



MINUTES

Public Board Meeting #91

Greater Victoria Harbour Authority
Held at 5:30 p.m. on November 20, 2014
Harbour Towers Hotel & Suites, 345 Quebec Street, Victoria, BC

Directors:

Bill Wellburn (Chair)
Chief Andy Thomas (Vice Chair)
Barbara Desjardins (Secretary)
Doug Crowder (Treasurer)
Dave Cowen
Christina Clarke
Shellie Gudgeon

Pete Hartman
Graham Hill
David Marshall
Paul Ridout

Resources:

Rick Crosby (Interim CEO)
Sonterra Ross (Chief Operating Officer - COO)
Mike Graham (Chief Technical Officer - CTO)
Rebecca Penz (Manager, Stakeholder Engagement & First Nations Initiatives - MSEFNI)
Kyla Fiddick (Manager, Finance & IT - MFIT)
Philomena Zegger (Corporate Board Secretary-CBS/Recording Secretary)

Guests: Danielle Wensauer, Special Advisor, Marine Safety & Security, Transport Canada
Eleanor Setton, Co-Director, University of Victoria (UVic) Spatial Sciences Lab
Marg Gardiner, President, James Bay Neighbourhood Association (JBNA)

1. Call to Order

The Chair called the meeting to order at 5:32 p.m.

2. Approval of Agenda

PB/M-2014-11-20 #001 MOVED and SECONDED THAT the agenda is approved as presented

CARRIED

3. Election of Officers

- Board renewal - the Chair expressed thanks to the following directors whose term ends on December 31, 2014: Barbara Desjardins, Shellie Gudgeon, Graham Hill, Paul Ridout
- The Chair of the Governance & Nominations Committee in her capacity of Society Secretary advised that she had canvassed Directors for their interest in serving as Officers for the following calendar year. The following candidates were put forward as nominees:
 - **Secretary** – Dave Cowen; the Society Secretary asked three times if there were any further nominations from the floor and hearing none declared Dave Cowen as Secretary to take office January, 2015
 - **Treasurer** – Doug Crowder; the Society Secretary asked three times if there were any further nominations from the floor and hearing none declared Doug Crowder to continue office as Treasurer
 - **Vice Chair** – Chief Andy Thomas; the Society Secretary asked three times if there were any further nominations from the floor and hearing none declared Chief Thomas to continue office as Vice Chair

- **Chair – Bill Wellburn;** the Society Secretary asked three times if there were any further nominations from the floor and hearing none declared Bill Wellburn to continue office as Chair

4. **Declarations of Conflict of Interest**

The Chair asked directors to declare any conflict of interests relating to this agenda. No conflicts were declared and the Chair asked that should any other business come before this meeting where a conflict of interest may exist, to declare it.

5. **Presentations**

5.1 **Dr Eleanor Setton – Cruise Ship Air Quality Monitoring Presentation**

- Presentation on the end of season report on cruise ship air emissions – a partnership program between the Ministry of Environment, CRD, VIHA, Environment Canada, University of Victoria, JBNA and GVHA
- Comparative data across a number of years was reported based on data gathered from air quality monitoring station at Topaz and a local monitoring station in James Bay (Erie Street) for both pre and post Emissions Control Area (ECA) implementation
- It was noted that air emissions are generally in compliance with World Health Organization (WHO) Air Quality guidelines with exception of a few infrequent exceedances in 2014
- Summary conclusions:
 - Significant challenge has been use of single monitor location producing high quality data but may not capture levels and variations at other locations
 - Local stations generally located downwind and can reasonably be assumed to represent worst case conditions in terms of frequency of high episodes over season
 - Sulphur dioxide SO₂ impacts generally lower with additional reduction expected by January 1, 2015 and 0.1% sulphur content requirement, but some impacts remain due to ECA exemption for ships scheduled to install scrubbers and occasional use of 3.5% sulphur fuel

Board questions and discussion included:

- Air emissions readings are impacted by wind direction, speed and other meteorological conditions
- Concerns regarding seaplane emissions and lack of current and sufficient data from Transport Canada. The main pollutant for seaplanes is volatile organic carbons – different to main pollutants from cruise ships. There is currently no air monitoring of seaplanes
- While increased monitoring information would provide more data, the capital and operating costs of an air monitor are in the range of \$100,000 – additional challenge is finding a willing host location with suitable security and power – highly sensitive technical equipment that needs frequent calibration
- Alternative additional monitoring devices have been tried but have not been successful

5.2 **Danielle Wensauer, Transport Canada - Emission Control Area (ECA) Enforcement Presentation**

