for review.

2. Maintaining park access

- 2.1. Access to both Cheam Lake Wetlands Regional Park and Sumas Mountain Inter-regional Park could be impacted by construction activity. Will residents and other visitors still be able to access the affected parks during construction?
- 2.2. Will residents and other visitors still be able to access forest service roads and campgrounds adjacent to the work site during construction?

ELECTORAL AREA CONSIDERATIONS

The proposed route of the Trans Mountain Expansion Project is anticipated to pass through portions of Electoral Areas B and D of the FVRD (Trans Mountain Socio-Economic Study Region Boundary Map, attached). Kinder Morgan (KM) indicates that the alignment of the proposed pipeline will be along the existing Trans Mountain Pipeline Right of Way where practical and that there will be “deviations where land use has changed significantly, or where engineering or environmental constraints exist”. KM documentation suggests that 80% of the new pipeline is expected to be within or adjacent to their existing right of way.

Generally speaking, many of the regional considerations are also of concern in Electoral Areas B and D. The intent of this section is to identify specific areas of concern with respect to Electoral Areas B and D. KM indicates that the portion of the proposed pipeline passing through Electoral Area B is currently routed along the existing alignment with the majority of this alignment through unoccupied Crown Land. That said, there are still environmental considerations and values which need to be protected..

Electoral Area D

Given the rural/urban nature of Electoral Area D, the routing of the proposed pipeline through portions of the Area comes with some special concerns, challenges and considerations which are outlined below:

1. Need to minimize impacts on residential areas along or in close proximity to the proposed route;
2. Need to minimize impacts on commercial areas, particularly the Popkum and Bridal Falls commercial corridors;
3. Need to protect the integrity of the Area D Integrated Water System which serves the communities of Bridal Falls, Popkum and outlying Areas.

This water system currently provides potable drinking water and fire flow to approximately 350 users. **It will be critical that the aquifer and ground water sources be protected at all costs.** There is additional capacity built into this system to accommodate future development in this area. The proposed pipeline is very near to the Area D water reservoir and two existing wells in the Bridal Falls area, one of which has been identified as a potential back up water source. In addition, there are two water mains and one FVRD owned aerial hydro line that crosses the existing pipeline. One of the water mains is the main feeder line to and from the Area D water reservoir – should this water main be compromised, the entire water system would be shut down disrupting service and fire protection to

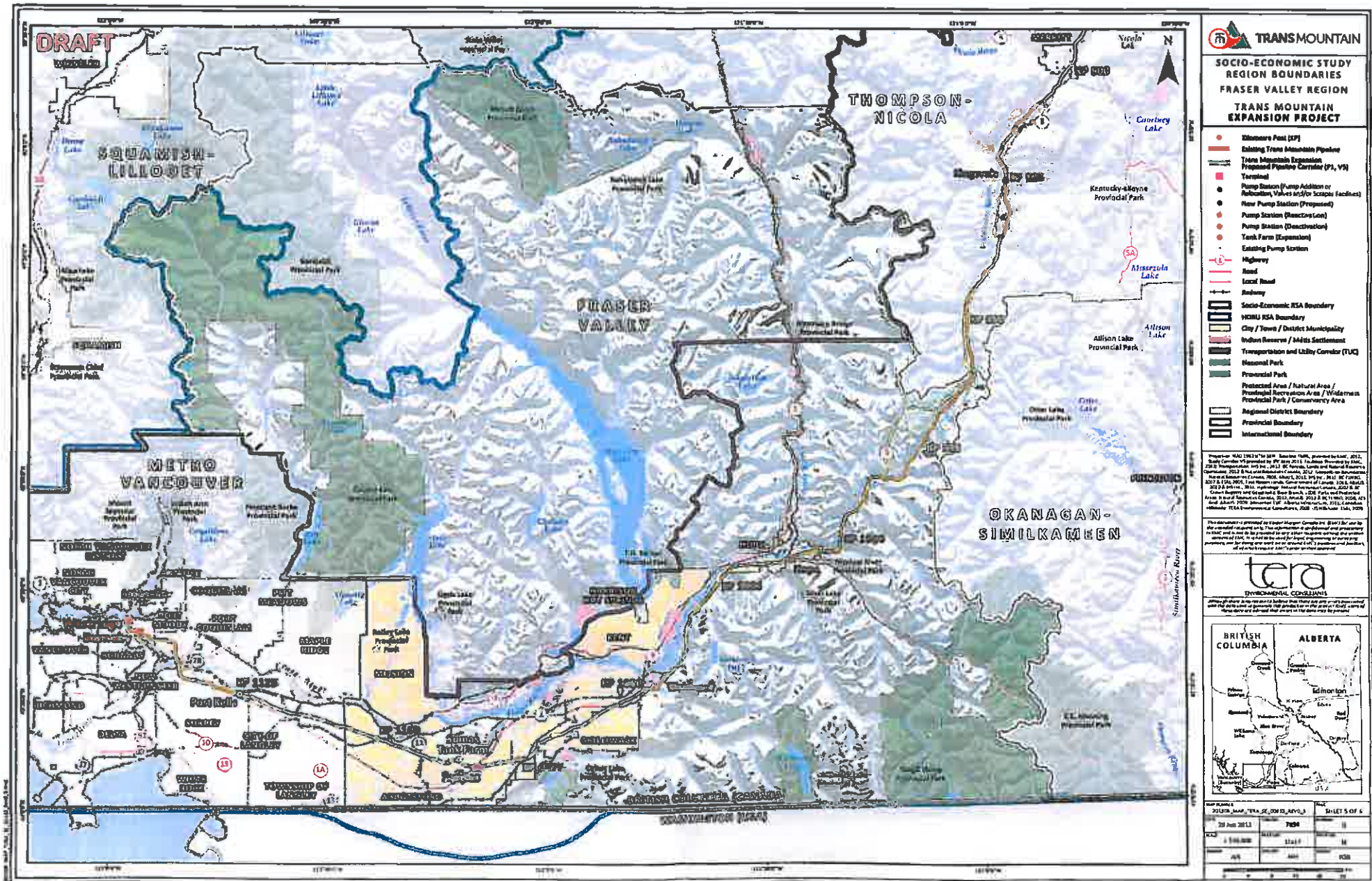
over 350 customers. Please reference attached map which details the Area D Integrated Water System and key infrastructure that needs to be protected should this project proceed.

