



# City of North Bay Report to Council

Report No: IO 2021-08

Date: June 30, 2021

Originator: Karin Pratte / Peter Leckie

Business Unit:  
Infrastructure and Operations

Department:  
Public Works & Services

Subject: Contribution Agreement between Her Majesty the Queen in Right of Canada, represented by the Minister of National Defence, acting through the Department of National Defence and The Corporation of the City of North Bay in regards to PFAS at the North Bay Jack Garland Airport Lands

Closed Session: yes  no

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## Recommendation

That City Council approves the execution of the Contribution Agreement with Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, through the Department of National Defence in regard to environmental remediation funding for the North Bay Jack Garland Airport as outlined in Report to Council No. IO 2021-08; and that City Council authorizes the transfer of funds as outlined in Report to Council No. IO 2021-08.

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## Background

The North Bay Jack Garland Airport lands have been owned by the City since 1998, prior to which they were under the ownership of Transport Canada from 1939 to 1998. It has been determined through sampling that private drinking water taken from Lees

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Creek and Trout Lake contain perfluoralkylated substances (“PFAS”). PFAS have been used to manufacture carpets, clothing, and fabrics for furniture, paper packaging for food, and other materials for several years. They are also used in aqueous film-forming foams (“AFFF”) for firefighting by air-fields. The Department of National Defense (“DND”) utilized a firefighting foam containing perfluorooctanesulfonate (“PFOS”) at 22 Wing North Bay facilities for many years. The City had assumed responsibility for firefighting at the airport and there is one instance where the City used foam to combat a fire in a hanger in which there were tires stored.

At present, there are no formal guidelines or enforceable drinking water standards for PFAS. Health Canada has proposed drinking water guidelines for perfluorooctanoic acid (PFOA) and PFOS based on an assessment of risk to health. The Ministry of Environment Conservation and Parks (“MECP”) has provided the City with an interim advice value for PFAS in drinking water however the value is not currently part of the Safe Drinking Water Act. The City’s municipal drinking water is below the interim advice value. There is also currently a drinking water advisory for Lees Creek warning the public not to drink the water, and MECP has a ban on eating the fish from Lees Creek due to PFAS levels detected in fish.

Since 2017 DND has been leading an investigation of the PFAS contamination in the City of North Bay. The investigation includes monthly conference calls with the City, North Bay Parry Sound District Health Unit and MECP. DND has conducted environmental investigations and sampling on DND property, Trout Lake, Lees Creek and residential homes on wells in close proximity to the North Bay Jack Garland Airport lands.

DND is speaking with MECP, North Bay Parry Sound District Health Unit and the City in the remediation process however the remediation framework which they are following is lengthy and time consuming. Due to lack of action by the Federal Government in 2018, the City took the initiative to complete environmental investigations with a consultant, GHD Ltd. The City completed environmental investigations in regards to PFAS soil and groundwater contamination in the fall of 2018 and spring of 2019 on the North Bay Jack Garland Airport site. These environmental investigations confirmed that there are locations at the site that exceed the federal guidelines for PFOS in soil and groundwater. The City proceeded to notify DND and senior federal politicians of these exceedances at which point DND suggested a shared responsibility contract. Shared responsibility contracts are in place to allow the federal government (DND) to fund remediation on land they do not own however they are responsible for a portion of the contamination. This is a lengthy process with many steps including two submissions to Treasury Board for approval. After the first Treasury Board submission and approval in June 2020 the City and DND had the ability to negotiation a Contribution Agreement

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which allows DND to fund the majority of the consulting and remediation required at the North Bay Jack Garland Airport.

Moving forward, the consulting and remediation works at the airport site will be managed by the City and funded through the Contribution Agreement. The City will continue to work in collaboration with the federal government as they are continuing to undertake the investigation of the PFAS contamination off-site of the North Bay Jack Garland Airport lands in the City. The City and DND will share information which would be pertinent to both investigations and which would be essential in determining the best solution for remediation. The City and DND will work with MECP regarding the remediation and the emerging guidelines in regard to PFAS levels in the environment on an on-going basis to ensure the best result for the community.

