

SYDNEY TAR PONDS AGENCY

BUSINESS PLAN

2006-07

MESSAGE FROM THE MINISTER AND ACTING CEO

Clean up of the Sydney Tar Ponds and Coke Ovens is a major undertaking replete with unique challenges. Regardless, following a period of protracted research, community consultation, study and expert input the clean up is now poised to move forward in strident fashion. Against the backdrop of a foundation Memorandum of Understanding, Canada and Nova Scotia are collaborating on this important undertaking that will see several essential preliminary projects initiated early in the fiscal period.

Sydney Tar Ponds Agency (STPA) has been established to strategically deploy and manage Nova Scotia resources in the clean up as well as discharge the province's mandate as the lead partner in the undertaking. In this capacity, the agency is responsible to navigate the clean up through an exacting environmental assessment process. A full panel has been convened at the direction of the national government and as part of its work will hear from various interveners over the course of several weeks in Sydney beginning in late April 2006. STPA will be directly involved in this element of the assessment effort and continue to make every reasonable effort to assist the panel in adhering to a demanding schedule for the completion of its work.

The Government of Nova Scotia is acutely aware of the overwhelming desire of residents of Sydney and area to move forward with the clean up without delay, to optimize its impact in the near term through the generation of economic benefits and engender a more vibrant and prosperous community for current and future generations. Sydney Tar Ponds Agency values the involvement of community stakeholders and will continue efforts to ensure citizens have the information and resources needed to make informed decisions going forward.

Hon. Angus MacIsaac
Minister Transportation and Public Works

Frank Potter, P. Eng., Acting CEO

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Sydney Tar Ponds Agency

Business Plan

For Operations in the period April 1, 2006 to March 31, 2007

1 Mission

To focus Nova Scotia's efforts in the Sydney Tar Ponds and Coke Ovens cleanup project, and in cooperation with the federal government and community stakeholders deploy provincial resources in the most effective and efficient manner possible.

2 Planning Context

Located in the centre of Sydney, the industrial waste sites known as the Sydney Tar Ponds and Coke Ovens challenge the community and entire province in varied and complex social, environmental and economic ways. Resolution of these challenges requires the best available technical and scientific information and expertise.

Collaborative effort is critical. To this end the federal and provincial governments signed a ten year memorandum of agreement specific to clean up of the Sydney Tar Ponds and Coke Ovens and within the framework of the accord have engaged local government as well as community stakeholders in moving forward collectively with the project.

In the interests of efficiency, consolidated effort and effectiveness, in September 2004 Nova Scotia established a special purpose agency, Sydney Tar Ponds Agency (STPA), for purpose of coordinating and managing the deployment of provincial resources.

The Sydney Tar Ponds and Coke Ovens clean up is much anticipated. It's been a dominant public issue in the lives of residents of Sydney and area for more than two decades, a matter of some controversy and considerable media attention nationally and internationally. Regardless, people of Sydney and area now see tangible evidence of progress in the clean up and are transparently optimistic about the future and the continued development of their community.

The level of activity in and around the clean up has intensified as STPA moves forward stridently on a number of important fronts. Fundamental objectives were articulated respecting the desired economic impact of the clean up on the Cape Breton economy. An economic benefits function was incorporated into the agency's operations model and a senior position filled to lead this important activity. Pivotal studies were commissioned, including the establishment of an on-line business directory to facilitate contracting of services for the clean up.

Work was completed to remove contents of the Domtar Tank and subsequently steps successfully taken to dismantle the structure. In response to the federal government's decision to convene a joint panel to assess the environmental impact of the tar ponds and

coke ovens clean up Nova Scotia agreed to participate in the process. Following on from this decision, STPA completed and subsequently filed with the panel an environmental impact statement. The document was expansive and considered all aspects of the clean up in a decidedly comprehensive fashion. In response, the panel posed a number of questions that were industriously addressed by the Agency.

Tenders were called for the construction of channels for Coke Ovens brook and subsequently a contract awarded. As well, expressions of interest for the engineering design of the clean up project were requested and received and, thereafter, respondents were short listed to four consortia preparatory to the issuance of a formal request for proposals. Toward the end of the 2005-06 operating period preparations were near complete for the formal request for proposals.

Request for proposals were developed for the remediation of the cooling pond adjacent to the south tar pond and for construction of a barrier at Battery Point in the north tar pond at the point of its intersection with Sydney Harbour. New positions were filled at the agency in the area of communications, contract management and administration. As well Frank Potter, P. Eng., a senior employee of the agency was appointed acting CEO.

An independent expert assessment of the environmental effect of the proposed clean up plan established that the project would have no significant impact. As well a protocol agreement was signed with First Nations Mi'Kmaq communities to guide discussions on the clean up. Additionally agreement was reached to have the remediation of the cooling pond treated as an aboriginal set aside.

