

SUMMARY OF COMMENTS/RECOMMENDATIONS

PROPONENT: Plains Industrial Hemp Processing Ltd.
PROPOSAL NAME: Hemp Fibre Processing Facility
CLASS OF DEVELOPMENT: One
TYPE OF DEVELOPMENT: Manufacturing and industrial plant
CLIENT FILE NO.: 5466.00

OVERVIEW:

On May 19, 2010, Manitoba Conservation received a Proposal dated May 18, 2010, for the construction and operation of a Hemp Fibre Processing Facility to be located on SE 09-25-22 WPM in the Rural Municipality of Gilbert Plains. The proposed development will consist of hemp processing facility, storage buildings, machine shop and office area, access roads, parking lot and utility infrastructure. Operation of the hemp fibre facility includes: production of long hemp fibre, seed growth mats, barbeque pellets, stove pellets, and shipping products to customers. The facility will operate Monday to Friday from 8:30 am – 4:30 pm.

On August June 17, 2010, Manitoba Conservation placed copies of the Proposal in the Public Registries located at 123 Main St. (Union Station), the Winnipeg Millennium Public Library, the Manitoba Eco-Network, Dauphin Public Library, and the Rural Municipality of Gilbert Plains. Copies of the Proposal were also provided to the Technical Advisory Committee (TAC) members. The Department placed public notification of the Proposal in the Dauphin Herald on Tuesday, June 22, 2010.

On July 26, 2010 Manitoba Conservation forwarded requests for additional information from the TAC to the proponent's consultant. On August 13, 2010, the consultant submitted responses to the comments and requests from the TAC.

All additional information necessary for the review was placed in the Public Registries.

COMMENTS FROM THE PUBLIC:

No comments were received from the public.

COMMENTS FROM THE TECHNICAL ADVISORY COMMITTEE:

Manitoba Infrastructure and Transportation

- *No concerns*

Manitoba Conservation – Parks and Natural Areas Branch

- *No concerns*

Manitoba Conservation – Wildlife and Ecosystem Protection Areas

- *No concerns*

Manitoba Conservation - Sustainable Resource & Policy Management Branch & Land Branch

- *No concerns*

Manitoba Conservation – Environmental Operations

July 22, 2010

- *Noise emissions: the factor has been overlooked in the proposal that excessive noise leads to hearing damage. The use of various types of machinery in the processing operation should have measures to prevent excessive amounts of noise.*
- *Proposed development: Holding tank installation shall be registered through application with this office.*
- *Solid Waste: Currently the Town of Gilbert Plains is in process of planning on solid waste disposal site construction. The site is not operational as of today.*
- *Decommissioning: Using the Elie straw board processing plant as a barometer of what can happen to a facility that closes due to economic reasons or management practices, the removal and storage or destruction of remaining waste must be considered. Who will be responsible to clean the remnants up after such an event may occur?*

Proponent Response (August 13, 2010):

- The proponent will adhere to all Manitoba Workplace Safety and Health Regulations.
- The proponent will register all wastewater holding tanks with the Environmental Operation Division, Western Region - Manitoba Conservation.
- The Town and RM of Gilbert Plains are committed to construct the new Regional Class 3 Waste Disposal Site prior to the commencement of production at the hemp processing facility.
- The proponent is planning to build 3 hay shelters (60' by 120' each) on the site to hold straw bales. Those shelters will hold 2400 bales of or 1080 tonnes of straw. The facility will be able to process one shelter every two weeks in the first year of operation, and empty one shelter every week in the 5th year of operation. Straw bales will be brought in from farm yards on an as-required basis and stacked in the shelters to minimize on-site open storage. The proponent is fully responsible for any bale removal if operations cease.

Disposition:

- After receiving the additional information from the proponent, no further comments were received from Environmental Operations.

Manitoba Conservation – Pollution Prevention Branch

July 20, 2010

- *The report has limited information on the biomass boiler. Biomass combustion is major source of particulate matter (PM, PM10, PM2.5) emissions and it is recommended that the proponent be required to fully characterize the boiler and its emissions.*
- *The report indicates that hemp processing will be in enclosed spaces connected to a baghouse fabric filter. Although no schematic diagram was provided to indicate location of the baghouse and process connected to it, it is expected that processes with dust (PM) generation potential is connected to it. Also, it is expected that proper operation and maintenance of the baghouse will be observed to maintain its optimum efficiency.*

Proponent Response (August 13, 2010):

- The proponent has decided that a biomass boiler would not be cost effective for this particular project. The design has subsequently been changed to utilize a boiler powered by electricity.
- All dust generating processes will be connected to the baghouse. Routine maintenance of the baghouse will be conducted to maintain optimum efficiency.

Disposition:

- After receiving the additional information from the proponent, no further comments were received from Pollution Prevention Branch.

Manitoba Water Stewardship – Planning and Coordination Branch

July 20, 2010

- *Prior to beginning construction of the proposed development, the proponent is required to submit an application for a Water Rights Licence to Construct Water Control Works, including the submission of an engineered drainage plan, prepared by a Professional Engineer, registered to practice in the Province of Manitoba.*
- *The proponent needs to be informed that if the proposal in question advocates any construction activities, erosion and sediment control measures should be implemented until all of the sites have stabilized.*

Proponent Response (August 13, 2010):

- The proponent will submit an application and all documentation required for a Water Rights Licence to Construct Water Control Works.
- The proponent will implement all erosion and sediment control measures required until the site has stabilized.

