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Newsletter Proposed Bruderheim <u>Sulphur Forming and Shipping Facility</u>

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Alberta Sulphur Terminals (AST), a division of HAZCO and CCS Income Trust (CCS), is proposing to construct and operate a sulphur forming and shipping facility in the Bruderheim area. As part of these proposed plans, a variety of community consultation activities have taken place during the past few months. Area residents have expressed an interest in receiving more project information about this proposal in the form of a newsletter.

We've heard the request for more information and are responding

This newsletter is part of AST's commitment to respond to the request by community members for more information about the proposed project. It responds to a number of the concerns and questions which were identified in recent consultations with community area residents. Topics addressed in this newsletter include:

- The current status of the regulatory review process for the proposed Bruderheim area sulphur forming and shipping facility.
- The Alberta Environment *Draft Terms of Reference* (ToR) for the proposed Bruderheim Sulphur Forming and Shipping Facility.
- Answers to some frequent questions identified during consultations on the Alberta Environment Draft ToR for the project.

What is the current regulatory status of the project?

AST is currently completing studies which make up the EIA for an application to the Alberta Natural Resources Conservation Board as well as a new application to Alberta Environment for an Operating Permit for the proposed Bruderheim Sulphur Forming and Shipping Facility.

When does AST anticipate filing the EIA and application?

Most of the EIA field studies and research are currently underway. AST anticipates completion and submission of the EIA and applications in the first few months of 2007, subject to receiving the final ToR from Alberta Environment.

What is the purpose of the ToR?

The purpose of the ToR is to establish the scope of the EIA. AST has developed a Draft ToR which follows Alberta Environment's standards and has been circulated to area residents for comment. Alberta Environment considers recommendations from

area residents and other local, provincial and federal government agencies in establishing the Final ToR.

Why is the ToR so difficult to read?

The ToR for the EIA follows a standard and layout that has been developed by Alberta Environment (not by AST). While admittedly difficult to read, the ToR is consistent with those required by other industrial developments in the Province of Alberta. We are very interested in ensuring that stakeholders understand the ToR as well as the EIA process and therefore ask that you contact us or Alberta Environment if you have any questions regarding the ToR or the EIA process.

What consultation activities have taken place?

Alberta Environment requires that project proponents such as AST complete a public consultation program in support of the EIA for the project. Consultation activities for the EIA have included an open house in June; a mail-out; one-on-one meetings with people living within 1.5 km of the proposed site; telephone discussions with all individuals previously submitting statements of concern, and information provided in the AST Lamont office.

The purpose of consultation activities in recent weeks has been to identify any recommendations for additions to the ToR for the project. The mail-out included the *Public Disclosure Document*, ToR, *Stakeholder Comments and Concerns*, and *Environmental Impact Assessment – Questions and Answers*. It was sent to residents living within 1.5 km of the proposed site and those who previously expressed concerns about the project to Alberta Environment. In addition, it was made available to the public at the local HAZCO Lamont office, Lamont Town Office, Bruderheim Town Office and Lamont County Administration Building. Project representatives have contacted most of these residents in person or by phone to review the Draft ToR and solicit comments.

What is the relationship between AST and WorleyParsons MEG and WorleyParsons Komex?

WorleyParsons MEG and WorleyParsons Komex are both divisions of WorleyParsons Canada Ltd., a subsidiary of the Australian engineering firm WorleyParsons. WorleyParsons MEG has been contracted by HAZCO to provide engineering services, and WorleyParsons Komex has been contracted separately to manage the EIA and to complete certain components of the EIA. WorleyParsons and HAZCO are completely independent companies. Is it appropriate to have WorleyParsons MEG perform the engineering designs and WorleyParsons Komex conduct the EIA?

Yes. We believe that integrating the project engineering design team with the environmental assessment team will enhance the overall design and environmental performance of the project. The practice of integrating engineering and environmental disciplines in designing projects has been utilized as a best practice since the 1980's.

Has the capacity of the proposed AST project increased in the current application?

No. Many individuals expressed concern that the size of the project has increased from that initially outlined in previous public meetings. To clarify: we are **currently applying for a 3,000 tonne per day processing capacity**, which, with the exception of some adjustments to tankage and storage capacity, is the **same size and scope as the October, 2005 Application to Alberta Environment**. However, the EIA also addresses the potential effects associated with a 6,000 tonne per day capacity, which is the maximum capacity that is predicted for any potential future expansions. We will be required to submit an Amendment Application to Alberta Environment, complete with public consultation, before any future expansions above the proposed 3,000 tonne per day capacity could occur.

What is the difference between AST's original application and this new application process that includes an EIA?

The current phase of the application process requires the preparation of formal environmental assessment studies. The EIA will assess all potential project impacts in a more comprehensive manner. Alberta Environment directed AST to complete the EIA because many issues and concerns were raised by area residents. The EIA requires a number of additional studies over and above those which were done at the 'screening level' application stage. For example, assessments of human health, emergency response, socio-economic impacts, terrestrial and aquatic ecology, and cumulative effects (to name a few) are now being assessed as part of the application process.

What are the most common stakeholder concerns that have been heard?

The initial feedback from community stakeholders consistently indicates that people in the area are concerned about the project and feel that they require more information. This newsletter is one way AST intends to improve communications with area stakeholders regarding the project. The environmental and socio-economic concerns most frequently expressed by local residents, both on the phone and in person, were as follows:

- Air quality (dust, emissions, smells)
- Soil contamination
- Water quality and quantity
- Open sulphur pile and risks associated with it (e.g. dust, fire)
- Health impacts on humans, livestock and wildlife
- Environmental cumulative impacts
- Impacts of increased rail and highway traffic
- Risk of a major sulphur fire and a "worst case" emergency scenario
- Emergency Response Planning
- Negative visual impact
- Loss in property values
- Loss of good farmland
- Project location too close to residences and communities
- Project scope changes
- Potential future sulphur blocking
- Compatibility of a sulphur facility with chlorate emissions from neighbouring chemical plants
- Minimal economic advantages and tax benefits to Lamont County
- Light pollution that will obstruct night sky visibility

Will these concerns be addressed through studies in the EIA?

Yes. All of the concerns noted above will be addressed in the EIA.

Are there any plans to have sulphur block storage on this site?

No. AST has no plans to construct a sulphur block on this site as reflected in the Public Disclosure Document and the ToR.

How can I be more informed and involved?

To improve communication concerning this project and in response to stakeholder advice, we are exploring the possibility of forming an AST/Community EIA Consultation Committee. If you are interested in attending a meeting to discuss the potential formation of this committee, please contact Rob McManus at (403) 262-3336 or at rob-mcmanus@shaw.ca.

Who can I contact for more information about the project or the Alberta Government's regulatory process?

Please contact any of the following for more information about these topics:

Project Information: Rob Mann, AST Project Manager, (780) 895-2570
Project and Consultation Information: Sylvia Holowach, HAZCO Lamont Local Office, (780) 895-2570
Environmental Assessment Process: Gordon Johnson, WorleyParsons Komex, (403) 247-0200
Alberta Government Environmental Assessment Line: (780) 427-5828 or http://www3.gov.ab.ca/env/protenf/epea/eiaproce.html
Public Consultation: Rob McManus, RMC & Associates, (403) 262-3336 or Susan Davis Schuetz, RMC & Associates, (403) 701-8018

Thank You

AST thanks you for your ongoing interest in our proposed project. Best wishes for 2007.

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