3 Strategic Goals

STPA's strategic goals are:

- At the direction of a joint Project Management Committee, implement the \$400 million funding agreement between Canada and Nova Scotia for the purpose of remediating the Sydney Tar Ponds and Coke Ovens;
- In keeping with the intent and spirit of the funding agreement, engage the federal government in the negotiation of terms and conditions appropriate to the joint prosecution of the clean up as planned;
- Plan and execute effective internal and external communications activities, initiatives and products to ensure optimum awareness of the clean up project and related activities between government partners, within the general public, among affected provincial government agencies and departments, target publics and special organizations such as the Community Liaison Committee;

- Employ necessary measures to ensure optimized relations between government partners and community stakeholders in the clean up of the Sydney Tar Ponds and Coke Ovens; and
- Optimize the economic impact of the clean up on Sydney and area through the implementation of a benefits program in cooperation with government partners, community stakeholders, including industry and business associations.

4 Core Business Areas

STPA's core business areas are:

- a) Within the framework of the Sydney Tar Ponds and Cokes Ovens Clean Up Memorandum of Agreement under the direction of the Project Management Committee deploy resources, plan and execute preventive works, manage project engineering and design, contract and oversee construction services as well as facilitate the optimization of local economic benefits from the project with a view to effecting safe, efficient and compliant site remediation;
- b) Communicate internally with government partners as well as among affected provincial government departments and agencies and the Community Liaison Committee in addition to externally with community stakeholders and other key publics in a deliberate, regular, transparent and frequent fashion on the development, execution and evaluation of remediation activities; and
- c) Represent Nova Scotia's interests in the negotiation of pending detailed funding agreements appropriate to the longer term prosecution of the clean up as set out in the May 2004 Memorandum of Agreement.

5 Priorities

STPA's priorities for each core business area in the fiscal year 2006/07 are:

Core business area 4(a) – Deploy resources, execute projects, engage services, manage and oversee engineering, design and compliance as well as facilitate the optimization of economic benefits within the framework of the funding agreement between government partners.

- I. Engage project design consultants and begin detailed design of the clean up project;
- II. Complete preventative work projects, namely the Battery Point barrier, remediation of cooling pond and realignment of Coke Oven Brook;

- III. Secure regulatory approvals for the clean up within the environmental assessment process;
- IV. Collaborate and interact with the Project Management, Operations and Technical Advisory Committees and the Independent Engineer;
- V. Optimize local economic benefits as per the Statement of Intentions adopted by the Project Management Committee; and
- VI. Develop and implement on-going accountability and reporting policies and procedures as well as advance recommendations of strategic importance to government decision-making.

Core business area 4(b) – Internal communications between government partners and among affected provincial government departments and agencies and external communications with target publics, select stakeholders and the community, including the Community Liaison Committee.

- I. Formalize internal and external plans complete with strategic objectives, specific products and initiatives, target audiences, desired outcome and outcomes measures appropriate regular, transparent and effective internal and external communications;
- II. Manage relations with the Community Liaison Committee in cooperation with federal government and community stakeholders;
- III. Interact with, monitor and respond to media; and
- IV. Manage communications specific to the environmental assessment process.

Core business area 4(c) – represent Nova Scotia in the negotiation of the final funding agreement as per the Memorandum of Understanding.

- I. Engage the federal government in negotiations appropriate to a producing a second generation funding agreement for the clean up; and
- II. Insure that provincial financial participation in the actual remediation of the clean up is based on equitable cost sharing with the federal government.

Sydney Tar Ponds Agency (NS)

6 OUTCOMES & MEASURES

Core Business Area 4(a): Deploy resources, execute projects, engage services, manage and oversee engineering, design and compliance as well as facilitate the optimization of economic benefits within the framework of the funding agreement between government partners.						
Outcome	Indicator	Measure	Base Year Measure 2004/05	Target 2005/06	Target 2006/07	Strategies to Achieve Target
Project design engineers in place	Internal documents, contract and reports	Number of elements and value of design work completed as compared with schedule	0%	5%	10%	<ul style="list-style-type: none"> • Implementation plan and schedules • Regular & frequent communications • Adherence to policies and procedures
Completed preventative works projects	Internal documents, contract and reports	Completion of components and dollar value	0%	20% planning and documentation	100% complete as per contract terms	<ul style="list-style-type: none"> • Implementation plan and schedules • Regular & frequent communications • Adherence to policies and procedures
Regulatory approval within EA process	Internal documents, Panel report and Ministerial directives	Clean up methodology is accepted	5% preparations for EA process	75% submission of impact statement	100% completion of Panel hearing and receipt of Panel report	<ul style="list-style-type: none"> • Provision of detailed clean up plan • Response to Panel questions • Participation at Panel hearings

