

Licence No.: 93 HW S2

Licence Issued: December 10, 1999

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

THIS LICENCE IS ISSUED TO:

INTERLAKE CHEMICALS LTD.: "the Licencee"
STAGE 2 LICENCE

for the operation of a waste liquid organics collection and disposal facility, located at SE ¼ 8-20-4E in the Rural Municipality of Gimli, Manitoba, in accordance with the Application dated April 13, 1999 and additional information received on October 28, 1999, 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;

"approved" means approved in writing;

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

"reported" means reported by telephone and confirmed by facsimile;

"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 Association; and

"waste solvent - heads" means a mixture of organic chemicals produced by The Seagram Company Ltd. during the production of their products, that contains about 50% ethanol and traces of several other short chain aliphatic chemicals.

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 ensure that:

- a. the facility design, siting and operation conform to the April 13, 1999, Dangerous Goods Handling and Transportation Act Application and additional information received on October 28, 1999;
- b. only waste solvent - heads are received at the facility;
- c. a high standard of equipment maintenance, good housekeeping and operational practices are carried out at all times consistent with meeting the requirements of this Licence;
- d. all persons who will be assigned duties at the facility have received training in:
 - i. Transportation of Dangerous Goods Regulations; and
 - ii. procedures pertaining to the operation of the facility;

- e. materials classified as hazardous wastes being received from points in Manitoba are only from generators registered pursuant to Manitoba Regulation 175/87;
 - f. materials classified as hazardous waste being shipped from the facility are transported directly to receivers approved in the jurisdiction where they are located;
 - g. no more than one truck at a time, that is carrying hazardous waste, is parked at the facility; and
 - h. whenever waste solvent - heads are being transferred to or from the storage tanks, the transfer is supervised at all times and in such a manner that the flow of liquids can be immediately shut off.
2. The Licencee shall carry out, as deemed necessary by the Director, any remedial measures or modifications in respect to matters authorized under this Licence.
3. The Licencee shall ensure that:
- a. any draining, flushing or cleaning of containers or vehicles performed at the facility is carried out in a manner which retains any fluids and contaminants at the facility;
 - b. the retained fluids are disposed of in a manner approved by the Director;
 - c. an accessible stock of equipment for containment and clean-up of spills is maintained at the facility at all times;
 - d. the storage building is maintained in a condition capable of retaining any spillage, which may occur;
 - e. the tanks located inside the storage building are inspected daily for spills or leaks;
 - f. all spills or leaks of hazardous waste at the facility are contained and cleaned up immediately;
 - g. in the event of an environmental accident, as defined in The Manitoba Dangerous Goods Handling and Transportation Act and Regulations thereunder, all necessary actions are taken to contain the spill, manage the impacted environment and to restore the environment to the satisfaction of an Environment Officer or the Director;
 - h. all spills of waste solvent - heads in excess of 100 litres at the facility are reported immediately to Manitoba Conservation at (204) 944-4888; and
 - i. all spills of waste solvent - heads in excess of 5 litres, but less than 100 litres, at the facility are reported within one working day to the Selkirk Office of Manitoba Conservation at (204) 785-5030.
4. The Licencee shall upon 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 contaminant storage, containment handling, disposal or emission systems, for such contaminants or ambient quality, 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 contaminants from the 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, flow rate measurements and such other information as may from time to time be requested.
5. The Licencee shall unless otherwise specified in this Licence:
- a. carry out all preservations and analyses of liquid samples in accordance with the methods prescribed in the Standard Methods for the Examination of Water and Wastewater or in accordance with equivalent preservation and analytical methodologies approved 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.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Burner Operation

6. The Licencee shall ensure that:

- a. only waste solvent - heads are burned in the burner at the facility;
- b. the burner is certified by a certification agency accepted by the Standards Council of Canada and labeled for use in Canada;
- c. the burner is maintained in accordance with the manufacturer's specifications; and
- d. ash from the burner is disposed of in a manner acceptable to the Director.

Respecting Storage

7. The Licencee shall ensure that:

- a. all storage tanks are surrounded by a containment dike that is designed, constructed and maintained to retain not less than 110% of the capacity of the largest tank within the diked area; and
- b. representative samples of each full tank of waste solvents-heads are collected and retained by the operator of the facility until verification of destruction of the waste solvent - heads is received.

8. The Licencee shall upon the request of the Director, have the sample of waste solvent - heads referred to in Clause 7 of this Licence analyzed for parameters specified by the Director.

9. The Licencee shall maintain a collection log for each tank, containing:

- a. date and time of receipt of the waste solvent - heads;
- b. name of the person who delivered the waste solvent - heads;
- c. quantity of waste solvent - heads received; and
- d. other relevant information.

10. The Licencee shall ensure that:

- a. a complete inventory of hazardous waste materials in storage at the facility is submitted, in writing, to the Director on a monthly basis, or upon the request of the Director; and
- b. hazardous wastes are not stored outside other than for purposes of handling during receiving or shipping operations.

Respecting Monitoring and Reporting

11. The Licencee shall:

- a. for the purpose of compliance monitoring, report to the Director 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; and
- b. 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.

12. The Licencee shall submit to the Director all records, as determined by the Director, that are relevant to the control of contaminants with respect to the operation of the facility.

13. 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.

14. The Licencee shall:

- a. notify the Director in writing prior to making any operational or structural changes which could affect compliance with any Clause of this Licence;
- b. notify the Director, in writing, of any intended alteration of process at the facility, which is likely to

- cause a significant environmental effect; and
- c. receive prior approval from the Director before implementing any changes or alterations.

15. The Licencee shall provide the Director and the Fire and Police Departments serving the facility with a 24 hour contact number for the Licencee personnel who have access to current on-site waste inventories.

Respecting Emergency Planning

16. The Licencee shall, within 30 days of the date of issuance of this Licence, provide the Director with a current contingency plan outlining procedures to be used in the event of a leak, spill, fire or other hazardous condition at the facility.

Respecting Insurance

17. The Licencee shall ensure that \$1,000,000 General Comprehensive Liability Insurance is maintained throughout the term of this Licence.

18. 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 \$2.0 million per occurrence with terms and conditions satisfactory to the Director.

19. The Licencee shall ensure where 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.

20. 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 Conservation to the satisfaction of the Director in the amount of \$10,000. 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.

21. The Licencee shall on or before the 31st day of March each year and beginning in the year 2000, submit to the Director satisfactory written evidence of the insurance coverages described in Clauses 17 to 20 inclusive of this Licence.

Respecting Closure

22. The Licencee shall, in the event that the facility is:

- a. permanently closed as a waste liquid organics collection and disposal facility; or
- b. offered for sale,

arrange for a qualified consultant to conduct an investigation, to the satisfaction of the Director, to identify any contamination which may have resulted from the operation of the facility.

23. The Licencee shall submit a report to the Director which contains the findings of the investigation referred to in Clause 22 of this Licence.

24. The Licencee shall, where the investigation referred to in Clause 22 of this Licence, shows that contamination of the environment has occurred, submit a remediation proposal, within 60 days, to the Director and, upon approval of this proposal by the Director, the required remediation shall be carried out by the Licencee.

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, or in the opinion of the Director a hazardous situation exists, the Director may, suspend withdraw or cancel 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 The Dangerous Goods Handling and Transportation Act.

"original signed by"

Larry Strachan, P. Eng.

Director

Dangerous Goods Handling and Transportation Act

Client File No.: 4435.00

Registration Number:

Consignee (Receiver) No. MB3005678