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## **Financial/Legal Implications**

The City has been in negotiations with DND to get a Contribution Agreement in place to allow for the federal government (DND) to fund the majority of the remediation efforts at the North Bay Jack Garland Airport since the spring of 2019. In the summer of 2019, the City wrote letters to senior federal politicians including the Prime Minister detailing the required environmental remediation and initiated the process of getting a Contribution Agreement put in place. Over the past 2 years the City has been working with the assistance of Harry Dahme of the law firm Gowling WLG (Canada) LLP and DND in the preparation, review and finalization of the Contribution Agreement. The agreement, a copy of which is attached, was finalized by the parties in early May, 2021 and was submitted to the federal Treasury Board for approval in June, 2021. The City received notice of Treasury Board's approval and a signed Contribution Agreement on June 24, 2021.

The Contribution Agreement is in place to allow the federal government to fund the vast majority of the remediation of land that they do not own but where they are responsible for a portion of the contamination. The Contribution Agreement is for a total sum of \$20 million over a 6 year term. The agreement stipulates that DND will fund 97% of the \$20 million remediation for a total of \$19.4 million and the remaining 3% or \$600,000 will be funded by the City of North Bay. Currently, the estimated cost from the City's engineers is approximately \$39 million to complete the remediation on the City Lands. This is a very rough estimate, technically described as a "Class D Estimate", which could vary up to fifty percent (50%). The estimated costs are based on assumptions made to date, however these assumption depend heavily on decisions made in the next years during consultation with MECP. The shared responsibility agreement allows the City to submit

a second proposal, if required, through the shared responsibility framework for the remaining cost of the remediation once a more detailed estimate can be obtained.

Capital Project No. 4132WS has been established to record expenses and recovery of eligible expenses under The Contribution Agreement. The City's share of \$600,000 will be funded by transfer from project 3620WS – CFB Reservoir Replacement to Capital Project No. 4132WS. Costs incurred prior to the approval of The Contribution Agreement are not eligible and have been funded by reserves. As of the time of writing this report, non-recoverable expenses amount to approximately \$373,000.

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### Corporate Strategic Plan

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| <input checked="" type="checkbox"/> Natural North and Near                | <input type="checkbox"/> Economic Prosperity     |
| <input type="checkbox"/> Affordable Balanced Growth                       | <input type="checkbox"/> Spirited Safe Community |
| <input checked="" type="checkbox"/> Responsible and Responsive Government |  |

### Specific Objectives

Protect, promote and enhance the environment in all aspects of the city's operations and plans.

Maximize funding opportunities with other governments.

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### Options Analysis

1. That Council approves the execution of the Contribution Agreement with Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, acting through the Department of National Defence in regard to environmental remediation funding for the North Bay Jack Garland Airport as outlined in Report to Council No. IO 2021-08; and that City Council authorizes the transfer of funds as outlined in Report to Council No. IO 2021-08.

This is the recommended option.

2. That Council not approve the execution of the Contribution Agreement with Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, acting through the Department of National Defence in regard to environmental remediation funding for the North Bay Jack Garland Airport as outlined in Report to Council No. IO 2021-08. This option is not recommended as there are areas of known contamination on City owned land which require immediate attention and, if the Contribution Agreement is not executed could result in the City incurring the full cost of the required remediation.

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## Recommended Option

That City Council approves the execution of the Contribution Agreement with Her Majesty the Queen in Right of Canada, as represented by the Minister of National Defence, through the Department of National Defence in regard to environmental remediation funding for the North Bay Jack Garland Airport as outlined in Report to Council No. IO 2021-08; and that City Council authorizes the transfer of funds as outlined in Report to Council No. IO 2021-08.

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Respectfully submitted,

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Peter Leckie  
City Solicitor

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Karin Pratte P. Eng.  
Senior Environment & Facilities  
Engineer

We concur in this report and recommendation.

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Domenic Schiavone  
Director of Public Works

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Margaret Karpenko, CPA, CMA  
Chief Financial Officer/Treasurer

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David Euler, P. Eng., PMP  
Chief Administrative Officer

Personnel designated for continuance:

Name: Karin Pratte, P.Eng.  
Senior Environment & Facilities Engineer