Outcome	Indicator	Measure	Base Year Measure 2004/05	Target 2005/06	Target 2006/07	Strategies to Achieve Target
Collaborative & interactive relationship with PMC, special committees and Independent Engineer	Internal documents, reports and meeting minutes	Facilitated decision making, compliance with operating criteria project timelines	5% complete committee formation and action	75% complete committee formation and activity	100% committee and IE functionality	<ul style="list-style-type: none"> • Regular scheduled meeting • Established meeting format and procedures • Regular and frequent communications
Optimized local economic benefits	Economic benefits framework, processes, internal documents, reports, research	Level of benefits resulting from contracts and work on the clean up	5% complete, concepts in place	75% complete framework, procedures, research and approvals	100% complete framework, 10% complete monitoring and reporting	<ul style="list-style-type: none"> • Communications with key stakeholders • Documentation and necessary resources • Incorporation inside tender documents
Accountability, reporting & strategic recommendation structures in place	Policy & procedures, reports, internal documents, compliance	Few, if any, issues in the implementation of the clean up	5% complete policies and procedures	25% complete policies and procedures	80% complete policies and procedures	<ul style="list-style-type: none"> • Meetings, & communications • Timely & complete documentation • Procedures & reports

Core Business Area 4(b): Internal communications between government partners and among affected provincial government departments and agencies and external communications with target publics, select stakeholders and the community, including the Community Liaison Committee.						
Outcome	Indicator	Measure	Base Year Measure 2004/05	Target 2005/06	Target 2006/07	Strategies to Achieve Target
Formalized internal & external plans driving effective communication	Internal planning documents, reports and communication products	Overall project awareness, functionality of key committees, media reporting, internal decision making, efficiency and completeness of reports and documents, appeal and effect of products and initiatives	5% complete planning and concept work	25% complete internal and external communication plans, products and initiatives	100% internal and external communication plans, products and initiatives	<ul style="list-style-type: none"> • Frequent and regular communications • Array of innovative products and initiatives • Interaction with key publics • Frequent attitude and awareness assessment
Productive relations Community Liaison Committee	Effectiveness and impact of Committee deliberations and decisions	Relationship between the Committee and the agency and the Committee and community stakeholders	5% complete, committee framework, composition and mandate	100% complete committee set up and operation	On-going CLC deliberations and community liaison	<ul style="list-style-type: none"> • Frequent & regular communications • Documentation and necessary resources
Effective media relations, monitoring and response	Internal documents, media materials, reports and features, individual media satisfaction	Fair & balanced reporting, effective issues and story management, frequency of coverage	5% complete policies, procedures and methods	20% complete policies, procedures and methods	100% complete: on-going execution of planned relations, monitoring and interaction	<ul style="list-style-type: none"> • Meetings, & communications • Timely complete stories, releases materials & ongoing review

Outcome	Indicator	Measure	Base Year Measure 2004/05	Target 2005/06	Target 2006/07	Strategies to Achieve Target
Effective communications EA process	Internal reports, documentation, meeting minutes and regulator correspondence	Adoption of clean up plan as presented	5% complete	80% complete	100% complete	<ul style="list-style-type: none"> • Planned external and internal communication efforts • Production of EA process communication products and execution of initiatives • Provision of information to the Panel in a timely and complete fashion

Core Business Area 4(c): represent Nova Scotia in the negotiation of the final funding agreement as per the Memorandum of Understanding.						
Outcome	Indicator	Measure	Base Year Measure 2004/05	Target 2005/06	Target 2006/07	Strategies to Achieve Target
Negotiations with federal government on second generation funding	Internal planning documents, reports meeting minutes and memoranda	Agreement on second generation funding agreement	Interim funding agreement	Interim funding agreement	Renewed funding agreement	<ul style="list-style-type: none"> • Frequent and regular communications • Schedule meetings • Adoption of structured accountability & evaluation framework
Equitable cost sharing with federal government	Internal reports, documents, minutes and evaluation outcomes	Demonstrated equity in accountability and outcomes reporting	Equitable cost share in effect	Equitable cost share in effect	Equitable cost share in effect	<ul style="list-style-type: none"> • Frequent and regular communications • Schedule meetings • Adoption of structured accountability & evaluation framework

7 Appendix G

Budget Context

	FISCAL YEAR 2005/06		FISCAL YEAR 2006/07	
	BUDGET	FORECAST	BUDGET	FORECAST
Preliminary Works	\$4,153,514	\$5,195,500	\$4,704,261	\$3,734,536
Preventative works	\$4,550,000	\$3,186,500	\$12,312,503	\$14,720,552
Other Costs	\$4,682,494	\$3,702,500	\$7,624,119	\$6,758,718
TOTAL COSTS	<u>\$13,386,008</u>	<u>\$12,084,500</u>	<u>\$24,640,883</u>	<u>\$25,213,806</u>
FUNDING:				
Provincial	\$5,354,403	\$4,833,800	\$9,856,353	\$10,085,522
Federal	\$8,031,605	\$7,250,700	\$14,784,530	\$15,128,284
TOTAL	<u>\$13,386,008</u>	<u>\$12,084,500</u>	<u>\$24,640,883</u>	<u>\$25,213,806</u>