



Report Date: November 14, 2024

File: PAO 112057

Report Number: 235281

Deep Water Recovery Ltd.
5084 Island Highway South
P.O. Box 276
Union Bay, B.C. V0R 3B0

Attn: Mark Jurisich

Dear Deep Water Recovery Ltd.,

Re: Warning Letter

On November 8, 2024, Ministry of Environment and Climate Change Strategy (Ministry) Officer Jurgen Deagle (Ministry Staff) conducted an office inspection of the Deep Water Recovery Ltd. (DWR) ship breaking facility (Facility) located at 5084 Island Highway South, Union Bay, B.C. The inspection was conducted to verify compliance with Pollution Abatement Order 112057 (Order) which requires DWR to: immediately stop the release or discharge of effluent with concentrations of Copper, Lead and Zinc above BC Water Quality Guidelines (BCWQG) levels to the environment; to hire qualified professionals to assess site conditions; and to submit monitoring reports, updates, and recommendations to the Ministry. The Order does not provide authorization to discharge waste to the environment. The Order was issued on March 15, 2024, and was last amended on October 24, 2024.

DWR was determined to be out of compliance with the Order. Failure to comply with the requirements set out in the Order is an offence. The applicable offence section(s) of the *Environmental Management Act (EMA)* states:

EMA 120 (10) A person who contravenes an order or requirement, other than an order under section 9 (3) [hazardous waste storage and disposal] or 90.1 (1) [permits under area based management plan], that is given, made or imposed under this Act by a sewage control manager, a district director, a director, the minister or the appeal board commits an offence and is liable on conviction to a fine not exceeding \$300 000 or imprisonment for not more than 6 months, or both, but an order or requirement is not contravened unless it

(a) was given in writing, and

(b) specified a reasonable period of time for compliance and that period has expired.

As an alternative to prosecution of the offence referenced above, the Ministry may initiate action to impose an administrative penalty against DWR. The Administrative Penalties Regulation (EMA) (B.C. Reg. 133/2014) (APR) describes the prescribed provisions of EMA under which administrative penalties can be assigned. The applicable section of the APR states:

12 (4) A person who fails to comply with an order under the Act is liable to an administrative penalty not exceeding \$40 000.

The Ministry requests that DWR immediately implement the necessary changes or modifications to correct the non-compliances listed below. Further, the Ministry requests that, within 30 days of the receipt of this letter, DWR notify this office, in writing, advising what corrective measures have been taken, and what else is being done, to prevent similar non-compliances in the future. The corrective measures will be reviewed by an Officer as part of the next inspection. Please submit the response to the Ministry e-mail at: EnvironmentalCompliance@gov.bc.ca.

As a result of this Warning, this Order will be prioritized for follow-up inspection. If DWR fails to take the necessary actions to restore compliance, they may be subject to escalating enforcement action. This Warning Letter and the alleged violations and circumstances to which it refers will form part of the compliance history of DWR and will be taken into account in the event of future violations.

Inspection Details:

The inspection period for this report is from October 1, 2024, to October 31, 2024, (Inspection Period) and included review of the following documents:

- *Site Activity and Discharge Identification Update Report*, dated April 4, 2024 prepared by Darryl Stowe, P.Chem, Senior Environmental Scientist, Envirochem Services Inc. (**Discharge Report**)
- *Pollution Abatement Order 112057 Surface Water Sampling and Monitoring Report October 2024*, dated August 9, 2024, prepared by Darryl Stowe, P.Chem, Senior Environmental Scientist, Envirochem Services Inc. (**October Monitoring Report**)
- *Pollution Abatement Order 112057, Proposed Surface Water Sampling and Management Plan, Deep Water Recovery Ltd. 5084 Island Highway South, Union Bay, BC*, dated September 13, 2024, prepared by Darryl Stowe, P.Chem, Senior Environmental Scientist, Envirochem Services Inc. (**Approved Sampling Plan**)

Compliance Assessment

Below are the Order requirements that were assessed for compliance during this inspection, as well as the associated details/findings and actions required.

