SUMMARY OF COMMENTS/RECOMMENDATIONS

PROPONENT: HUSKY OIL OPERATIONS LTD.

PROPOSAL NAME: Asphalt Cement Terminal and Asphalt Emulsion

Blending Plant.

CLASS OF DEVELOPMENT: One

TYPE OF DEVELOPMENT: Bulk Materials Handling

CLIENT FILE NO.: 4717.00

OVERVIEW:

On November 13, 2001, the Department received a Proposal from Husky Oil Operations Limited for the development and operation of an asphalt cement terminal and asphalt emulsion blending plant.

On November 14, 2001 the Department placed copies of the Proposal in the Public Registries located at 123 Main St. (Union Station), the Winnipeg Centennial Public Library, the Manitoba Eco-Network and the Rural Municipality of Springfield office. As well, copies of the proposal were provided to the Technical Advisory Committee (TAC) members. The Department placed a public notification of the Proposal in the Winnipeg Free Press on November 17, 2001 and in the Winnipeg Herald on November 15, 2001. The newspaper and TAC notifications invited responses until December 10, 2001.

COMMENTS FROM THE PUBLIC:

None were received.

COMMENTS FROM THE TECHNICAL ADVISORY COMMITTEE:

<u>Culture, Heritage and Tourism, Historic Resources Branch</u> No concerns with regard to this project's potential to impact heritage resources.

<u>Industry</u>, <u>Trade and Mines</u>, <u>Industry Development Division</u> Noted that there are economic development benefits associated with the project as the new facility will replace an existing blending plant on Wall Street as well as various storage facility in Winnipeg.

<u>Industry, Trade and Mines, Petroleum Branch</u> No comments or concerns.

<u>Transportation and Government services</u> No concerns. The facility is well outside our control area and is being located within an established industrial area.

Conservation, Sustainable Resource Management Branch comments were:

The potential for odour impact from operations might have to be assessed more broadly. Though air quality concentrations of total reduced sulphur have been estimated through air quality dispersion modeling, hydrocarbon odours might also be present and might also contribute to odours. While ambient hydrocarbon air quality concentrations were predicted from modeling and were determined to be within guidelines used elsewhere no information is given as to what aspect of the environment these guidelines were intended to protect.

Limited technical information is provided on the 'Vapour Recovery System' in Section 2.2.5. This information could help to understand and confirm the system's capacity to reduce total reduced sulphur releases.

The spatial tank arrangement and design of the facility seems to be similar to a facility at Yorkton. Although testimonial letters are included from a number of facilities none are included from the Yorkton area.

In Section 2.8.3 of the report it states that a series of ground water monitoring wells will be installed and monitoring will be undertaken to assess the integrity of the liners and drip prevention measures. However, in Section 4.2.3 of the report, which deals with monitoring, there is no mention of the groundwater monitoring wells. This should be clarified as a groundwater monitoring network and monitoring program should be included in the design and operation of the fuel oil storage area.

Disposition:

The proponent responded to these concerns in a satisfactory manner.

Conservation, Operations, Red River Region Had the following comments

Section 2.1.4.1 Groundwater Protection:- A definition explaining "only clean wastewater will be pumped to the ditch" should be included in the proposed Environment Act Licence.

Section 2.1.4.2 Neighbourhood Air Quality:- The Vapour Recovery System (VRS) which will be used for the reduction or removal of hydrocarbons and sulfide emissions from the loading operation should have a sufficient capacity so that odour beyond the property boundaries will not become an issue.

Section 2.2.1 Receiving Area:- It is understood that the solid asphalt arriving on site by rail tanker cars is heated to 160 °C by steam to liquefy the asphalt, which aids in the unloading process. The by-products of this process, spent steam and asphalt-cement vapours are a potential odour source and should be controlled to avoid possible complaints.

Section 2.7.1.1. Product Transfer into Storage Tanks:- Uncontrolled hydrocarbon and reduced sulphur vapours escaping from the tank headspace, through a goose neck tank vent during the transfer operation, are also potential odour sources and must be addressed.

Section 4.2.3 Monitoring:- Collected runoff rainwater may require additional testing parameters in addition to hydrocarbons before disposal to the R.M. of Springfield municipal ditch system.

Disposition:

These concerns/comments were forwarded to the proponent. The responses were forwarded to the authour for review and accepted.

Canadian Environmental Assessment Agency

The application of the Canadian Environmental Assessment Act with respect to this proposal will not be required.

Fisheries and Oceans did however request that the project should be completed as specified and with erosion control measures in place. DFO should be notified of any changes in plans, specifications or operating conditions that have the potential to adversely affect fish habitat.

Furthermore, DFO requested information re the statements on page 4-3 of the proposal concerning wetland wildlife habitat. Specifically whether there are any inlets or outlets to this habitat.

Disposition:

The proponent responded that there are not any inlets or outlets to the habitat.

PUBLIC HEARING:

A public hearing is not required.

RECOMMENDATION:

The Applicant should be issued a Licence, in accordance with the attached draft. Enforcement of the Licence should not be assigned to the Region until the facility is built and operational.

PREPARED BY:

Adrian Jackson, P. Eng. Environmental Engineer Municipal, Industrial and Hazardous Waste Approvals February 6, 2002

Telephone: (204) 945-7108

Fax: (204) 945-5229

E-mail Address: ajackson@gov.mb.ca