

**Licence No.: 2537**

**Licence Issued: January 17, 2002**

**IN ACCORDANCE WITH THE MANITOBA ENVIRONMENT ACT (C.C.S.M. c. E125)  
THIS LICENCE IS ISSUED PURSUANT TO SECTION 10(1) TO:**

**MONARCH INDUSTRIES LIMITED; "the Licencee"**

for the operation of the Development being a manufacturing facility, located in Lot 6, Plan 12427 WLTO in Lots 222 to 224 Roman Catholic Mission Property, in the City of Winnipeg, in accordance with the Proposal dated November 29, 2001, and subject to the following specifications, limits, terms and conditions:

**DEFINITIONS**

In this Licence,

**"accredited laboratory"** means facilities accredited by the Standard Council of Canada (SCC), or facilities accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or facilities which can demonstrate to Manitoba Conservation, upon request, that quality assurance/quality control (QA/QC) procedures are in place equivalent to accreditation based on the Canadian Standard Can/CSA-Z753, extension of the international standard ISO 9000, Guide 25;

**"affected area"** means a geographical area, excluding the property of the Development;

**"approved"** means approved by the Director in writing;

**"coating materials"** means rust inhibitors, primers, base coats, top coats, clear coats or other materials containing VOCs and used to put a protective, decorative or coloured finish;

**"dangerous good"** means any product, substance or organism designated in the regulations, or conforming with the criteria set out in the regulations, or in any regulation adopted in accordance with The Dangerous Goods Handling and Transportation Act, and includes hazardous wastes;

**"Director"** means an employee so designated pursuant to The Environment Act;

**"Environment Officer"** means an employee so designated pursuant to The Environment Act;

**"noise nuisance"** means a continuous or repeated noise in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:

- a. residing in an affected area;
- b. working in an affected area; or
- c. present at a location in an affected area which is normally open to the members of the public;

if the noise

- d. is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household;

**"odour nuisance"** means a continuous or repeated odour, smell or aroma, in an affected area, which is offensive, obnoxious, troublesome, annoying, unpleasant, or disagreeable to a person:

- a. residing in an affected area;
- b. working in an affected area; or

c. present at a location in an affected area which is normally open to the members of the public;

if the odour, smell or aroma

d. is the subject of at least 5 written complaints, received by the Director in a form satisfactory to the Director, and within a 90 day period, from 5 different persons falling within clauses a), b), or c), who do not live in the same household;

"**opacity**" means the degree to which emissions reduce the transmission of light and obscure the view of an object in the background;

"**particulate matter**" means any finely divided liquid or solid matter other than water droplets;

"**particulate residue**" means that part or portion of an atmospheric emission which is deposited onto a surface;

"**point source**" means any point of emission from the Development where pollutants are emitted to the atmosphere by means of a stack;

"**QA/QC**" means quality assurance/quality control;

"**significant**" means of important negative consequence as determined by an individual with demonstrated expertise who is qualified to make such judgements;

"**stack**" means a duct, pipe, chimney, vent, opening or other structure through which pollutants are emitted to the atmosphere;

"**Standard Methods for the Examination of Water and Wastewater**" means the most recent edition of Standard Methods for the Examination of Water and Wastewater published jointly by the American Public Health Association, the American Waterworks Association and the Water Environment Federation;

"**VOC**" means volatile organic compound; and

"**volatile organic compound**" means any organic substance, mixture of organic substances, or the organic components of any mixture of organic and inorganic substances that participates in atmospheric photochemical reactions excluding methane, carbon monoxide, carbon dioxide, carbonic acid, metallic carbides and carbonates, ammonium carbonate and other compounds which may be exempt by the Director. In the case of surface coating formulations, this term means any coalescing or other agent which is an organic substance and evaporates from the coating during the application and drying phase.

### **GENERAL TERMS AND CONDITIONS**

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

1. The Licencee shall implement a high standard of equipment maintenance and good housekeeping and operational practices with respect to the Development, at all times.
2. The Licencee shall reduce the production and dissemination of wastes by initiating and maintaining waste reduction and waste recycling programs.
3. The Licencee shall, upon the request of the Director and in addition to any of the limits, terms or conditions specified in this Licence:
  - a. sample, monitor, analyze and/or investigate specific areas of concern regarding any segment,

- component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, for such duration and at such frequencies as may be specified;
- b. determine the environmental impact associated with the release of any pollutants from the said Development; or
  - c. provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.
4. The Licencee shall, unless otherwise specified in this Licence:
- a. carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of Standard Methods for the Examination of Water and Wastewater or in accordance with equivalent preservation and analytical methodologies approved by the Director;
  - b. carry out all sampling of, and preservation and analyses on, soil and air samples in accordance with methodologies approved by the Director;
  - c. ensure that all analytical determinations are undertaken by an accredited laboratory; and
  - d. report the results to the Director within 60 days of the samples being taken.
5. The Licencee shall carry out any remedial measures, modifications, or alterations, as deemed necessary by the Director, in respect to matters authorized under this Licence.
6. The Licencee shall provide to the Director, upon request, all information required under this Licence, in writing and in such form and content (including number of copies), as may be specified by the Director.
7. The Licencee shall designate an "environmental manager" for the purpose of administration of and compliance with this Licence, and to manage any other environmental issues at the Development.