The Order was amended on October 24, 2024 when the Ministry extended the submission deadline for the Effluent Quality Mitigation and Treatment Plan. Deadline extensions are indicated by blue text.

Requirement Description:

Pollution Abatement Order - Required Action 3

3. By [September 13, 2024](#), cause a Qualified Professional to complete an updated Effluent Sampling and Management Plan (Plan) and submit it to the Director for approval. This Plan must include:

- a) Ongoing inspection at least twice per week, of discharge status at each discharge location identified in the Report, with written records and photographs, and inspection of Facility to identify any other discharges that may arise, under the supervision of a Qualified Professional;
- b) Ongoing sampling at least once per calendar month and during or within 72 hours of a Significant Rainfall Event of Sump 1, Sump 2, Sump 3, background location NC-HWY, any points of discharge to the foreshore including surface water run-off from unpaved areas outside the Sump catchments where vessel repair, maintenance, and/or dismantling activities have taken or are taking place, any points of discharge from the foreshore where vessel repair, maintenance, and/or dismantling activities have taken place, and any additional discharge locations identified by the Qualified Professional in the Report for laboratory analysis of:

- Total Suspended Solids
- pH
- Total and Dissolved Metals
- Any additional COPC identified in the Report [Discharge Report, April 4, 2024]
 - LEPH,
 - HEPH,
 - VOCs,
 - PAHs;

c) Ongoing sampling and analysis at least once per calendar month and during or within 72 hours of a Significant Rainfall Event, of each Sump location for Rainbow Trout Toxicity 96 hr LC50 in 100% effluent. 96 hr LC50 100% means that, in a static bioassay on rainbow trout, at least 50% of the test fish must survive 96 hours in 100% effluent;

d) Actions proposed to eliminate the discharge of Total and Dissolved Copper, Lead and Zinc in concentrations greater than BCWQG levels to the environment.

- a. By [October 31, 2024](#), submit to the Director for approval, an effluent quality mitigation and treatment plan to eliminate the discharge of Total and Dissolved Copper, Lead and Zinc in concentrations greater than BCWQG levels to the environment, developed and implemented under the direction of a Qualified Professional.
- b. By [September 13, 2024](#), submit to the Director for approval, a design prepared by a Qualified Professional for a water treatment system(s) at the point of discharge on Sumps 1, 2 and 3 in order to cease the release or discharge of effluent with concentrations of Copper, Lead and Zinc above BC Water Quality Guidelines (BCWQG) levels to the environment.
- c. Under oversight of a Qualified Professional, install the approved water treatment system(s) including any amendments to the design as identified by the Director, by [December 15, 2024](#).

Details/Findings:

The Approved Sampling Plan was submitted on September 13, 2024, and approved on September 20, 2024. The Approved Sampling Plan contained the required elements specified by this Section.

On October 31, 2024, DWR submitted a Proposed Effluent Quality Mitigation and Treatment Plan per Section 3(d) (a), which was approved by the Ministry on November 7, 2024.

The installation of the approved water treatment system is not yet due, therefore, compliance with that requirement is not assessed in this report.

Compliance:

In

Ministry of Environment and Climate Change Strategy	Compliance and Environmental Enforcement Branch	Mailing Address: 2080-A Labieux Rd Nanaimo BC V9T 6J9	Telephone: 250 751 3100 Facsimile: 250 751 3103 Website: www.gov.bc.ca/env
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Requirement Description:

Pollution Abatement Order - Required Action 4

4. Implement the approved Plan on a date to be specified in writing by the Director.

Details/Findings:

The Ministry's September 20, 2024, approval stated that the Approved Sampling Plan must be implemented by October 1, 2024, and the first monthly report was due November 1, 2024. The October Monitoring Report, the first monthly report, was received on November 1, 2024.

The Approved Sampling Plan states, "*Until Sump 2 is decommissioned and the flows from Sumps 2 and 3 are re-routed, each sump location will be inspected at least twice per week with written records and photographs retained for each location. Inspection of the foreshore area where the Miller Freeman is currently located will also be included until the vessel has been moved to the paved area.*"

Ministry Environmental Emergency Program staff attended the site on November 4, 2024, and observed the vessel 'Miller Freeman' was not located on the paved portion of the property. Therefore, inspection of the foreshore area is required.

