

MO1701 – Rationale for Named Parties

Spill Prevention Order MO1701 names the following parties who the Minister considered to have possession, charge of control the polluting substances (leachate and contaminants in the contaminated soil) at the time the order was issued:

- Cobble Hill Holdings Ltd., owner of the Land and Facility;
- Martin Uwe Block and Michael Kelly, directors of Cobble Hill Holdings Ltd.;
- South Island Resource Management Ltd., operator of the Facility; and
- South Island Aggregates Ltd., operator of the quarry reclamation program on the Land.

Included below is information that I considered for expanding the Named Parties to include Allterra Construction Ltd.

Summary:

- South Island Resource Management (SIRM) is a wholly-owned subsidiary of Allterra Construction Ltd. (Allterra).
- On at least one occasion, Allterra has paid the annual discharge fees (and interest) for the Permit PR-105809.
- Correspondence to the Ministry from individuals associated with Allterra/SIRM has been inconsistent in terms of where it originates, and has included both Allterra and SIRM email addresses. It therefore appears that the companies are behaving as if they are one and the same.
- Since communication about the termination of the agreement between Cobble Hill Holdings Ltd. (CHH) and SIRM, the same individuals have continued to engage with the Ministry through what is assumed to be Allterra. Therefore, Allterra has been actively engaging in leachate management and inspection of the contaminated soil facilities, which gives reason to believe that Allterra has “possession, charge and control” of the polluting substances.
- The Ministry understands that assets have recently been transferred from SIRM to Allterra.

Details:

- On April 20, 2015, Allterra paid annual permit fees plus interest by cheque/money order (total cost greater than \$75,000) for Permit PR-105809.
- On June 11, 2015 MOE was notified that “CHH has retained the services of South Island Resource Management Ltd. (SIRM) to manage operations at the Stebbings Road Site. SIRM has spent considerable time getting up to speed on the permit requirements. Pete Craig is SIRM’s primary contact and Operations Manager.
- The Environmental Procedures Manual for the site, updated in July 2015 and sent to the Ministry by email from Allterra indicates: “Changes also reflect a change in the site operator. The site continues to be owned, and relevant permits maintained, by Cobble Hill Holdings Ltd. (BC0754588, “CHH”). However, South Island Resource Management Ltd. (SIRM), a wholly-owned


subsidiary of Allterra Construction Ltd., executed a renewable long-term operating agreement with CHH in April, 2015, and formally took control of the site on June 11, 2015, replacing South Island Aggregates Ltd. (SIA) as the operator.

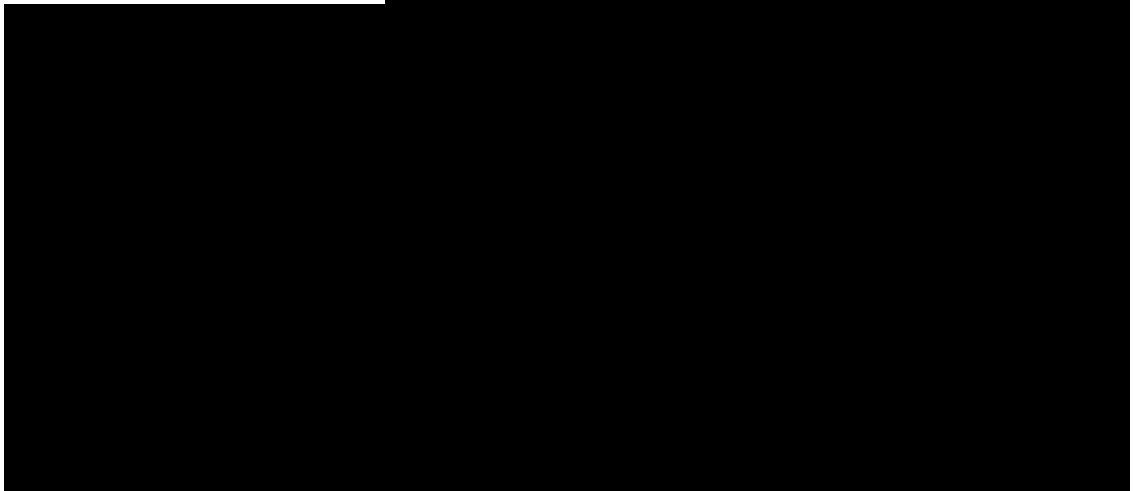
- Despite notifying the Ministry about SIRM, the primary contact, Pete Craig continued to correspond directly with Ministry staff through the summer and fall using his Allterra Construction email address and email signature as follows:

Pete Craig
ALLTERRA Construction and Environmental
2158 Millstream Road
Victoria, BC V9B 6H4
Office: 250.658.3772
Mobile: 250.885.7940
pete@allterraconstruction.ca
www.allterraconstruction.ca

- After Pete Craig left SIRM, updated contact information was sent to the Ministry on Feb 3, 2016 and contact information for Todd Mizuk and Raymond Lam (Director/Owners), and Kear Portis (Project Coordinator) was provided as Allterra Construction while other staff had SIRM addresses.
- SIRM/Allterra staff have continued to correspond with Ministry staff using a mix of SIRM and Allterra email addresses over the life of the site.
- On May 2, 2017, the Ministry was cc'd on a letter from SIRM to CHH confirming that effective March 31, 2017 SIRM has surrendered its Lease over Lot 23 and that it has ceased to be the operator of any mining, reclamation or other activities on that land and has ceased to act as operator of any and all permits issued pursuant to EMA.
- On May 4 during a site visit with Ministry staff, Todd Mizuk indicated that Allterra had entered into a contract with CHH to provide fee-for-service assistance in managing/maintaining the site in accordance with the SPO and performing tasks needed to manage the leachate, etc.
- Throughout May and June 2017, Ministry staff have relied on Rahim Gaidhar (SIRM/Allterra staff) as a primary contact at the site to address non-compliances and other inspection findings. In instances of non-compliance, Rahim and/or Todd have responded on the site. For example, June 16 email from Todd Mizuk (sent from Allterra email address) to Ministry staff indicated:
 - “we altered the collection at the Toe of liner so no further water was exiting the 2 inch hole which appears to be on a seam that has been pulled on. As stated yesterday staff were on this location to confirm tanks were empty and this was not leaking at that time (9AM) , we are assisting CHH with liner repair contractor to fix the problem.”
- On June 23 SIRM Owners Todd Mizuk and Raymond Lam met with Ministry staff and communicated that SIRM will be dissolving and/or cease to exist by July 31, 2017.

- The Province is aware of the following:

- Lot 23, (title held by CHH, 



- Lot 21 (title held by 0782484 BC Ltd. which has the same directors as Cobble Hill)