- Presentation – overview of North American Emission Control Area (ECA) which regulates air quality from shipping in Canada and forms a 200 mile perimeter around Canada and the US – Cruise ships on the Alaska itinerary operate continuously in ECA
- ECAs established by the International Maritime Organization (IMO – specialized agency of the United Nations) under the auspices of MARPOL - International Convention for the Prevention of Pollution from Ships
- Consultations with ECA stakeholders included international vessels, domestic vessels, cruise sector, ports and port communities. Concerns were identified regarding fuel costs and availability. An alternative international compliance régime was negotiated at an international level for the cruise sector and international vessels
- Exemptions were negotiated to enable the cruise sector while they advance technological solutions to achieve the same air quality objectives set out by the ECA. Under the exemption, the ships are allowed to use residual fuels within the ECA except while at berth
- Exemptions are permitted by the vessel's flag state (vessel's registered country) – exemptions have sunset clauses at which point alternative compliance measures must be in place. On completion of full scrubber technology retrofit, emissions, the technological means must meet or exceed ECA emissions reduction targets as if they had used the low sulphur fuel
- Timelines for ECA IMO Air Emissions Standards were presented – Jan 2015 0.1% sulphur in ECA

- Canada's primary tool for enforcing ECA compliance is Port State Control – international network of countries that share a common water under MOU's to share vessel inspection data among signatory countries eg countries that border the Pacific Ocean signed the Tokyo MOU
- Inspection schedule/frequency is based on a ships' risk profile, inspection priority, number of deficiencies noted under Port State Control which tracks vessel inspection records in other countries. Transport Canada is privy to previous inspection data. Port State Control – an effective tool to keep substandard vessels out of the waters
- Inspectors will ensure that scrubbers meet internationally approved standards and ships have trained operating crews and relevant documentation including bunker delivery notes. Onus is on industry to demonstrate compliance. Non-compliant vessels can be detained or potentially fined based on pending regulatory amendments "administrative monetary penalties"

Board questions and discussion included:

- Opportunities to call for inspection of a specific ship – as reports are received from sources such as port authorities, the risk and inspection priority is changed accordingly, inspections are based on the risk factors
- Elevated SO₂ levels are associated with maneuvering – international regulations call for but currently do not enforce lower fuels when entering the harbour; exemptions are given to vessels by their Flag State, Port State Control cannot regulate the switching to low sulphur fuel
- All Port State data is publically available through an annual technical publication
- Inspection reports are publically available
- Protocol if a vessel's scrubbers breakdown/not operational - it is the Captain's responsibility to report to the Port State authorities under appropriate reporting procedures and action will be taken
- In order for Transport Canada to become involved in managing issues related to seaplane emissions, another body such as Environment Canada or the BC Ministry of Environment would need to be informed on scientific data
- Voluntary measures by cruise industry ECA inducements to adopt standards - how might encourage the industry betterment
- Voluntary adoption of improving emission standards is the remit of the cruise line companies
- Canada has taken a leadership role in requiring Canadian-flagged ships to use lower sulphur fuel and is ahead of the ECA

5.3 Marg Gardiner, 2014 Traffic Volumes

- Presentation on cruise bus impact in the James Bay community
- Noise and traffic volumes were noted
- 2014 vs 2015 cruise ship schedule, projected passengers per ship were compared
- 2014 passenger transportation choices, including buses
- Reference to prior GVHA/JBNA discussions
- Copy of June 27, 2014 correspondence from JBNA to GVHA was circulated by JBNA to the Board for reference
- The presenter suggested a few other additional initiatives to meet the air quality and transportation objectives:
 - A small, functional walking map
 - Allow walking tour groups to access the cruise ship terminal for free
 - Include social and environmental fee in pricing
 - Improve north end of the Ogden Point property for walking

Board questions and discussion included:

- Wilson's Transportation fleet average age with phased in/out replacement schedule to modernize fleet
- Management are currently working on a transportation strategy

6. Approval of Minutes of Previous Public Meeting

6.1 Approve minutes of Public Meeting #90 on August 21, 2014

PB/M-2014-11-20 #002 - MOVED and SECONDED THAT the minutes of Public Board Meeting #90, August 21, 2014 be approved.

CARRIED

7. Board Correspondence

8. Chair Report

- The Chair provided an overview of the report out from the August 22, 2014 In-Camera Board Meeting - as circulated in the Public Board materials
- The Chair provided an overview of the accomplishments of Curtis Grad during his tenure as President & CEO who resigned GVHA in November 2014
- Introduction of the new Interim CEO, Rick Crosby, former COO and CEO of the Provincial Capital Commission who has more than 30 years experience in public service
- The CEO search is underway with a CEO Task Force established. The search firm Pinton Madden Forrest has been retained. Candidate profile is currently being developed which will guide the CEO search process. The targeted transition date to a new CEO is in Q1 2015
- The Chair provided a status update on the Director Nominations process, with new directors commencing 3-year terms on January 1, 2015
- The Chair advised that new director nominations from the following Member Agencies will be announced once the nominations process is complete: Capital Regional District, City of Victoria, Township of Esquimalt, Victoria/Esquimalt Harbour Society. The Chair also advised that GVHA is looking to fill up to two vacant Independent Community Director positions to meet specific skills and experience requirements
- A new restricted reserve policy was approved at the August 2014 In Camera Board Meeting which is a formula driven policy, the current fund target is \$7 million. The current balance is \$4.67 million to be fully funded by 2022
- GVHA is in the process of a strategy reset and the Board of Directors is working with Management

