

Outline of Telephone Conversation With John Moroz

Vice-President and General Manager

St. Marys CBM Aggregates

Wednesday, June 21, 2006

Councillor McCarthy started the conversation by acknowledging receipt of the company's information letter delivered yesterday, and that she is aware that their company is quite large.

Mr. Moroz indicated that they would like to be an environmental steward and have demonstrated their abilities in this regard at their other locations in St. Mary's and Bowmanville. They intend to work at developing a relationship in the community through open communication to allay any concerns as well as contributing financially to various venues.

The company feels that this particular application is strong. This location is a high quality resource, and they feel confident that it can be developed in a way that works in Flamborough. THEY ARE WELL AWARE OF THE CURRENT CONCERNS AND ACKNOWLEDGE THAT THERE ARE GAPS IN SOME OF THE INFORMATION. They are looking at "taking a step back" to reassess the information that has come forward at this point in time. The hydro geological study does contain inconsistencies. If necessary they will redo some of the work in this study in order to put together a solid plan to go forward with.

Mr. Moroz made mention that the site currently in operation in Bowmanville is located next to the West Side Marsh, a significant wetland area, which has been in operation since some time prior to 1980. It is his feeling that this location has a proven track record of not impacting the surrounding area. Councillor McCarthy made mention that this location would not have been subject to the Greenbelt or Safe Drinking Water Act. Mr. Moroz countered that the Greenbelt Legislation does not disallow quarry applications and that no chemicals are used in the process so there would be limited exposure, so quality of water would not be an issue.

With respect to quantity of water, Mr. Moroz indicated that their St. Mary's site is located next to the Thames River. Councillor McCarthy questioned how that would relate to the Flamborough site. Mr. Moroz indicated that the groundwater in Flamborough would need to be understood fully before they would be able to continue. They need to prove that there will be minimal impact on the community. It is his feeling that this site can operate and not impact on the environment.

St. Mary's would like to work with the community in an effort to share all information. They are interested in working with a community group and have offered to arrange a tour of their other locations which would take about ½ day. Councillor McCarthy advised that the community conducts their own due diligence and research, regardless of who it is hosted by and will get back to Mr. Moroz with the community's wishes in this regard.

Mention was also made of St. Mary's hosting a public open house. Unfortunately their facility would not house the numbers of residents who have attended previous meetings. Councillor McCarthy indicated that a forum could be held in an area school auditorium and could be advertised through her office.

St. Mary's has prepared a flyer to be delivered by Canada Post to the residents. A copy of this flyer will either be faxed or e-mailed to Councillor McCarthy. Councillor McCarthy stated that regardless of her opposition to this proposal she respectfully requests that she be notified of each and every development that occurs, and that she be advised of any meetings on this issue with either the Mayor or City staff.

City staff were contacted yesterday requesting a meeting with the company in the next couple of weeks in order to start the long process of sharing information in order to address all concerns.

MR. MOROZ INDICATED THAT THE PURCHASE OF LOWNDES BY ST. MARY'S WAS AN OUTRIGHT PURCHASE, NOT ONE DEPENDENT ON FUTURE APPROVALS.