

Licence No.: 69 HW RR
Licence Issued: September 4, 1998
Licence Revised: October 31, 2001
Licence Revised: August 2, 2002

In accordance with The Dangerous Goods Handling and Transportation Act (C.C.S.M. c. D12)

THIS LICENCE IS ISSUED TO:

ENVIRO WEST INC.; "the Licencee"

for the operation of an used oil deashing process, the operation of an used oil products and material collection and storage depot and for the storage of deashed oil, deashed oil sludge, waste glycol, waste gasoline and diesel, waste solvent and small quantity retail hazardous waste materials, located at Lot 3, Plan 9153, WLTO in OTM Lots 60 to 63, Parish of Saint Boniface; commonly known as 1090 Kenaston Boulevard, (the facility), in the City of Winnipeg, Manitoba, as outlined in the Dangerous Goods Handling and Transportation Act Application filed on March 27, 1998, further correspondence of April 29, 1998 and August 25, 1998, the Applications received on January 24, 2001 and April 25, 2001, with the additional information of July 5, 2001 and the Application dated May 22, 2002 and the additional information received July 4, 2002 and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"accredited laboratory" means a facility accredited by the Standard Council of Canada (SCC), or a facility accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or a facility that is able to demonstrate to Manitoba Conservation, upon request, that it has the quality assurance/quality control (QA/QC) procedures 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 facility;

"blending" means the mixing of non chlorinated hydrocarbons into used oil or deashed oil in order to produce a homogeneous liquid;

"container" means a container with a capacity of less than 30 litres that is manufactured for the purpose of holding oil or in which oil is supplied;

"depot" means used oil products and material depot;

"Director" means an employee of the department who has been designated or appointed by the Minister;

"facility" means the used oil deashing system; the used oil products and material collection and storage depot; the storage system for deashed oil, deashed oil sludge, waste glycol, waste gasoline and diesel, waste solvent, and the storage system for small quantity retail hazardous waste materials, located on Lot 3, Plan 9153, WLTO in OTM Lots 60 to 63, Parish of Saint Boniface; commonly known as 1090 Kenaston Boulevard, in the City of Winnipeg, Manitoba;

"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; or
- e. is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted sound had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons 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; or
- e. is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b), or c), and the Director is of the opinion that if the unwanted odour, smell or aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household;

"oil" means any petroleum or synthetic crankcase oil, engine oil, hydraulic fluid, transmission fluid, gear oil, heat transfer fluid, or other fluid capable of use for lubricating purposes in machinery or equipment;

"operator" means a person who is responsible for the day-to-day maintenance and operation of the facility;

"PAH" means poly aromatic hydrocarbons;

"permanently closed" means that the facility has not been operated for a period of 6 months or more;

"pollutant" means any solid, liquid, gas, smoke, waste, odour, heat, sound, vibration, radiation, or a combination of any of them that is foreign to or in excess of the natural constituents of the environment, and:

- a. affects the natural, physical, chemical, or biological quality of the environment; or
- b. is or is likely to be injurious to the health or safety of persons, or injurious or damaging to property or to plant or animal life; or
- c. interferes with or is likely to interfere with the comfort, well being, livelihood or enjoyment of life by a person;

"registered generator" means a person who is registered as a hazardous waste generator pursuant to Manitoba Regulation 175/87 under The Dangerous Goods Handling and Transportation Act;

"small quantity retail hazardous waste" means hazardous waste that has been generated by and collected from retail stores and that cannot be sold by the store due to damaged containers or other situations that cause the substance to become a waste;

"solvent" means a non chlorinated aliphatic hydrocarbon derived liquid with a flash point not less than 23° C;

"used oil" means oil that through use, storage, handling, defect, damage, expiry of shelf life or other similar circumstances can no longer be used for its original purpose;

"used oil products and material" means used oil, used oil filters or used oil containers;

"used oil products and material depot" means that area in the facility where used oil, used oil filters or used oil containers are collected and prepared for recycling; and

"wastewater" means any liquid containing a contaminant as defined in The Dangerous Goods Handling and Transportation Act, associated with or resulting from the facility which is discharged into the environment.

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.