9. Management Reporting

- Management presented the Q2 financial results for the six months ending September 30, and annual forecast vs plan
- End of cruise season stats were presented – the 2014 season saw 205 cruise ships visits, bringing 467,550 passengers and 195,956 crew. The 2015 season is projected for 231 cruise ships with 528,112 passengers
- Management advised that they are working on a ground transportation strategy to manage the movement of people to and from the cruise ship terminal. The strategy will be developed in consultation with stakeholders
- Marina stats were presented for the period from April to September 2013 for long term and transient vessel moorage
- An update on planning and commercial developments including the Ogden Point Master Plan (OPMP) was provided
- Green Marine Program environmental category ratings were announced – GVHA was identified as an “Improvement Champion” and ranked within the top 3 most improved port operations among participants across North America
- An overview of First Nations and Stakeholder engagement activities was presented including the First Nations seasonal job fair, shoreline clean-up and recent/upcoming events

Board Discussion:

- Capacity for the GVHA Annual Fall event is 300 persons
- Shoreline clean up – potential for increased involvement of our Members including Songhees Nation, Esquimalt Nation

10. Public Input

- GVHA website contains guidelines for public input
- Individuals have up to 5 minutes each to speak

Scarfe, B - JBNA, Community Advisory Group

Questions and comments for Transport Canada regarding scrubber technology and flue-gas desulphurization:

Will Transport Canada monitor fuel logs to ensure bunker fuel is a maximum of 2% sulphur content?

Will Transport Canada check where and when fuel switches occur?

Scheduling and staggering of multiple cruise ships and potential cumulative impacts

In order to have the equivalent SO₂ output of low-sulphur fuel, the ships using scrubbers cannot use bunker fuel that exceeds 2% sulphur fuel. Residual fuel is not an option.

- Transport Canada responded:
 - o Fuel logs, bunker delivery notes are monitored under Port State Control

- Monitoring bunker fuel at maximum of 2% is currently not a regulation therefore not enforceable by Transport Canada
- Ships operating within the 200 mile ECA have to use compliant fuel and fuel-switching is monitored under Port State Control
- Scheduling of cruise ships crosses several jurisdictional lines and requires cooperation among authorities and industry to address – Transport Canada cannot address individually

Vander Steen, B – JBNA

Question for Transport Canada enquiring about the public accessibility and expiration dates of ECA exemptions granted by the flag states

- Transport Canada responded that the exemptions are provided by the Flag State and are proprietary, therefore details and deadlines are unknown. However in some instances Transport Canada may happen to have information on when a vessel is slated for scrubber installation

Johnston, K – Hallmark Heritage Society

Enquiry as to GVHA plans to manage maintenance of the Inner Harbour Causeway that is nearing end of life cycle while preserving heritage status

- CTO advised that a dive inspection is scheduled, working with City of Victoria on phased approach to replacing tiles, granite wall slates, steel plates – all on maintenance plan for coming year

Nelson, M, local resident

Comment on environmental pollutant related illnesses and emissions from seaplanes and cruise ships

Doyle, C, local resident

Expressed disappointment at dissolution of the Provincial Capital Commission (PCC) and resultant land swap.

- The Chair and I/CEO responded that the decision to dissolve the PCC was a decision by the BC Provincial Government by elected officials / political bodies and swap did not affect any GVHA properties

Requested Transport Canada's assistance to stop nuclear powered aircraft carriers within the 200 mile ECA zone-

Green, B - local resident

Commented taxis roll through stop signs, do not come to a stop on Oswego Street when serving Ogden Point Terminal; more stop signs could GVHA correct this problem.

- The Chair responded that GVHA works with the police and the taxi companies in an effort to achieve compliance

Gardiner, M, JBNA

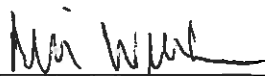
Comment that certain ships of concern have gone into drydock recently and are hopefully being outfitted with scrubbers; concern that vessels may burn higher sulphur fuel even once retrofitted with scrubbers; potential emissions impact when maneuvering into Ogden Point. Request for GVHA, as owner of the waterlot, to use its authority to enforce lower sulphur fuels than current regulations and requiring ships to switch fuel when pilot boards vessel

11. Motion to Adjourn – Moving In-Camera

PB/M-2014-11-20 #004 – MOVED and SECONDED THAT under section 33 (2) (b) the Board may exclude from the meeting, all persons other than the Directors and officers of the Society, as it is in the opinion of the Board that the public interest requires the exclusion

CARRIED

The meeting was adjourned at 7:51 pm.



Bill Wellburn, Chair



Philomena Zegger, Recording Secretary