Disposition:

- After receiving the additional information from the proponent, no further comments were received from Manitoba Water Stewardship.

COMMENTS FROM FEDERAL REPRESENTATION:

Canadian Environmental Assessment Agency (CEEA)

July 22, 2010

- Based on the responses to the federal survey, the application of the Canadian Environmental Assessment Act (the Act) will be required for this project. The Departments of Agriculture and Agri-Food Canada (AAFC) and Western Economic Diversification (WD) must complete a federal environmental assessment (EA) pursuant to the Act since the project is being considered for federal funding.
- The Prairie Region office of the CEA Agency will be assisting WD in conducting a federal environmental screening and will act as the Federal Environmental Assessment Coordinator (FEAC) for the project.

Agriculture and Agri-Food Canada - Agri-Environment Services Branch

- *The proposed land is currently zoned Agricultural General Zone (AG) and will retain this designation with this new land use. The municipality will approve subdivision as a condition of signing a development agreement with Plains Industrial Hemp Processing. The municipality's zoning by-law provides for the approval of this project through a conditional use process, as it relates to processing of agriculture product. The anticipated time of processing is approximately one month. Has the proponent already applied/received this permission? If so, please provide paper documentation (copy of permit). If not, when do you anticipate receiving it? Is this the only 'building' type permit needed from the local authorities?*
- *In the EAP the proponent indicates a holding tank for sewage waste, but then in response to my colleague, Twyla, proponent mentions a sewer field. Please clarify where sewage and wastewater will be stored. Also, the proponent mention the RMs new Waste Disposal Ground- what is that being used for? Please clarify the waste components.*
- *The project uses approximately 20 acres of the 55 acre site. What will the remaining 35 acres be- will they remain annual crop land?*
- *The proponent mentions the Biomass boiler. What wastes will go to fuel this (pellets created, other waste)? Also, is there any waste ash from the biomass boiler? Any other wastes or emissions from it?*
- *Are there plans to build a dugout on site, for water storage/fire protection? When will the Municipal fire protection upgrades be completed?*
- *Is the bulk fuel facility to the south or west of the proposed site?*

Proponent Response (August 10, 2010):

- The only permit from the municipality is a Development Permit which was applied for in May to the Municipality. The purpose of this permit is to assign a representative of the municipality to work with the project to ensure it meets the requirements of the Mountainview Planning District requirements. Agricultural General Zone (AG) is related to the Mountainview Planning District. The RM of Gilbert Plains has no other designation and will allow use of land for projects that related to agriculture through a process called Conditional Use. Application was made to the RM of Gilbert Plains and at the Public Hearing there were no objections and therefore PIHP has been allowed, by resolution in Council to carry out its project on the land. There are no other requirements from the municipality. As for the land, the municipality has applied for and has been approved for subdivision of the land

and a legal land survey was completed two months in advance of the subdivision approval in order to expedite this process.

The "building permit" is a Provincial permit as this project's occupancy classification is "industrial".

- A capital cost allowance has been made for sewage requirements by the municipality as part of the incentive package offered by the RM of Gilbert Plains. As no engineer has provided comment as to best method to deal with sewage, the RM of Gilbert Plains has generically used the words "sewer field" in its development agreement. The sewage and wastewater will be stored according to the Province of Manitoba's guidelines as directed by a licensed Manitoba engineer as the project moves forward.
- The physical footprint of the buildings will consume approximately 20 acres of the proposed 50 acres. It is desirable that there be a buffer surrounding the facility to provide for tractor/truck traffic as farmers deliver their bales and surety of setback from neighbours for quite enjoyment. The remaining 35 acres includes some rolling land that is not suitable for placing a building and will become part of the buffer. It is contemplated that a industrial hemp crop variety trials research program may be developed at the site in the future and will contribute to the education of new farmers who may be interested in crop diversification. As fire protection is a consideration the engineers will recommend best use of the land as the project moves forward.
- The biomass boiler will not be used. The owner has decided to use electric heat.
- Municipal fire protection upgrades are being completed for the expansion of the Gilbert Plains Co-op in 2010. The municipality and the Co-op have permitted PIHP to use the underground storage tanks which have been installed near the boundary of PIHP. A capital cost allowance has been made for fire suppression requirements by the municipality as part of the incentive package offered by the RM of Gilbert Plains. As no engineer has provided comment as to these requirements, the RM of Gilbert Plains has generically used the words "dugout" in its development agreement as this has been widely discussed. Requirements will be according to the Province of Manitoba's guidelines as directed by a licensed Manitoba engineer as the project moves forward.
- The bulk fuel facility that is approximately to the East of the property is surrounded by residential and commercial buildings as detailed on the drawings.

Disposition:

- After receiving the additional information from the proponent, no further comments were received from Agriculture and Agri-Food Canada.

PUBLIC HEARING:

A public hearing is not recommended because no comments were received from the public.

RECOMMENDATION:

The Proponent should be issued a Licence for the construction and operation of a of a hemp fibre processing facility in accordance with the specifications, limits, terms and conditions of the attached draft Licence. The responsibility for enforcement of the Licence should be assigned to the Environmental Operations of Manitoba Conservation.

A draft Environment Act licence is attached for the Director's consideration.

PREPARED BY:

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