



November 9, 2018

Mr. Mike Tippet, MCIP, RPP (Manager, Community & Regional Planning)

Planning & Development Department
Cowichan Valley Regional District
175 Ingram Street
Duncan, BC V9L-1N8

Dear Mr. Tippet;

Re: **Schnitzer Steel Canada Ltd. (Schnitzer) Cassidy Facility - Zoning Amendment Bylaw for Application No. 03-H-16RS (13271 Simpson Road/Trans-Canada Highway) – Request change to Covenant requirement for environmental protection measures**

Further to our previous correspondence and subsequent November 1, 2018 conference call and November 2, 2018 e-mail, Schnitzer is requesting a reasonable and mutually agreeable alternative to both secure proposed amenities as well as implement appropriate environmental protection measures at the facility.

Specifically, the Cowichan Valley Regional District (CVRD) proposed that a covenant should be developed to ensure Schnitzer fulfills its commitment to implement appropriate environmental protection measures, notably:

- Paving the Non-Ferrous area; and
- Paving the End-of-Life Vehicle (ELV) storage areas and equip with oil water separators (OWS).

Schnitzer and its landlord – Cassidy Sales and Services Ltd. reviewed the proposed CVRD covenant and request a reasonable and mutually agreeable alternative for the following reasons:

1. There are nine (9) items registered on title that would require priority arrangements. Additionally, the undersurface rights (7 of them) will be very difficult to either remove from title or obtain priority agreements from;
2. The draft covenant implies registration on title in perpetuity. Any covenant should only last for the duration of time needed to implement the appropriate environmental protections and then be removed from title. If the covenant remains on title indefinitely, it causes confusion and future complications down the road for the landlord; and

3. The proposed indemnification and release is far too broad and should be limited to the duration of the covenant.

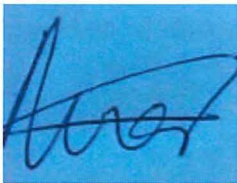
Accordingly, Schnitzer is proposing the following alternatives to satisfy CVRD's concern that the appropriate environmental protections, namely the concrete paving works (Non-Ferrous area, ELV areas), will be completed:

1. Include a condition in our pending Waste Stream Management Licence that the paving works will be completed within the next two years (due to requiring suitable weather conditions and budget constraints); and
2. Prepare a formal letter stating Schnitzer is committed to CVRD's requested concrete paving works and will complete these works within the next two years.

Please note, pursuant to CVRD concerns, the Non-Ferrous area (approximately 16,500 square feet) has already been paved and oil water separator installed. Attached at the end of this letter are some pictures to illustrate completed concrete paving works and installation of the oil water separator.

We look forward to the CVRD's response and further discussion on Schnitzer's reasonable and mutually agreeable alternative proposal to the covenant requirements.

Sincerely,

A blue rectangular stamp containing a handwritten signature in black ink. The signature appears to be 'Nures Kara'.

Nures Kara

Schnitzer Steel Canada Ltd. – Senior Environmental/Project Manager

Cc: Mark Annable, Cassidy Sales and Service Ltd.

PICTURES OF CONCRETE PAVING WORKS

CASSIDY FACILITY – NON-FERROUS AREA



Picture 1 – looking south



Picture 2 – looking east and oil water separator installed

