

Director's Order

Director's Order Number

1-210255296

Director's Order Issued To

941037 ONTARIO LTD.
2501 STANFIELD RD , MISSISSAUGA, ON, L4Y 1R6

Site

ENVIRO FUEL
237 JIM SNOW DR, LOYALIST, ON, K0H 1G0

Refer to the Definitions section in Part B of this Director's Order, for the meaning of all the capitalized terms that are used in this Director's Order.

PART A - WORK ORDERED

This work is ordered pursuant to my authority under **EPA | 136**, I order you to do the following:

Item No. 1

I hereby require the performance of the environmental measures outlined in the Approval, specifically removal and disposal of liquid waste and processed fuel from the Site, and that the ECA Financial Assurance being held pursuant to the Approval is required to be used for this purpose.

PART B - BACKGROUND AND REASONS

This Director's Order is being issued for the reasons set out below.

Definitions

For the purposes of this Director's Order, the following capitalized terms shall have the meanings set out below:

"Approval" means Environmental Compliance Approval No. A370820 issued January 30, 1992, for a waste oil processing facility, as amended, the last amendment being October 9, 2007.

"Company" means 941037 Ontario Ltd., operating as Enviro Fuel.

"EPA" means the Environmental Protection Act, R.S.O. 1990, c. 19, as amended.

"ECA FA" means the financial assurance of \$30,000.00 originally deposited with the Crown, as required under s. 132 of the EPA and pursuant to the Approval together with interest accumulated thereon.

"FA" means financial assurance.

"Ministry" means the Ministry of the Environment, Conservation, and Parks.

"Order" means the Provincial Officer's Orders Number 1-107698647, issued on July 20, 2022.

"Site" means the property at 237 Jim Snow Dr. Bath, Ontario, K0H 1G0, Property Identifier Number 451290137

Description of Person(s) Subject to the Director's Order

941037 Ontario Ltd., operating as Enviro Fuel (Company), is an Ontario incorporated corporation, corporation number 941037, initially incorporated on June 17, 1991. The Company is a subsidiary of Process Capital Corp., and currently owns the waste oil processing facility located at 237 Jim Snow Drive, Bath, Ontario, K0H 1G0, PIN 451290137 (Site). Robert Henry Grimard is listed as the Chief Officer or Manger, Active Director, President, and CFO of the Company.

Description of the Site and/or System/Facility

The Company operated at the Site as a waste oil processing facility from 1992 until it was abandoned in 2012. The Site is located in a rural area neighboured by industrial properties. The area is not municipally serviced however, there are no drinking water wells within 400 m of the Site. The Site is approximately 1.6 km upgradient of Lake Ontario.

Reasons for the Director's Order

The Company was originally issued Environmental Compliance Approval No. A370820 (Approval) on January 30, 1992, for a waste oil processing facility. Six notices were issued between 1992 and 2007, amending the Approval which, after the sixth amendment, contained 22 Conditions.

Condition 19 of the Approval required the posting of financial assurance (FA) to cover the costs of:

- i) trucking, disposal and labour costs for removal of all solid hazardous and liquid waste and processed fuel from the site;
- ii) costs of equipment dismantling and cleaning, tank cleaning, and the removal and disposal tank bedding material and any other contaminated soil or material around the tanks or on the site; and
- iii) any legal and contractual costs associated with the closure of the site.

The amount of the FA was estimated by a third party and determined to be \$75,000.00. On March 28, 1995, a Letter of Credit was issued by CIBC on behalf of the Company in the amount of \$75,000.00 in satisfaction of Condition 19 of the Approval. On January 19, 2002, the FA expired. On November 20, 2004, the Ministry of the Environment, Conservation and Parks (Ministry) required the Company to renew their FA in the amount of \$76,861.00 however, this was never complied with.

In 2005, the Company requested a reduction in FA due to the facility no longer being in operation. On October 9, 2007, Notice No. 6 of the Approval was issued for an FA re-evaluation in the amount of \$30,000.00 to provide sufficient funds for the analysis, transportation, Site clean-up, monitoring and disposal of all quantities of waste on the Site at any one time. On October 18, 2007, the Company forwarded a cheque in the amount \$30,000.00. Since then, the FA has been held by the Ministry in an interest-bearing account and is now equal to \$34,699.61.

On September 3, 2014, the Ministry conducted an inspection of the Site which determined that the Company did not properly decommission the Site in the manner described under Condition 20 of the Approval. This is documented under Compliance Summary Inspection Report dated September 3, 2014 (attached). The Ministry conducted another inspection of the Site on April 21, 2022, confirming the findings of the previous inspection. This is documented under Properties of Environmental Concern Inspection dated April 26, 2022 (attached), which noted the abandonment of the facility and all equipment and materials therein. In addition, chemicals were not stored to prevent spills and evidence of staining was present in and around the building. Despite a chain link fence surrounding the property, locked gate, and locked doors on the building, there was evidence that humans and animals have occupied the Site. As a result of the April 2022 inspection, the Ministry required the Company to prepare and implement an action plan for the appropriate closure of the facility and cleanup of the property. This was not completed.