Twice weekly inspections of each sump location and the foreshore area were required the week of October 1 (Week 1), October 8 (Week 2), October 15 (Week 3), October 22 (Week 4), and October 29, 2024 (Week 5). As Week 5 extends into November, compliance during this week is not assessed.

The October Monitoring Report states that inspections of the sums were completed on October 2, October 21, October 24 and October 28, 2024. These inspections include written records and photographs. There was one inspection of the sums in Week 1, no inspections in Week 2, one inspection in Week 3 and two inspections in Week 4. The other twice weekly inspections were not completed. The October Monitoring Report does not include any inspections of the Miller Freeman foreshore area. DWR completed twelve and missed twenty inspections during the Inspection Period.

		Inspections							
		Sump 1		Sump 2		Sump 3		Foreshore	
		Complete	Missed	Complete	Missed	Complete	Missed	Complete	Missed
Week 1	October 1-7, 2024	1	1	1	1	1	1	0	2
Week 2	October 8-14, 2024	0	2	0	2	0	2	0	2
Week 3	October 15-21, 2024	1	1	1	1	1	1	0	2
Week 4	October 21-28, 2024	2	0	2	0	2	0	0	2
Total		4	4	4	4	4	4	0	8
Complete		12							
Missed		20							

The Approved Sampling Plan states, "*As per the Order, sampling is to be conducted a minimum of once per calendar month and during or within 72 hours of a significant rainfall event.*"

The Approved Sampling Plan states samples will be collected at:

- Sump 1,
- Sump 2,
- Sump 3,
- NC-Hwy (culvert) and
- at any additional discharges in the area where vessel repair, maintenance, or recycling is taking place as identified during the weekly inspections.

The Approved Sampling Plan states parameters to be tested are:

- Total Suspended Solids,
- pH,
- Total Metals,
- Dissolved Metals,
- Hardness,
- Light Extractable Petroleum Hydrocarbons,
- Heavy Extractable Petroleum Hydrocarbons,
- Polycyclic Aromatic Hydrocarbons,
- Volatile Organic Compounds, and
- 96-Hour Rainbow Trout Toxicity (LC50@100%).

The October Monitoring Report notes Significant Rainfall events (>25 mm/24 hours) occurred on October 18 and 20, 2024. The October Monitoring Report states that no samples were collected during the calendar month. DWR has not completed a minimum of one sampling event during the calendar month and has not sampled during or within 72 hours of a Significant Rainfall event.

DWR did not carry out and document twice weekly discharge inspections, failed to complete at least one sampling event during the calendar month and failed to collect samples during or within 72 hours of a Significant Rainfall event. Therefore, DWR has failed to implement the Approved Sampling Plan and is out of compliance with Section 4 of the Order.

The Ministry's November 7, 2024, approval stated that the Effluent Quality Mitigation and Treatment Plan was to be implemented by November 8, 2024. This date is outside the Inspection Period of this report, therefore, compliance with this requirement is not assessed in this report.

Compliance:

Out

Actions to be taken:

Implement the Approved Sampling Plan, including all required discharge inspections and sampling events.

Requirement Description:

Pollution Abatement Order - Required Action 5

5. On the first day of every month **commencing November 1, 2024**, cause a Qualified Professional submit to the Director a monthly report of Plan activities completed in the previous calendar month. These monthly reports must include actions taken towards complying with requirements 1 through 5 of this Order, including, but not limited to:

- a) Provision of written discharge inspections and photographs;
- b) Copies of all laboratory analytical reports and detailed acute toxicity test results;
- c) Description of all effluent management activities, including any onsite treatment or offsite disposal, with supporting records;
- d) Summary of the inspection and sampling results;
- e) Interpretation of the laboratory analytical results by a Qualified Professional; and
- f) Precipitation data and summary for the month.

All monthly reports must include a comparison in tabular format, showing each sampling location, the analytical data for the current reporting period along with all analytical data collected for that location since March 2023. All monthly reports must be prepared and signed by a Qualified Professional operating within their scope of practice. Monthly reports shall continue until further notice in writing from the Director.