4. Need to protect the integrity of Storm Water Systems in the area.
5. Need to protect opportunities for a community sewage disposal system;
6. Need to ensure that the Popkum Volunteer Fire Department is not compromised in its ability to deliver fire protection services;
7. Need to ensure that all new proposed underground pipelines be developed to permit public road and utility crossings, and that the existing pipeline be upgraded to permit public road and utility crossings;
8. An alternative corridor (route) is being considered through Area D which may impact Cheam Lake Regional Park from an environmental perspective and which may have other human and socio-economic impacts. This is a significant area of concern and has been brought to the attention of Kinder Morgan on a number of occasions to date.
9. Continued dialogue between the FVRD and Kinder Morgan must take place with respect to the routing of the proposed pipeline, particularly through portions of Electoral Area D.

Permitting Requirements

Additionally, depending upon the pipeline location, Development Permit (s) maybe required for geological hazards, and/or RAR. Although the underground pipeline will not require a Building Permit, if pumping stations and associated buildings/structures are proposed within the Electoral Areas, a Building Permit maybe required.

The FVRD expects that preliminary/draft drawings will be reviewed to determine if there are additional requirements. Also, in areas identified within an OCP for future development, construction of the pipeline should be designed to allow road and utility crossings.



General Notes:
Current Water System
 335 Connections
 770 People Served

Future Water System
 772 Connections
 1775 People Served

Existing Well #1

Current Highway Crossing

Reservoir
 1 Current Reservoir = 1680 m³
 2 Future Reservoirs = 4380 m³

Future 2nd Highway Crossing

"VERY IMPORTANT"
Water Main Trunk Line
 If shut down or damaged,
 all of Area D Water System
 will be without Water!

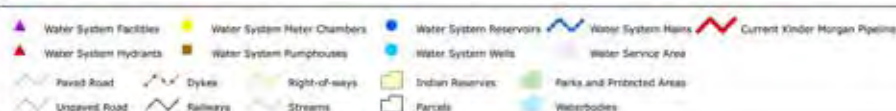
Existing Well (not in use)

Future 3rd Highway Crossing

Current Kinder Morgan Oil Pipeline

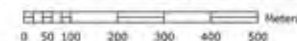
Additional FVRD Utility Crossings

Existing 750 mm Storm Line



Disclaimer: This map was compiled by the Fraser Valley Regional District, using data believed to be accurate; however, a margin of error is inherent in all maps. This product is distributed without warranties of any kind, either expressed or implied, including but not limited to warranties of suitability of particular purpose or use.