The specifications, limits, terms and conditions of this Licence are severable. If any term or condition of this Licence, or the application of any specification, limit, or term or condition to any circumstances is held invalid, the application of such specification, limit, or term or condition to other circumstances and the remainder of this Licence shall not be affected thereby.

Nothing in this Licence shall be construed to relieve the Licencee from civil or criminal penalties.

Respecting The Whole Facility

1. The Licencee shall only receive used oil products and material, waste glycols, waste gasoline and diesel, waste solvents and small quantity retail hazardous wastes at the facility.
2. The Licencee shall whenever used oils, waste glycols, waste gasoline and diesel, or waste solvents are being transferred to or from the cargo tank of a vehicle, or to or from the storage tanks, or any other transfer systems, supervise the transfer at all times and in such a manner that the flow of liquids can be immediately shut off.
3. The Licencee shall design all areas where vehicles may be parked during the transfer of used oils, waste glycols, waste gasoline and diesel, or waste solvents between the cargo tank of the vehicle and an aboveground tank to contain any spillage and to allow delivery hoses and lines to be drained before they are disconnected.
4. The Licencee shall only use the facility for processing used oil, used oil filters and used oil containers; blending used oil or deashed oil; for storing waste glycols, waste gasoline and diesel, waste solvents, used oil, deashed oil, and deashed oil sludge and for shipping of used oil, deashed oil, blended used oil, blended deashed oil, used oil products and materials, waste glycols, waste gasoline and diesel, waste solvents, and small quantity retail hazardous waste materials.
5. The Licencee shall maintain a high standard of equipment maintenance, good housekeeping and operational practices at all times consistent with meeting the requirements of this Licence.
6. The Licencee shall:
 - a. carry out any draining, flushing or cleaning of containers or vehicles performed at the facility in a manner which retains any fluids and contaminants at the facility; and
 - b. dispose of the retained fluids in a manner approved by the Director.
7. The Licencee shall maintain an accessible stock of equipment for containment and clean-up of spills at the facility at all times.
8. The Licencee shall at the request of the Director:
 - a. conduct special studies to determine ambient air quality within the vicinity of the facility and/or emission testing for specified air pollutants in a manner satisfactory to the Director; and

- b. submit a report containing the ambient air quality data and/or the emission testing data and all other related data to the Director within 90 days after completion of the studies.
9. The Licencee shall, at the request of the Director and in addition to any of the specifications, 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 facility; 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.
10. The Licencee shall, unless otherwise specified in this Licence:
 - a. carry out all sampling of, and preservation and analyses on, water, soil or air samples in accordance with methodologies approved in writing by the Director;
 - b. ensure that all analytical determinations are undertaken by an accredited laboratory; and
 - c. report the results to the Director within 60 days of the samples being taken.
11. The Licencee shall for the purpose of compliance monitoring notify the Director orally concerning any actual or anticipated breach or failure to meet any specification, limit, term or condition of this Licence, as soon as possible after discovery, and in any event within 2 working days of discovery.
12. The Licencee shall provide to the Director, upon request, all information required under this Licence, in writing and in such form (including number of copies), as may be specified by the Director.
13. The Licencee shall submit to the Director all records, as determined by the Director, that are relevant to the control of pollutants with respect to the operation of the facility or regarding the conduct of any activity at the facility.
14. The Licencee shall, unless otherwise specified by this Licence, retain all records during the full life of operation of the facility, and after closure, for such period of time as may be specified by the Director. Records may be transferred from their original form to other accepted forms for information storage.
15. The Licencee shall carry out, as deemed necessary by the Director, any remedial measures or modifications in respect to matters authorized under this Licence.
16. The Licencee shall notify the Director in writing prior to making any operational or structural changes, which could affect compliance with any Clauses of this Licence.
17. The Licencee shall notify the Director, in writing, of any intended alteration of process at the facility, which is likely to cause a significant environmental effect. Director approval is required prior to implementing the alteration.
18. The Licencee shall notify the Director, in writing, of any intention or agreement to lease any part or portion of the facility's property, including any buildings or structures, where such leasing might involve the establishment of any other development with a potential for emissions which may affect the environment.
19. The Licencee shall provide training for all persons who will be assigned duties at the facility in:

- a. Transportation of Dangerous Goods Regulations; and
 - b. procedures pertaining to the operation of the facility.
20. The Licencee shall only receive materials classified as hazardous wastes from points in Manitoba from generators registered pursuant to Manitoba Regulation 175/87. Materials classified as hazardous waste being shipped from the facility shall be transported directly to receivers approved in the jurisdiction where they are located.
21. The Licencee maintain the process building in a condition capable of retaining any spillage that may occur. Concrete floor surfaces shall be sealed to facilitate clean-up operations in the event of a spill within the building. Floor drains or catch basins are not permitted in the process building unless they are connected only to an on-site holding tank or sump.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting The Storage Tanks

22. The Licencee shall construct, test and operate all storage tanks at the facility in compliance with Manitoba Regulation 188/2001.

Respecting The Used Oil Deashing Process

23. The Licencee shall keep a log of volumes of waste oil processed and the resultant volumes of deashed oil generated.
24. The Licencee shall keep a log of volumes of waste oil processed and the resultant volumes of deashed oil sludge generated.
25. The Licencee shall test each batch of the deashed oil to determine the PAH content, the metal content, and any other substance as specified by the Director, and to confirm that it is not a hazardous waste.
26. The Licencee shall prior to shipment sample and analyse each batch of the deashed oil sludge to determine the metal content, as specified by the Director, of the sludge and to determine whether it is a hazardous waste.
27. The Licencee shall store all deashed oil sludge inside the process building.
28. The Licencee shall if testing shows that the deashed oil process sludge is a hazardous waste dispose of the sludge at a licenced hazardous waste facility.

Respecting The Used Oil Products And Material Collection Depot

29. The Licencee shall only receive used oil products and material at the depot.
30. The Licencee shall ensure that the operator visually inspects each individual container of used oil that is collected at the depot for contamination before the contents are transferred to the collection tank.
31. The Licencee shall not accept any used oil that is deemed to be contaminated at the depot and is returned to the person who previously possessed the used oil.
32. The Licencee shall ensure that only the operator or other trained personnel employed by the Licencee transfers used oil into the collection tank.
33. The Licencee shall not store used oil for a period exceeding 180 days from the date of receipt of the used oil at the depot.

34. The Licencee shall ensure that trained personnel are on site at all times when the depot is open to receive used oil products and material.
35. The Licencee shall, when the operator or other trained personnel is not present at the depot, lock the depot in a manner that prevents unauthorized delivery of used oil products and materials into the depot.
36. The Licencee shall:
 - a. post legible, weatherproof signs at the entrance to the depot identifying the area as an used oil products and material collection depot; and
 - b. indicate, indicate on the signs, the hours of operation, a contact number and a warning not to leave used oil products and material at the depot when the operator or other trained personnel is not available to accept delivery.
37. The Licencee shall ensure that the operator representatively samples each full tank of collected used oil. The operator shall retain the sample until verification of destruction or recycling of the oil is received.
38. The Licencee shall, upon the request of the Director, have the sample of used oil referred to in Clause 37 of this Licence analyzed, for parameters specified by the Director, by an accredited laboratory.
39. The Licencee shall maintain for each tank in the process of being filled, a tank collection log, containing, at minimum:
 - a. the date and time of receipt;
 - b. the name and address (or vehicle licence number) of the person who delivered the oil;
 - c. the quantity of oil received;
 - d. the signature of the person who delivered the oil; and
 - e. for commercial or industrial generators, the Manitoba Generator Registration Number.
40. The Licencee shall not receive oil products and material at the depot from commercial or industrial generators that are not registered generators.
41. The Licencee shall keep all records, including but not limited to tank collection logs, manifests, shipping documents, sample analyses, and spill reports, for a minimum period of two years and, on request, make the records available for inspection by an Environment Officer.

Respecting Emergency Planning

42. The Licencee shall submit to the Director for approval, an updated contingency plan, in accordance with the most recent version of 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 facility.
43. The Licencee shall provide the Director and the Winnipeg Fire and Police Departments with a 24 hour contact number for Licencee personnel who have access to current on-site waste inventories at the facility.