Details/Findings:

The October Monitoring Report was received on November 1, 2024. The report included written discharge inspections and photographs. It did not include laboratory reports or toxicity test results, as no samples were submitted for analysis. It did not include a description of any effluent management activities. It did include a summary of the inspection results and noted that no samples were collected. With no sample data, no interpretation of results could be provided. The report included select daily precipitation data and a summary of precipitation for the month. The October Monitoring Report included a tabular comparison of each sample location but, as no sampling occurred, the table contained no data. The October Monitoring Report was prepared and signed by Darryl Stowe, a professional chemist.

As the October Monitoring Report did not include a description of effluent management activities, DWR is out of compliance with this Section.

Compliance:

Out

Actions to be taken:

Ensure monthly reports include all required information, including a description of all effluent management activities.

Ministry of Environment and Climate Change Strategy	Compliance and Environmental Enforcement Branch	Mailing Address: 2080-A Labieux Rd Nanaimo BC V9T 6J9	Telephone: 250 751 3100 Facsimile: 250 751 3103 Website: www.gov.bc.ca/env
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Requirement Description:

Pollution Abatement Order - Required Action 6

6. Each time a report, plan, or monthly report is submitted to the Director, the Qualified Professional(s) performing any of the following in response to this Order: performing work, authoring reports, authoring the Report and Plan, providing reporting, sampling, analyzing, constructing or modifying works, or providing opinions must complete and submit the attached Declaration of Competency and Conflict of Interest Disclosure Statement forms.

Details/Findings:

The October Monitoring Report was prepared by Darryl Stowe, a professional chemist and included Declaration of Competency and Conflict of Interest Disclosure Statement forms.

Compliance:

In

Compliance History:

- 2024-08-23 IR 230462 Warning Codes and Regs: Pollution Abatement Order - Required Action 3
- 2024-08-02 IR 228922 AMP: Pollution Abatement Order - Required Action 1
- 2024-04-22 IR 222735 Warning 120(7): Pollution Abatement Order - Required Action 2, Pollution Abatement Order -Required Action 3, Pollution Abatement Order - Required Action 6

The Ministry of Environment Compliance and Enforcement Policy and Procedure (C&E Policy) prescribes common requirements and procedures for all Ministry staff to ensure consistent and risk-based assessment and response to non-compliance. Using the Non-Compliance Decision Matrix, the compliance determination for this inspection has been assessed as **Level 2, Category B, Warning Codes and Regs**.

More information about Environmental Compliance, the Non-Compliance Decision Matrix, and reporting and data submission requirements can be found at the links below:

General compliance information:

www.gov.bc.ca/environmentalcompliance

Non-Compliance Decision Matrix information:

www2.gov.bc.ca/gov/content/environment/natural-resource-stewardship/natural-resource-law-enforcement/environmental-compliance/consequences-of-non-compliance#non-compliance-decision-matrix

Reporting and data submission requirements (send to: EnvAuthorizationsReporting@gov.bc.ca):

www2.gov.bc.ca/gov/content/environment/waste-management/waste-discharge-authorization/comply

Please be advised that this inspection report may be published on the provincial government website within 7 days.

If you have any questions about this warning, please contact the undersigned.

Yours truly,



Jurgen Deagle

Environmental Protection Officer

cc: BC Conservation Officer Service
Darrel Stowe, Envirochem Services Inc.

Attachments:

none

Deliver via:

Email: Fax:

Mail:

Registered Mail: Hand Delivery:

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DISCLAIMER:

Please note that sections of the permit, regulation or code of practice referenced in this inspection record are for guidance and are not the official version. Please refer to the original permit, regulation or code of practice.

To see the most up to date version of the regulations and codes of practices please visit
<http://www.bclaws.ca>

If you require a copy of the original permit, please contact the inspector noted on this inspection record.

It is also important to note that this inspection record does not necessarily reflect each requirement or condition of the authorization therefore compliance is noted only for the requirements or conditions listed in the inspection record.