FVRD General Information Map
Area D Integrated Water System



Scale
 1:5,000



Date Created:
 Sept. 23, 2013

Kinder Morgan Trans Mountain Expansion Project

What is the Trans Mountain Pipeline?

Kinder Morgan's Trans Mountain Pipeline is a 1,150 km, 26" diameter pipeline that runs from Strathcona County (near Edmonton) to Burnaby. It has been in operation since 1953 transporting refined products, synthetic, heavy and light crude oils.

It is regulated by the National Energy Board (NEB) and its last expansion was completed in 2008 resulting in its current capacity of 300,000 barrels per day (bbl/day).

What is the expansion project?

The expansion of the Trans Mountain Pipeline will see the twinning of the existing pipeline, adding approximately 981-kilometres of new, 36" diameter pipe. Approximately 146-kilometers of new pipeline will cross the FVRD through 3 electoral areas, 3 municipalities and 9 First Nation reserves. The project will:

- Increase the capacity of the pipeline system from 300,000 bbl/day to 890,000 bbl/day, an almost 300% increase.
- Increase storage capacity at current storage terminals in Burnaby, Sumas Mountain, and Edmonton.
- The Sumas facility will add one new 175,000 bbl capacity tank to the 6 existing tanks which currently have a capacity of 650,000 bbl.
- Expand the Westridge Marine Terminal in Burnaby from 8 vessels per month to 37 vessels per month.

Affected Municipalities and Electoral Areas in the FVRD

Jurisdiction	Distance (km)	% of FVRD Distance	# of Properties Within 45m*
Abbotsford	29.6	20.3%	262
Chilliwack	25.4	17.4%	296
Electoral Area B	55.8	38.3%	65
Electoral Area D	17.8	12.2%	66
Electoral Area E	0.3	0.2%	5
Hope	17.0	11.7%	175
FVRD	145.9	100.0%	869

*Easement area for construction is normally <45m

Affected First Nation Reserves in the FVRD

First Nation Reserve	Band	Affiliation
Matsqui 2	Matsqui	Stó:lō Nation
Tzeachten 13	Tzeachten Indian Band	Stó:lō Nation
Grass 15	Held in Common	Held in Common
Popkum 2	Popkum Band	Stó:lō Nation
Popkum 1	Popkum Band	Stó:lō Nation
Peters 1A	Peters Band	Independent First Nation
Peters 1	Peters Band	Independent First Nation
Omahl 1	Shxw'ow'hamel First Nation	Stó:lō Tribal Council
Kawkawa Lake 16	Union Bar Indian Band	Independent First Nation





What are the NEB requirements of this project?

In order to complete its NEB Facilities Application, which is required before construction can begin, Kinder Morgan must:

- Complete an Environmental and Socio-Economic Assessment (ESA) of the potential effects associated with the project.
- Prove the facilities are and will be required for the present and future public convenience and necessity (economic and financial analysis).
- Provide relevant information to the NEB including: engineering; environment and socio-economic impacts; lands; economic and financial matters; and any public interest that may be affected by the granting or refusing of the application.



Regulation of pipelines

Local governments, such as regional districts and municipalities have no authority over the planning or construction of pipelines. Pipelines in Canada are regulated by the National Energy Board (NEB) pursuant to the *National Energy Board Act (NEB Act)* of Canada. The NEB's main responsibilities include approving and regulating the construction and operation of interprovincial and international oil and gas pipelines, international power lines and designated interprovincial power lines. Under the *NEB Act*, the NEB must consider matters of public interest as they may be affected by the granting of an application.



What is an Environmental and Socio-Economic Assessment (ESA)?

The ESA report will aid the NEB in their decision on whether or not the project will be approved, and if approved, what terms and conditions must be attached. It includes components such as:

- An ESA for pipeline and facilities including a project overview, the results of consultations and aboriginal engagement, the route and site selection and all proposed ESA effects;
- ESA for Marine transportation, including air emissions;
- Pipeline and Marine spill scenarios; and
- Environmental protection plans to be applied during the construction phase to reduce effects of construction.



How can the public get involved?

The public, including local governments, can provide comment directly to Kinder Morgan through the public consultation process either by attending public meetings or providing comments online through the project website (www.transmountain.com/talk).