### **LIMITS, TERMS AND CONDITIONS**

#### **Respecting Site Plans and Building Plans**

8. The Licencee, within 60 days of the issuance of this Licence or other time frame approved by the Director, shall submit to the Director:
- a. scaled as-constructed drawings of the site of the completed Development showing and identifying by means of a legend: property boundaries, all existing buildings, roadways, storage areas, parking areas, sewer drains, off-site surface drainage discharge locations and other man made structures; and
  - b. drawings of the plant layout showing and identifying by means of a legend: all work stations and process areas, all equipment, all floor drains, all air emission control systems and all ductwork associated with those control systems, and all points of pollutant emission from the plant.

All drawings are to be acceptable to the Director, and shall be of sufficient size, but no smaller than 11" by 17", so as to clearly identify all features including textual descriptions.

#### **Respecting Air Emissions – Limits**

9. The Licencee shall not emit from the Development:
- a. particulate matter in any air emission that:
    - i. exceeds 0.23 grams per dry standard cubic metre calculated at 25 degrees Celsius and 760 millimetres of mercury, corrected to 12 percent carbon dioxide for processes involving combustion, from any point source of the Development;

- ii. exhibits a visible plume with an opacity of greater than 5 percent at any point beyond the property line of the Development; or
    - iii. results in the deposition of visible particulate residue at any time beyond the property line of the Development; or
  - b. particulate matter from any point source with an opacity that equals or exceeds:
    - i. 20 percent as the average of any 24 consecutive opacity observations taken at 15 second intervals;
    - ii. 20 percent for more than 16 individual opacity observations within any 1 hour period; or
    - iii. 40 percent for any individual opacity observation.
10. The Licencee shall not cause or permit a noise nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate a noise nuisance.
11. The Licencee shall not cause or permit an odour nuisance to be created as a result of the construction, operation, or alteration of the Development, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.

### **Respecting Air Pollution Control Equipment**

12. The Licencee shall direct all air streams containing pollutants, unless otherwise approved by the Director, to a pollution control device which has been designed for and demonstrated to be capable of reducing, altering, eliminating or otherwise treating the pollutants.
13. The Licencee, within 60 days of the issuance of this Licence or other time frame approved by the Director, shall submit for the Directors approval, a standard operating procedural manual and a maintenance procedure and timetable for each air emission pollution control device based on the manufacturers specifications.
14. The Licencee, upon receiving the Directors approval pursuant to Clause 13 of this Licence, shall not operate any process directing an emission to an air pollution control device at the Development unless:
  - a. the operating and maintenance measures and status of the device are in full compliance with the approved procedures and timetables;
  - b. all emissions from the process are directed to the fully operational air pollution control device;
  - c. all discharges of treated emissions from the air pollution control devices are immediately directed to a stack; and
  - d. the emissions do not contain concentrations of pollutants which:
    - i. are in violation of any other applicable legal instrument including an Act, Regulation or by-law; or
    - ii. otherwise create a significant health or environmental impact beyond the boundaries of the Development.
15. The Licencee shall maintain a log book of the most recent 24 month period to record maintenance of all air pollution control devices. The log book shall be kept at the Development and shall be available upon request for inspection by an Environment Officer. The log book shall record, at minimum, the following information:
  - a. identification of the unit and the process(s) it serves;
  - b. time/date of log entry;
  - c. nature of event; and
  - d. signature of the environmental manager.
16. The Licencee shall handle, store and dispose of all pollutants collected by the air pollution control equipment in

a manner suitable to their characterization as type of waste or dangerous good.