Respecting Spills

44. The Licencee, in the event of an environmental accident as defined in The Dangerous Goods Handling and Transportation Act and Regulations thereunder, take all necessary actions to contain the spill, manage the impacted environment and to restore the environment to the satisfaction of an Environment Officer or the Director.
45. The Licencee shall immediately report all spills of used oil, deashed oil, deashed oil sludge, waste glycols, waste

gasoline and diesel, waste solvents or other hazardous wastes in excess of 100 litres at the facility to the 24 hour emergency response line at Manitoba Conservation at (204) 944-4888.

46. The Licencee shall report within one working day all spills of used oil, deashed oil, deashed oil sludge, waste glycols, waste gasoline and diesel, waste solvents or small quantity retail hazardous wastes in excess of 5 litres, but less than 100 litres, at the facility to the Winnipeg Office of Manitoba Conservation at (204) 945-7100.

Respecting Financial Insurance/Assurance

47. The Licencee shall maintain the following insurance throughout the term of this Licence:
 - a. \$2,000,000 General Comprehensive Liability Insurance; and
 - b. \$250,000 Environmental Impairment Liability Insurance.
48. The Licencee shall purchase and maintain Automobile Liability Insurance for all owned and non-owned licenced vehicles used in connection with the operation of the facility and which provides coverage against liability arising from third party bodily injury or property damage for a minimum of \$5.0 million per occurrence with terms and conditions satisfactory to the Director. If the automobile liability policy excludes coverage for sudden and accidental pollution, this coverage shall be provided under the Environmental Impairment Liability Policy or the Comprehensive General Liability Policy.
49. The Licencee shall, within 60 days of the date of this Licence, post a Performance Bond, an irrevocable letter of credit, or other security with the Manitoba Department of the Conservation to the satisfaction of the Director in the amount of \$100,000. This security and renewals thereof, shall remain in place at all times during the operation and decommissioning of the facility. The Director may order forfeiture of the security either in whole or in part by giving written notice to that effect to the Licencee liable on the documents, upon the Director being satisfied that the facility is in breach of any of the terms of this Licence.
50. The Licencee shall maintain Workers' Compensation Insurance coverage for all employees of the Licencee.
51. The Licencee shall on or before the 15th day of December each year and beginning in 1998, submit to the Director satisfactory written evidence of the insurance coverages described in Clauses 47 to 50 inclusive of this Licence.

Respecting Air Emissions

52. The Licencee shall not cause or permit a noise nuisance to be created as a result of the operation or alteration of the facility, and shall take such steps as the Director may require to eliminate or to mitigate a noise nuisance.
53. The Licencee shall not cause or permit an odour nuisance to be created as a result of the operation or alteration of the facility, and shall take such steps as the Director may require to eliminate or mitigate an odour nuisance.
54. The Licencee shall submit, within 120 days of the issuance of this Licence, for the Director's approval, a plan for the management of air emissions from the tank farms.

Respecting Wastewater Emissions

55. The Licencee shall direct all wastewater generated as a result of any activity at the facility, to a sump or sumps properly designed to contain such liquids.
56. The Licencee shall manage all liquids collected in sumps in a manner approved by the Director.

Respecting Used Oil Filters

57. The Licencee shall recycle used oil filters received at the depot.

58. The Licencee shall process the used oil filters received from the public prior to shipment to a recycler by:
- a. puncturing the top of the filter;
 - b. placing the filter in a tray and allowing it to drain for 24 hours; and
 - c. crushing the filter to a minimum of 75% volume compaction.
59. The Licencee shall process the used oil filters received from registered generators prior to shipment to a recycler by crushing the used oil filter to a minimum of 75% volume compaction.
60. The Licencee shall prepare and deliver to the Director on or before the 15th of each month, a report summarizing information respecting used oil filters received at the depot during the previous month.
61. The Licencee shall include in the report required pursuant to Clause 60 of this Licence the following information:
- a. the date of each bulk shipment of used oil filters received at the depot;
 - b. the name and address of each generator of each bulk shipment; and
 - c. the number of used oil filters treated at the depot.