Formal comments may also be made directly to the NEB through the Public Hearing process. Notices will be posted setting out the date, time and location as well as basic information on issues to be discussed and details on the hearing. Three types of involvement are available to the public including writing a letter of comment, making an oral statement or acting as an intervener. Upcoming hearings can be found on the NEB website (www.neb-one.gc.ca).

What is the FVRD's role?

Per the *NEB Act*, the FVRD has no regulatory authority over pipelines.

The FVRD has no formal role in the approval process although Kinder Morgan does have an obligation to make an effort to address concerns the FVRD may have about the project. The FVRD's *Transportation and Utility Corridors of Regional Significance Policy* considers the Trans Mountain Pipeline project as being under review and as such, requires that any studies prepared by the proponent demonstrate that:

- The proposal meets the land use, environmental and air quality policies of the Regional Board and the Official Community Plans of the Region's municipalities and Electoral Areas.
- The proposal minimizes the disruption to existing communities, the consumption of agricultural land, the impact on the natural environment, and does not restrict the movement of agricultural vehicles and goods.
- The proposal does not restrict the development of adjacent land areas designated for growth and development without adequate compensation.
- The proposal does not adversely affect the drainage or productivity of agricultural land.
- The service demand projections are deemed credible by the Board.
- The proposal presents benefits for the communities it affects and has broad-based support from the affected communities.

Although the FVRD has no regulatory authority, the Region will submit comments based on this review to the NEB as part of the Public Hearing process.

Want more information?

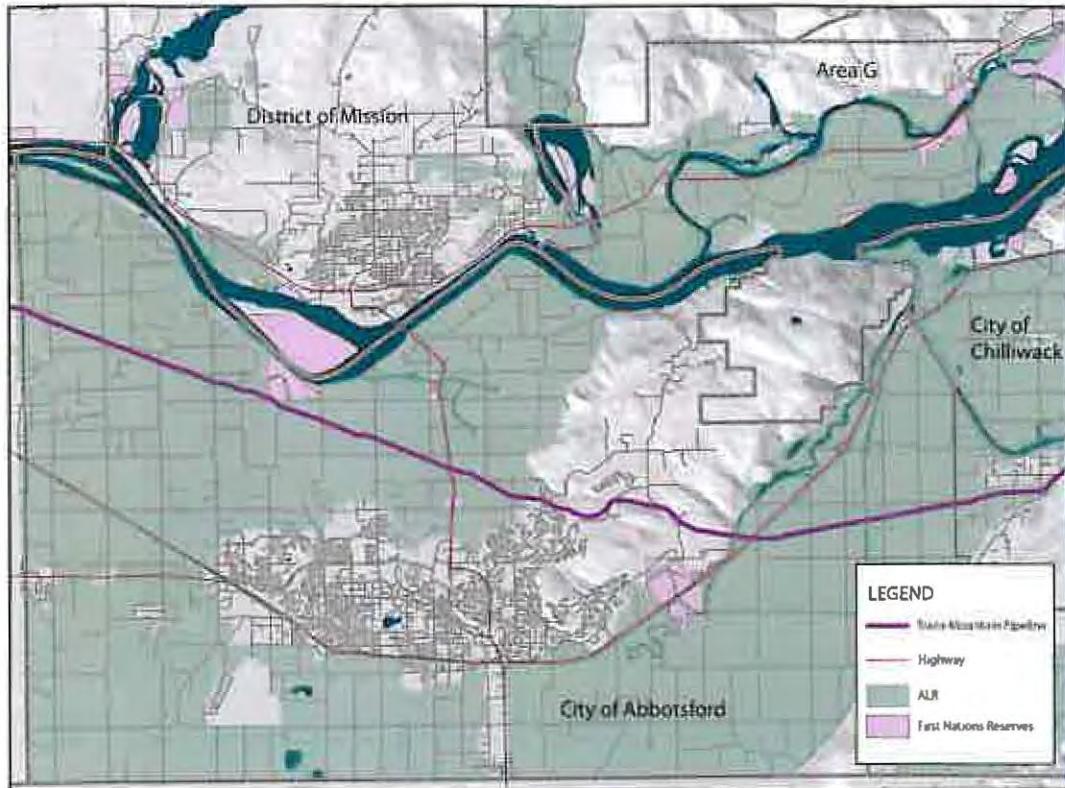
Trans Mountain Pipeline

Information on current operations, spill history, safety practices and the proposed expansion project available online at www.transmountain.com