### **Respecting Air Emissions – Sampling, Analysis, Reporting**

17. The Licencee, upon written request from the Director, shall provide a stack or stacks including all necessary sampling facilities for the sampling of air emissions at the Development. The stack or stacks shall be provided:
  - a. at a location(s) and within a time frame satisfactory to the Director; and
  - b. to the specifications and in accordance with the most recent version of Manitoba Conservation Guideline, *Guideline for Stack Sampling Facilities*, unless otherwise approved by the Director.
18. The Licencee, upon a written request from the Director, shall submit a detailed plan which is acceptable to and approved by the Director, for the sampling and analysis of potential air pollutants, released as stationary point and fugitive emissions, including any compounds determined by the Director. The plan shall identify the rationale for the sampling, the ways and means by which the sampling program will be implemented including any special measures or methods which would be necessitated by influencing factors such as unfavourable weather conditions, the need for large or additional sample volumes, the need for multiple sampling runs, the methods used for the sampling and the analysis for each compound, the detection level to be attained, a comprehensive QA/QC program, and other items as may be identified by the Director.
19. The Licencee shall perform all stack sampling in accordance with the most recent version of Manitoba Conservation Report No. 96-07, *Interim Stack Sampling Performance Protocol*, unless otherwise approved by the Director.
20. The Licencee shall arrange the scheduling of the sampling program, submitted and approved pursuant to Clause 18 of this Licence, such that a representative of Manitoba Conservation is available to monitor and audit the implementation of the sampling program.
21. The Licencee, within a timeframe to be determined by the Director, shall complete the sampling of emissions according to the approved plan submitted pursuant to Clause 18 of this Licence.
22. The Licencee, within 60 days of the receipt of the analytical results of the sampling plan pursuant to Clause 18 of this Licence, shall submit a report for the approval of the Director containing at minimum:
  - a. the raw data collected;
  - b. a discussion of the sampling and analytical portions of the program including any anomalies of sampling and analysis; and
  - c. a discussion of the significance of the data gathered with specific attention to:
    - i. the significance for potential acute and chronic impacts to health or environment from exposure to concentrations of the compounds detected;
    - ii. the need for risk assessment of the impact of emissions;
    - iii. the need for the establishment of ambient air monitoring stations;
    - iv. the need for dispersion modeling of emissions;
    - v. results and conclusions of the QA/QC program; and
    - vi. other issues as may be determined by the Director.
23. The Licencee, upon the written request of and in a timeframe stipulated by the Director, shall comply with any air emission or ambient air quality criteria specified by the Director for any pollutant of concern to the Director which has been identified pursuant to Clauses 3 or 18 of this Licence.

### **Respecting Odour Abatement**

24. The Licencee, upon written request from the Director, shall submit a plan, for the approval of the Director, identifying ways and means by which VOC emissions may be reduced from the paint booths and solvent

concentrator/water evaporator.

25. The Licencee shall implement the plan submitted pursuant to Clause 24 of this Licence, within a time frame established by the Director.

### **Respecting Noise Abatement**

26. The Licencee, when requested by the Director, shall submit a plan for the approval of the Director, to characterize the noise emissions from the Development and to identify effective and feasible ways and means, if necessary, to reduce noise emissions from the operation of any equipment or activity, either mobile or stationary, at the Development such that the Development is in compliance with the most current version of the City of Winnipeg By-Law No. 2480/79. The plan shall be prepared by a professional engineer registered with the Association of Professional Engineers and Geoscientists of the Province of Manitoba, or another qualified person acceptable to the Director, who is knowledgeable and experienced in the field of noise abatement. The plan shall be developed and presented such that any or all actions or measures may be implemented at the written request of the Director.

### **Respecting Recordkeeping**

27. The Licencee shall on an annual basis, record the following information:
- a. each type of rust inhibitor; primer; sealer; coating base and finisher; solvent thinner and solvent cleaner or other coating material used; and
  - b. the amount (mass and volume) used of each of the materials described in Clause 27 a) of this Licence.
28. The Licencee, within 30 days of each year's end, shall submit to the Director a report of the information recorded in Clause 27 of this Licence including the MSDSs.

### **Respecting Chemical Storage**

29. The Licencee shall comply with all the applicable requirements of:
- a. Manitoba Regulation 97/88R, or any future amendment thereof, respecting the storage and handling of gasoline and associated products; and
  - b. The Manitoba Dangerous Goods Handling and Transportation Act, and regulations issued thereunder, respecting the handling, transport, storage and disposal of any dangerous goods brought onto or generated at the Development.
30. The Licencee shall grade and surface, all areas where liquid materials associated with the coating process including but not limited to primers, paints, solvents, cleaners, etc., are stored, loaded, transferred or otherwise handled, in a manner and using appropriate impermeable materials approved by the Director, such that all product spillage and contaminated run-off from these areas is contained within the Development and any discharge beyond the property boundaries or to sewer is prevented.

### **Respecting Surface Water Discharge**

31. The Licencee shall not discharge to the surface, beyond the property boundaries of the Development, any water which is contaminated from contact with any material or process at the Development, except for any discharge which is directed to the Municipal wastewater collection system and which is accepted by that Municipality.

### **Respecting Solid Waste**

32. The Licencee shall dispose of all solid waste generated from any activity at the Development, which is not recycled, only to a waste disposal ground operating under the authority of a permit issued pursuant to Manitoba

Regulation 150/91 or any future amendment thereof, or a Licence issued pursuant to The Environment Act.

**Respecting Emergency Response Planning**

33. The Licencee, within 90 days of the issuance of this Licence, or other time frame approved by the Director, shall submit for approval of the Director, a contingency plan in accordance with the Manitoba Industrial Accidents Council (MIAC) *Industrial Emergency Response Planning Guide*, outlining procedures to be used in the event of a leak, spill, fire, or other hazardous condition at the Development.

**REVIEW AND REVOCATION**

- A. If, in the opinion of the Director, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Director may, temporarily or permanently, revoke this Licence.
- B. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new Proposal pursuant to Section 10 of The Environment Act.
- C. The Director shall review the specifications, limits, terms and conditions of this Licence no later than three years from the date of issuance.

"original signed by"

**Larry Strachan, P. Eng.**  
**Director**  
**Environment Act**

**Client File No.: 4721.00**