



Reference: 308290

File: 105809

FEB 23 2017

Cobble Hill Holdings Ltd. (BC0754588)

Location address:

460 Stebbings Road
Shawnigan Lake BC V0R 2W3

Mailing address:

10-536 Herald Street
Victoria BC V8W 1S6

Email: marty.sia@shaw.ca; mike.sia@shaw.ca

Dear Mr. Martin Block and Mr. Michael Kelly:

Re: Cancellation of Permit PR 105809

Pursuant to Section 18(3)(c) of the *Environmental Management Act* [SBC 2003], c. 53 (the “Act”), I am cancelling Permit PR-105809 (the “Permit”) held by Cobble Hill Holdings Ltd. (the “Permittee”) for failure to comply with the terms of the Permit. In particular, by permit amendments made June 21, 2016, you were required to provide an updated security in the form of an irrevocable letter of credit by July 29, 2016. By my letter of January 27, 2017, I made clear my intention to cancel the Permit if the Director did not receive all of the listed items by February 20, 2017, including updated security in the form of an irrevocable letter of credit.

This security is in large measure intended to deal with closure and post closure activities that are necessary to deal with contaminated soil that has already been discharged at the site.

I have considered your letter of February 20, 2017, stating that you are currently unable to provide security because of insufficient finances. You propose instead a 15 business day delay to arrange financing and then propose that financing would only be provided conditional on lifting the suspension.

I have decided that this is not acceptable for several reasons:

- The Permittee was invited to make submissions on the cancellation of the Permit within 10 business days of my January 27 letter. However, there was no request for a delay in the deadline for security until your letter of February 20.
- The Permittee has demonstrated a pattern of making minimal or no effort to come into compliance until threatened with actions, such as permit cancellation. The Permittee has previously raised inability to pay for required measures, but has been able to pay when faced with permit cancellation.

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- The inadequacy of the cost estimates contained in the closure plan report submitted December 19, 2016, suggest an attempt to avoid payment of additional security.

In other circumstances, I might be swayed by an argument that a permittee requires more time to be able to come into compliance with a permit requirement, but given the past pattern of non-compliance and delayed compliance I am not swayed. However, in light of the above, the continued failure to comply with security requirements is not acceptable.

The cancellation of the Permit is effective immediately.

In accordance with Section 18(6) of the Act, a permit that is cancelled is not a valid and subsisting permit or approval.

Sincerely,

A handwritten signature in black ink, appearing to read "Mary Polak", written in a cursive style.

Mary Polak
Minister



Reference: 308920

FEB 23 2017

South Island Resource Management Ltd.
2158 Millstream Road
Victoria BC V9B 6H4
Email: Raymond@allterraconstruction.ca
Email: Todd@allterraconstruction.ca

Michael Kelly
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South Island Aggregates Ltd.
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Cobble Hill Holdings Ltd.
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Email: info@heraldstreetlaw.com

Dear Sirs:

I write further to the decision of the Minister of Environment dated February 23, 2017, to cancel Permit PR105809 (the "Permit") held by Cobble Hill Holdings Ltd. (the "Permittee") for failure to comply with the terms of the Permit.

This is to advise you that the Minister is considering amending the Spill Prevention Order ("SPO") that was issued to you on January 27, 2017. Specifically, the Minister is considering amending the SPO to:

- Require updating the Cobble Hill Landfill Closure Plan Report Dated February 2017 to remove references to new contaminated soil being accepted at the site, and correction of any deficiencies identified by staff;
- Require permanent closure of the landfill; inspection, operation and maintenance of the closure works during the post-closure period; and monitoring during the post-closure period, in accordance with the approved Closure Plan; and
- Require other measures that I consider reasonable and necessary.

Any movement of contaminated soil necessary for quarrying or excavation would require an authorization under the *Environmental Management Act*.

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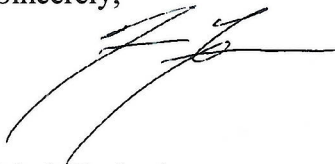
I will consider any comments that you may have in relation to an amendment to the SPO that I receive within five business days of service of this letter.

Please also be advised of our intention to publish:

- Cobble Hill Holdings Ltd. letter of February 20, 2017;
- The Addendum Review of Contact and Non-Contact Water Management Systems marked confidential and dated February 20, 2017; and
- The Cobble Hill Landfill Closure Plan Report Dated February 2017.

We have reviewed the documents and do not consider them to contain any personal information or confidential business information. If you have any concerns, please contact us within 14 days. Your ministry contact for all matters relating to the Spill Prevention Order and cancellation is Ms. Jennifer McGuire, Executive Director, who can be reached at Jennifer.McGuire@gov.bc.ca.

Sincerely,

A handwritten signature in black ink, appearing to be 'MZ' with a long horizontal stroke extending to the right.

Mark Zacharias
Assistant Deputy Minister
Environmental Protection Division