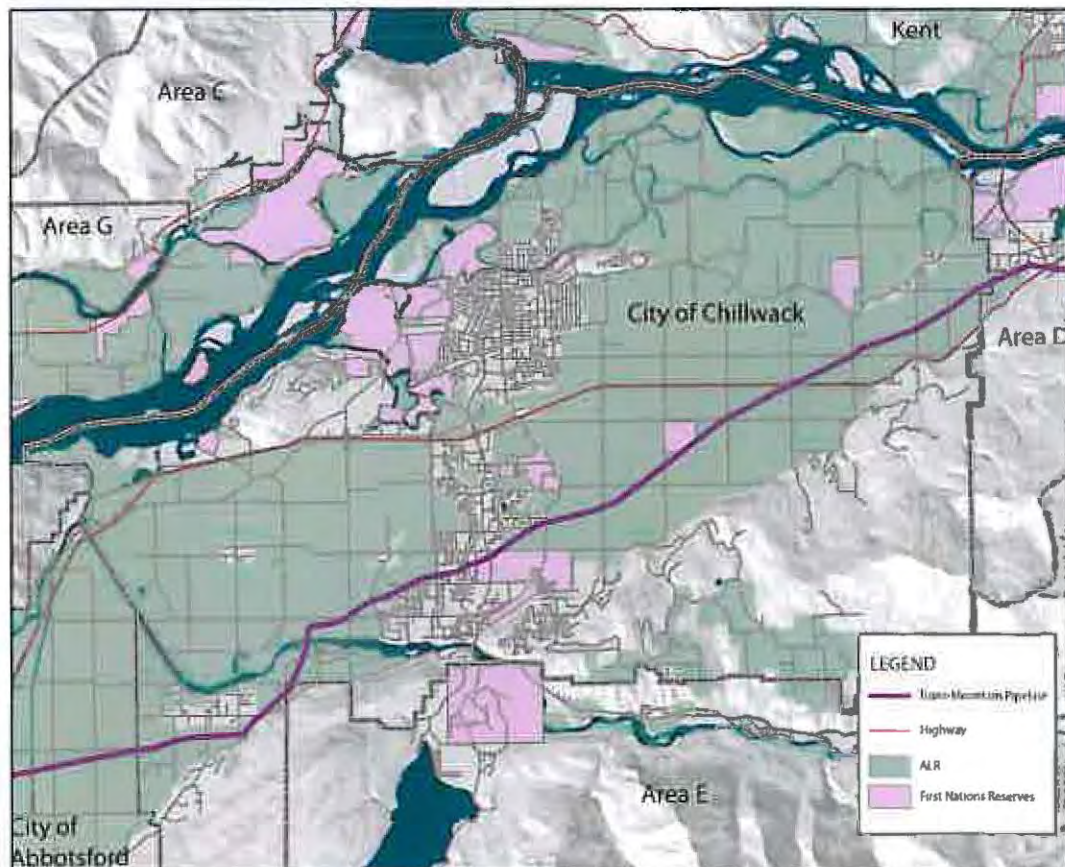
National Energy Board

Information on the *NEB Act*, regulatory process and public hearings available at www.neb-one.gc.ca