Respecting Used Oil Containers

62. The Licencee shall recycle used oil containers received at the depot.
63. The Licencee shall process the used oil containers received from the public prior to shipment to a recycler by:
- a. visually inspecting the container to ensure that it contained used oil;
 - b. placing the container in a tray and allowing it to drain for 24 hours; and
 - c. storing drained containers in a suitable metal receptacle prior to shipment from the depot.
64. The Licencee shall process the used oil containers received from registered generators prior to shipment to a recycler by storing drained containers in a suitable metal receptacle prior to shipment from the depot.

Respecting Used Glycol

65. The Licencee shall ensure that used glycols:
- a. are only bulked at the facility;
 - b. are not treated at the facility;
 - c. are not blended with any other material at the facility;
 - d. are not stored in excess of a maximum volume of 125 000 Litres;
 - e. are stored at the facility for no longer than 120 days; and
 - f. are sent for disposal to a licenced hazardous waste disposal facility.

Respecting Waste Gasoline And Diesels

66. The Licencee shall ensure that waste gasoline and diesels:
- a. are only bulked and/or blended with used oil or deashed oil at the facility;
 - b. are not treated at the facility except for filtration and/or settling to remove water;
 - c. are not stored in excess of a maximum volume of 500 000 Litres;
 - d. are stored at the facility for no longer than 120 days; and
 - e. are sent to a licenced hazardous waste disposal facility for disposal unless they are used in the blending process.

Respecting Waste Solvents

67. The Licencee shall ensure that waste solvents:
- a. are only bulked and/or blended with used oil or deashed oil at the facility;
 - b. are not treated at the facility;
 - c. are not stored in excess of a maximum volume of 50 000 Litres;
 - d. are stored at the facility for no longer than 120 days; and
 - e. are sent to a licenced hazardous waste disposal facility for disposal unless they are used in the blending process.

Respecting Small Quantity Retail Hazardous Waste

68. The Licencee shall ensure that small quantity retail hazardous wastes:
- a. are only bulked at the facility;
 - b. are not treated and/or blended at the facility;
 - c. are stored at the facility for no longer than 30 days; and
 - d. are sent to a licenced hazardous waste disposal facility for disposal.

Respecting Blending

69. The Licencee shall store fuel produced by blending separately from other wastes in the outside tank farm.
70. The Licencee shall not store more than 1.2×10^6 Litres of blended fuel at the facility at any time.
71. The Licencee shall not store blended fuel at the facility for no longer than 120 days.
72. The Licencee shall provide, at the request of the Director, a mass balance calculation for the blending of the feedstock and the resulting blended fuel.
73. The Licencee shall provide, at the request of the Director, a BTU evaluation of the feedstock and the resulting blended fuel.

Respecting Annual Reporting

74. The Licencee shall, on or before the 15th day of April of each year and beginning in 1999, submit to the Director an annual report with respect to all activities at the facility conducted pursuant to this Licence during the previous calendar year. The format and content of the report shall be approved by the Director.

Respecting Decommissioning

75. The Licencee shall submit, within one (1) year of the date of issuance of this Licence, for the approval of the Director, a Preliminary Decommissioning Plan for the facility.
76. The Licencee shall submit to the Director, for approval, one year in advance of the projected date for commencing the decommissioning of the facility or when it becomes evident that the closure of the facility is imminent, a detailed Closure Plan outlining the measures proposed to address environmental and health issues which might arise in the course of, and subsequent to, the decommissioning of the facility, and implement the approved Closure Plan in accordance with a time frame satisfactory to the Director.

REVIEW AND REVOCATION

- A. This Licence replaces Dangerous Goods Handling and Transportation Act Licence No. 69 HW R which is hereby rescinded.

- B. 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, or in the opinion of the Director a hazardous situation exists, the Director may, suspend withdraw or cancel this Licence.
- C. 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 The Dangerous Goods Handling and Transportation Act.
- D. This Licence shall be reviewed by the Director five years from the issue date of the Licence.

"original signed by"

Larry Strachan, P. Eng.

Director

Dangerous Goods Handling and Transportation Act

Client File No.: 4320.00

Generator Registration No. MB G04810

Facility Registration No.: MB R04811