On July 20, 2022, a Provincial Officer's Order (Order) was issued and served to both the Company and Robert Henry Grimard. The Order required, among other things, that: 1) a Work Plan be prepared that includes characterizing all materials on Site, removing all waste from Site, and complete remediation of any spills at the Site; 2) the Work Plan be implemented; 3) reports be submitted documenting remediation work and waste removal activities; and 4) that the Orderees provide the Director with receipts/invoices of all waste transferred from the Site. The Company and Robert H. Grimard did not comply with the Order.

On May 11, 2023, an onsite spill of approximately 1,500 litres of waste oil and/or fuel from external storage tanks was identified at the Site. The external storage tanks are within a containment area and the spill was within the contained area. There is currently no evidence of offsite impact from the spill, but there is a risk of the spill migrating beyond the contained area if it is not cleaned up in the near future, as precipitation events could cause an overflow of the containment, and the integrity of the containment area is unknown. In addition, due to the poor security of the site, and storage containers that are in poor condition, there is a risk of additional spills.

To address this risk, the Ministry will use the FA that the Ministry is holding with respect to the Site to retain a clean up contractor to carry out certain requirements of the Approval and the Order, due to the failure of the Company and Robert H. Grimard to carry out the required work, specifically to remove and dispose of waste oil that spilled on site and if funds allow, to pump out the remaining liquid waste from the storage tanks on site to reduce the risk of future spills at the site.

Authority to Issue the Director's Order

I am issuing this Director's Order under my authority as a Director under the following legislation, which also includes the authority to take intermediate action and/or procedural steps:

Section 136, EPA.

For the reasons described above, I have reasonable and probable grounds to believe that the environmental measures contained in the Approval have not been carried out by the Company or Robert H. Grimard for which the Crown holds financial assurance. I also believe that it is necessary for the Crown to use the financial assurance for the performance of the environmental measures specified in the Approval including the removal and disposal of liquid waste and processed fuel from the Site.

Attachments

The attachments listed below, if any, form part of this Director's Order:

- 1) Compliance Summary Inspection Report dated September 3, 2014
- 2) Properties of Environmental Concern Inspection Report dated April 26, 2022

ISSUING DIRECTOR

APPEAL TO THE ONTARIO LAND TRIBUNAL INFORMATION

REQUEST FOR HEARING

You may require a hearing before the Ontario Land Tribunal if, within 15 days of service of this Director's Order, you serve written notice of your appeal on the Ontario Land Tribunal and the Director as indicated in the Contact Information below. Your notice of appeal must state the portions of this Director's Order for which a hearing is required and the grounds on which you intend to rely at the hearing. Unless you receive leave (permission) from the Ontario Land Tribunal, you are not entitled to appeal a portion of this Director's Order or to rely on grounds of appeal that are not stated in the notice of appeal.

CONTACT INFORMATION

The contact information for the Director and the Ontario Land Tribunal is the following:

Registrar
Ontario Land Tribunal
655 BAY STREET, SUITE 1500
TORONTO, ON M5G 1E5
Email: OLT.Registrar@ontario.ca

and

Director
Ministry of the Environment,
Conservation and Parks
Eastern Region
1259 GARDINERS RD, UNIT 3
KINGSTON, ON K7P 3J6
Office Email: Environment.Kingston@ontario.ca
Fax: (613) 548-6908

The contact information of the Ontario Land Tribunal and further information regarding its appeal requirements can be obtained directly from the Tribunal at:

Tel: (416) 212-6349, Toll Free: 1(866) 448-2248 or www.olt.gov.on.ca

SERVICE INFORMATION

Service of the documentation referred to above can be made personally, by mail, by fax (in the case of the Director only), by commercial courier or by email in accordance with the legislation under which this Director's Order is made and any corresponding Service Regulation.

ADDITIONAL INFORMATION

Unless stayed by the Director or the Ontario Land Tribunal, this Director's Order is effective from the date of service.

Failure to comply with a requirement of this Director's Order constitutes an offence. Unless otherwise indicated, the obligation to comply with a requirement of this Director's Order continues on each day after the specified compliance date until the obligation has been satisfied.

The requirements of this Director's Order are minimum requirements only and do not mean that you are not required to comply with any other applicable legal requirements, including any:

- statute, regulation, or by-law;
- federal, provincial, or municipal law; or
- applicable requirements that are not addressed in this Director's Order.

The requirements of this Director's Order are severable. If any requirement of this Director's Order, or the application of any requirement to any circumstance, is held invalid, such finding does not invalidate or render unenforceable the requirement in other circumstances. It also does not invalidate or render unenforceable the other requirements of this Director's Order.

Further orders may be issued in accordance with the legislation as circumstances require.

This Director's Order is binding upon any successors or assignees of the persons to whom this Director's Order is issued.

The procedures to request a hearing and an appeal of this Director's Order and other information provided above are intended as a guide. The legislation should be consulted for additional details and accurate reference. Further information can be obtained from e-Laws at www.ontario.ca/laws.