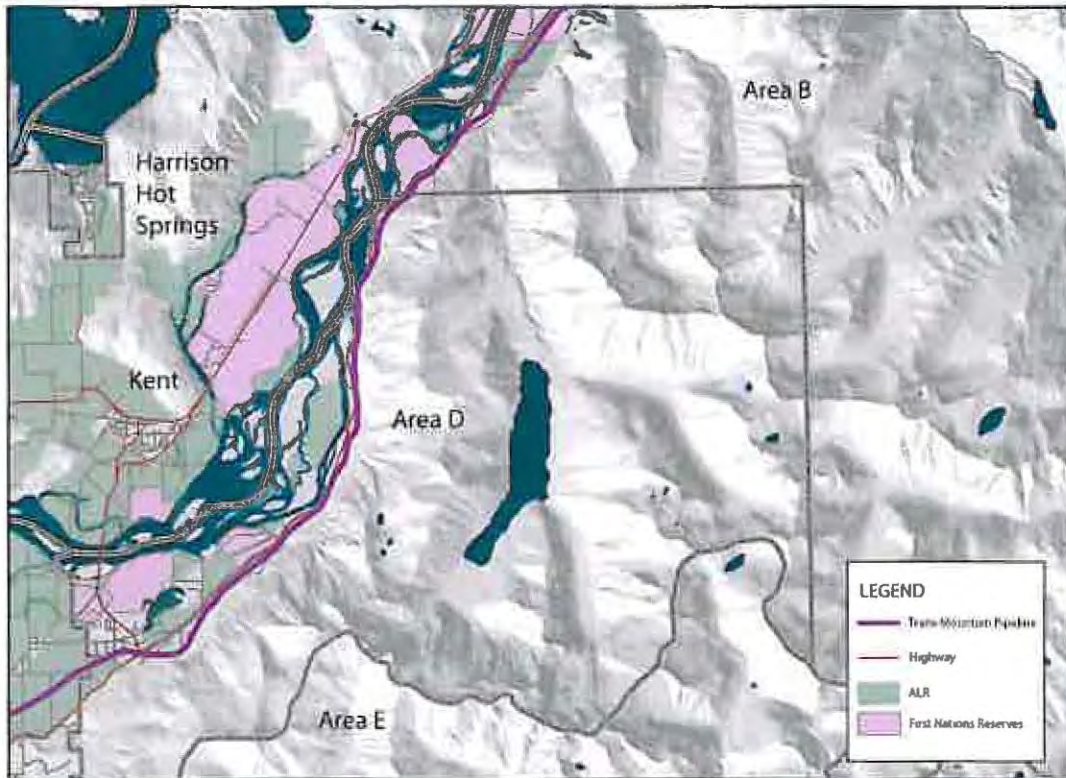
Trans Mountain Pipeline through Abbotsford



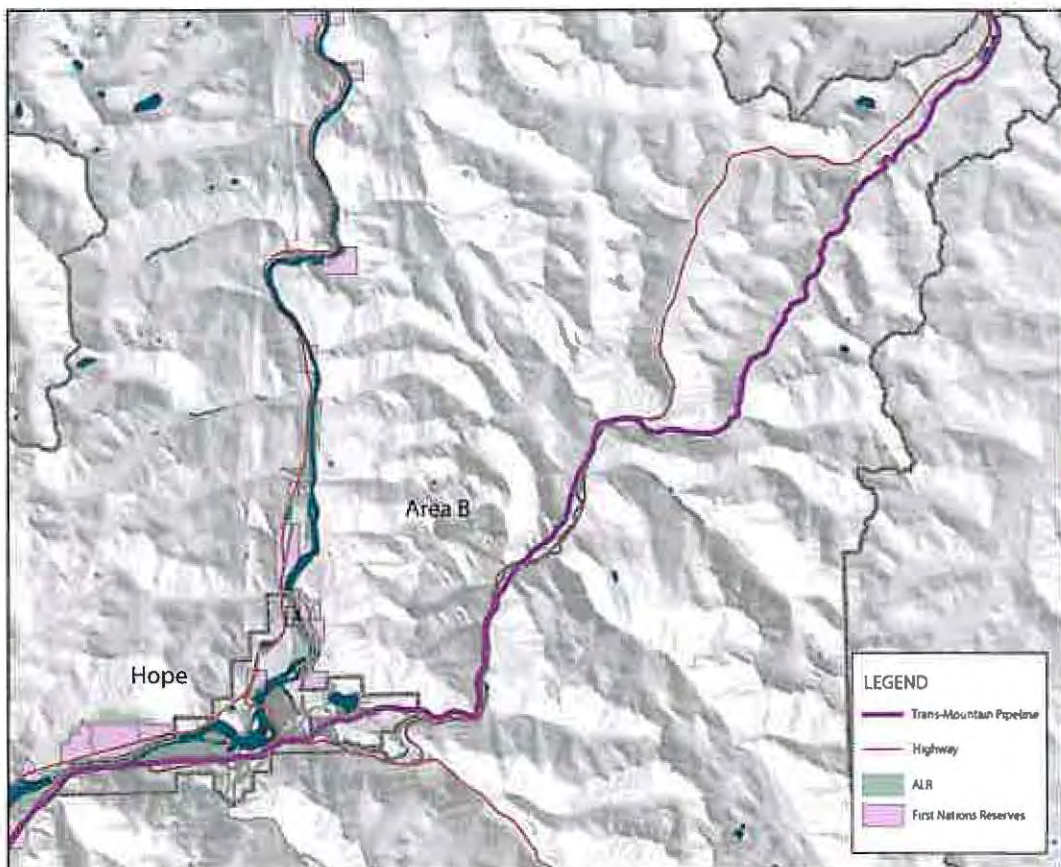
Trans Mountain Pipeline through Chilliwack



