

March 2008 Status Report of the CESD Federal Contaminated Sites

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Outline

- About the OAG
- Other audits and overall findings from 2008
- Summary of findings – Federal Contaminated Sites



What the OAG does

- Conducts performance audits of federal departments and agencies,
- Audits of the government's financial statements,
- Special exams and annual financial audits of Crown corporations, and
- Audits of the governments of Nunavut, the Yukon, and the NWT.



March 2008 Status Report

Chapters 1, 2, 3 — Chemicals Management

- Substances Assessed under *CEPA, 1999*
- Pesticide Safety and Accessibility
- Federal Contaminated Sites

Chapters 4, 5, 6 — Ecosystems

- Federal Protected Areas for Wildlife
- Protection of Species at Risk
- Control of Aquatic Invasive Species
- Areas of Concern in the Great Lakes Basin

Chapters 8, 9, 10 — Management Tools and Government Commitments

- International Environmental Agreements
- Strategic Environmental Assessment
- Greening of Government Operations

Chapters 11, 12, 13, 14 — Previous Audits of Responses to Environmental Petitions

- Insurance for Nuclear Operators
- Listing of Species at Risk
- Military Dumpsites
- Genetically Engineered Fish



What we examined

- Assessed actions taken by departments to address previous recommendations and findings
- Progress rated as satisfactory or unsatisfactory
 - ❖ Significance
 - ❖ Complexity
 - ❖ Time elapsed



Overall findings in the 14 chapters

- Five chapters – satisfactory progress
- Success factors noted by Commissioner
 - ❖ Realistic objectives
 - ❖ Strong commitment at senior levels
 - ❖ Clear direction
 - ❖ Adequate resources
- Government needs to develop clear & realistic overall objectives that are specific & measurable, with targets and milestones. Ensure that factors noted above are in place



Previous findings – federal contaminated sites

Previous audits 1995, 1996, 1997, 1998 & 2002 and fed gov did not

- Know how many contaminated sites
- Know the likely cost of cleaning up or managing known sites
- Rank sites
- Have long-term stable funding
- Have firm central leadership
- Establish an action plan



Focus of 2008 audit

- Six departments
- Central leadership – EC and TBS
- Custodial departments – DFO, INAC, DND and TC



Central leadership & funding

- Recommendation 2002: TBS & EC provide leadership to rank high risk sites and ensure stable funding
- Budget announcements in 2003 and 2004
- Additional funds being allocated
- Establishment of the FCSAAP/FCSAP
- Four dept's FY 2002-03 to 2005-06 spent \$600M (\$280M incremental)
- Progress: satisfactory



Identification and assessment

- Recommendation 2002: continue to assess sites suspected or known to be contaminated.
- Currently 17,800 known or suspected sites (up from about 2,850 reported in July 2002)
- DFO, INAC, ND & TC – assessed 2,850 sites
- TC and ND target to complete assessment of suspected sites by FY 2007-08
- Management plans of show assessments planned until FY 2009-10
- Progress: satisfactory



Significant effort in managing federal contaminated sites

- Undertaken additional care & maintenance activities on approx 10 sites,
- Remediated approx 340 sites,
- Undertaken risk management activities on approx 650 sites, and
- Started remediation of approx 480 sites.
- Storing up to date readily accessible information to be able to demonstrate what has been accomplished is important.



Abandoned mines

Urgent issues identified in 2002 addressed

Mine	Funds since 2002	Major activities	Liability	Goals
Colomac	\$72M	<ul style="list-style-type: none"> ● C&M-water treatment & diversion ● Risk of dam failure mitigated 	\$27.3M	<ul style="list-style-type: none"> ● Remediate by 2008-09 ● Monitor for 5 yrs
Giant	\$47M	<ul style="list-style-type: none"> ● C&M-mine water management and treatment ● Remediation approach selected 	\$333M	<ul style="list-style-type: none"> ● Remediation 2010-2020 ● Mine water to be continually treated to remove arsenic
Faro	\$70M	<ul style="list-style-type: none"> ● C&M-water treatment ● Risk of dam breach mitigated in 2004 	\$523M	<ul style="list-style-type: none"> ● Closure plan in place by spring 2009 ● Wtr treatment for hundreds of years
Mt. Nansen	\$7M	<ul style="list-style-type: none"> ● C&M-treating tailings pond wtr ● Still resolving legal issues 	\$12.3M	<ul style="list-style-type: none"> ● Start closure plan in 2009 ● Ongoing monitoring



Firm commitment, action plans and timetables

- Recommendation 2002: make a firm commitment including developing an action plan and timetable to complete assessments, rank sites and remediate or manage known sites in a timely manner.
- FCSAP objectives:
 - ❖ Reduce risk to human health and environment
 - ❖ Effectively eliminate financial liability of known sites by 2020.



- Management plans included limited number of time bound commitments including
 - ❖ Assess remaining properties
 - ❖ Determine presence of contamination
 - ❖ Increase number of sites under remediation or risk-management
- With exception of DND, not clear how federal government will meet 2020 goal
- Additional guidance issued by TBS
- Progress: satisfactory



Petroleum storage tanks

- Findings 2002:
 - ❖ EC expects to publish updated regs in Gazette by March 03
 - ❖ 66% of federal contaminated sites contain petroleum products
 - ❖ Significant gaps in existing regs
 - ❖ Existing regulations not followed



Findings 2008:

- Draft regulations proposed in April 2007 require
 - ❖ Immediate withdrawal of leaking PSTs
 - ❖ Regular leak detection testing
 - ❖ New systems based on specific technical standards
 - ❖ High risk tanks removed within 4 years of the regulation coming into force
- TB policy that federal property be managed in an environmentally responsible manner
- Progress: unsatisfactory



Recognizing costs

- Recommendation 2002: TBS in conjunction with federal depts and agencies should determine the costs to deal with all known contaminated and suspected sites & report them in the financial statements
- In 2003 costs recorded in summary financial statements, liability as of 31 March 2007: \$3.1B (excluding nuclear facilities)
- We audit this number, AG's opinion is that financial statements present fairly, in all material respects, the financial position of the Government.
- Progress: satisfactory



Conclusion

- Federal government made satisfactory progress since 2002
- TBS & EC providing leadership to rank priority sites and additional funding allocated
- Determined and reported costs to deal with known sites
- Have identified 17,800 sites at time of audit (18,300 as of April 2008)



- Departmental action plans and federal government objective need to align
- Much less costly to prevent contamination than manage it later. Proposed regulations will allow high-risk tanks to remain in service for up to four years. Could cause additional contamination which is contrary to federal commitments to lead by example to green its operations



Questions?