Trans Mountain Pipeline through Electoral Area D



Trans Mountain Pipeline through Hope and Electoral Area B





FRASER VALLEY REGIONAL DISTRICT POLICIES AND PROCEDURES

POLICY: “Transportation and Utility Corridors of Regional Significance”

Date Issued: May 23, 2001

Date Amended: April 24, 2012

Many major transportation and utility corridors traverse this Region. While these corridors provide some local servicing, they are primarily designed to address the needs of Greater Vancouver and other markets. The cumulative economic and environmental Impact of highways and rail rights-of-ways, oil and gas pipelines, electrical transmission lines and other major services on this Region is staggering.

The FVRD has taken a number of Initiatives to minimize the impacts of transportation and utility corridors on local areas and communities, while providing for necessary Infrastructure improvements. Meetings have been held between the Board (and its committees), representatives of responsible senior governments, and various utility companies respecting a variety of topics including:

- the impact of highway and transportation infrastructure on the Region's communities, economy and environment;
- the growing demands for energy In the Lower Mainland and the expansion plans of utility companies operating in the Region;
- the hazards and environmental Impacts associated with utilities, especially under-ground pipelines;
- subdivision problems caused by utility crossings of local lands and roads;
- loss of forest resources and associated jobs from tree clearing associated with electrical transmission lines; and
- the need to provide local people with information regarding the Impact of transportation and utility corridors In their communities.

The Regional Growth Strategy, *Choices for Our Future*, emphasizes two strategic Regional Board objectives which directly relate to transportation and utility corridors In the Region; namely: that the Region should: (1) Ensure more efficient use of Infrastructure and explore alternative sources of energy; and, (2) Minimize the Impact of land use disruptions caused by major servicing lines.

This Issue is a complex one, and there will always be a need to deal with the specifics of each existing or proposed corridor. Generally, transportation and Infrastructure corridor proposals must serve the broad public Interest as they:

- have a direct or indirect impact on most people in the Region;
- present land use challenges for present and future development; and
- involve adjacent jurisdictions.

In addition, recent proposals to develop new merchant natural gas fired power plants due to restructuring of the power generation industry in the Western United States make it imperative for the Board to adopt a general policy to guide the evaluation of proposals for regionally significant transportation and utility corridors.

POLICY

WHEREAS the Regional Board recognizes that additional capacity In transportation and utility corridors and facilities will be required to serve the future growth of the Lower Mainland; and

WHEREAS the major settlement areas of the Fraser Valley Regional District are currently traversed by many existing transportation and utility corridors which primarily serve the population of the GVRD and markets outside the Lower Mainland; and

WHEREAS the construction of new transportation and utility corridors has major Impacts on the land base, growth potential, and economic well-being of this Region;

The Regional Board hereby resolves that:

1. Any proposed new transportation or utility corridor of regional significance will be regarded as a CORRIDOR UNDER STUDY. Regional District support for such proposals will be contingent upon submission of studies that demonstrate:
 - a. The proposal meets the land use, environmental and air quality policies of the Regional Board as expressed In the Region's Growth Management Strategy, Fraser Valley Air Quality Plan, the Official Community Plans of the Region's municipalities and Electoral Areas, and other Board and local government policies;
 - b. The proposal minimizes the disruption to existing communities and settlement areas, the consumption of agricultural land, the Impact on the natural environment, and provides for safe and unrestricted movement of agricultural vehicles and goods in agricultural areas;
 - c. The proposal does not restrict the development of adjacent land areas which are designated for growth and development, or where the proposal does Impact such lands, adequate compensation is provided to the local government in consideration of long range impacts on financial plans, capital expenditure programs, and foregone taxation opportunities;
 - d. The proposal does not adversely affect the drainage or productivity of agricultural land;
 - e. The transportation and utility service demand projections are deemed credible by the Board; and
 - f. The proposal represents a variety of benefits to communities in the region that are traversed by the proposal including providing access to service not previously available to areas of the region, and enjoys broad-based support from the affected communities.
2. Transportation and utility proposals of regional significance that satisfy the aforementioned criteria should be designed to make use of existing transportation and utility right-of-ways wherever possible.