



Report Date: December 18, 2025

File: UA 184988

Report Number: 252670

Deep Water Recovery Ltd.
5084 Island Highway S
PO Box 276
Union Bay BC V0R 3B0

Dear Deep Water Recovery Ltd.,

Re: Warning Letter - Soil Relocation

On November 6, 2025, Ministry of Environment and Parks (Ministry) Environmental Protection Officers Bryan Vroom and Jurgen Deagle (Officers Vroom and Deagle) conducted an on-site inspection of the Deep Water Recovery Ltd. (DWR) ship repair and salvage facility in Union Bay, B.C. (Facility). The inspection was conducted to verify compliance with the *Environmental Management Act* (EMA) and the *Contaminated Sites Regulation* (CSR). Present during the inspection were Michael Sloan, P.Eng., Principal Environmental Engineer, SLR Consulting Ltd. (SLR Representative); Gillian Helpard, P.Chem., President, Tsolum & Tsable Occupational Health and Safety Ltd. (TTOHS Representative)); and Brian Fagan, Northwin Environmental Ltd. (Northwin Representative).

Failure to comply with the requirements set out in the EMA is an offence. The applicable offence section of the EMA states:

EMA 120 (17) A person who

*...
(i) contravenes section 55 (1.1) or (1.3) [removal and deposit of soil],*

*...
commits an offence and is liable on conviction to a fine not exceeding \$200000 or imprisonment for not more than 6 months, or both.*

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) was brought into force in 2014. The APR describes the prescribed provisions of EMA under which administrative penalties can be assigned. The applicable section of the APR states:

12 (1) A person who contravenes section 6 (2), (3) or (4), 7, 8, 9 (1) or (4), 11, 25 (2), 40 (1), (2), (6) or (7), 40.1 (2), 48 (8), (10) or (15), 55 (1.1) or (1.3), 55.1 (2), 72 (1) or (2), 76.2, 91.11 (1) (a) or (4), 91.2 (2) or 91.41 (4) of the Act is liable to an administrative penalty not exceeding \$75 000.

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

As a result of this Warning, this Facility will be prioritized for follow-up inspection. If DWR fails to take the necessary actions to restore compliance, DWR 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 site is a 111-acre property located at 5084 Island Highway South, Union Bay, B.C. owned by Union Bay Industries Ltd. DWR leases the property from Union Bay Industries Ltd. According to DWR's 2019 management plan for tenure replacement and DWR's on-line profile, DWR carries out the salvage, dismantling, and recycling of marine vessels and rail assets. Ship maintenance and dismantling occur on the northeastern portion of the site.

This site has a prior history of industrial land-use, including a log sort, wood waste landfill and coal storage. Environmental Site Assessments in 2005 and 2008 found elevated concentrations of hydrocarbons and trace to low concentrations of metals. Most results in those assessments were below the CSR standards for industrial land-use.

During the November 6, 2025, site inspection Officers Vroom and Deagle observed a large soil stockpile at the southern end of the Facility composed of fill material from the former berm along the north end of the property. Additional fill was also observed along the west side of the site, overtop the former "Stage 3" wood waste landfill.

This inspection report assesses compliance during the period from August 19, 2025, through November 6, 2025, (Inspection Period) and included review of the following documents:

- Environmental Site Assessment Hancock Forest Management Union Bay Properties, dated May 26, 2005, prepared by NTEX Resource Ltd. (**2005 Site Assessment**)
- "Management Plan For Tenure Replacement", dated 2019-11-27, submitted by Mark Jurisich, Deep Water Recovery (**2019 Management Plan**)
- "Information about EMA permitting and soil relocation", e-mail dated September 18, 2024, from Bryan Vroom P.Ag., BC Ministry of Environment and Parks (**September 18, 2024 e-mail**)
- "Deep Water Recovery Ltd. Soil Movement Information Request", e-mail dated August 27, 2025, from Jurgen Deagle, BC Ministry of Environment and Parks (**August 27, 2025 e-mail**)
- www.youtube.com/@dronevideos1617/videos (dated August 20, 27 and September 2, 2025), retrieved on November 5 and 24, 2025 (**Drone Videos**)
- "Information Request - Deep Water Recovery Ltd. Soil Relocation", e-mail dated September 2, 2025, from Jurgen Deagle, BC Ministry of Environment and Parks (**September 2, 2025 e-mail**)
- "Information Request - DWR Response Letter", e-mail dated September 16, 2025, from Michael Sloan, P.Eng., SLR (**September 16, 2025 e-mail**)
- "Deep Water Recovery Ltd.", Facebook page at <https://www.facebook.com/deepwaterrecoveryltd/>, retrieved on November 14, 2025 (**Online Profile**)
- "Deep Water Recovery Ltd.", Linked In page at <https://www.linkedin.com/company/deep-water-recovery-ltd/>, retrieved on November 14, 2025 (**Online Profile**)
- "RE: 2005 Environmental Site Assessment, e-mail dated December 1, 2025, from Michael Sloan, P.Eng., SLR (**December 1, 2025 e-mail**)

Compliance Assessment

Based on the information reviewed, this report documents the non-compliances identified during this inspection.

Requirement Description:

Environmental Management Act Section 55(1.1)

55 (1.1): A person must not remove soil from a site that has been used for a specified industrial or commercial use unless the person has

- (a) analyzed the quality of the soil, in accordance with the regulations, if any, and
- (b) provided notice of the removal to the prescribed persons, in accordance with subsection (1.2).

Details/Findings:

Soil is defined in the CSR Part 1 and includes unconsolidated mineral or organic material (See Appendix 1: EMA and CSR extracts).

Schedule 2 of the CSR lists specified industrial or commercial uses that trigger the requirements of this section and include "boat repair or maintenance" (G3), "marine equipment salvage" (G4) and "industrial woodwaste (log yard waste, hogfuel) disposal" (H11). According to the 2005 Site Assessment, 5084 Island Highway was a dry-land log sort from the late 1970's until the early 2000's and included three woodwaste landfills. Based on their current on-line profile, DWR now operates a marine vessel repair and salvage facility at this location. This site has been used for specified industrial or commercial uses. Therefore, the requirements of this section apply.

On September 17, 2024, Officers Vroom and Deagle observed DWR employees relocating soil within the Facility (See Photo 1). Soil was being moved from a berm along the north edge of the property to a soil stockpile south of the gravel pad. During that inspection, Officer Vroom verbally advised DWR that relocation of soil from an industrial site could trigger testing and notification requirements. In a follow-up e-mail, sent September 18, 2024, Officer Vroom provided DWR information with additional information on soil relocation and a link to the Ministry's soil relocation information website, <https://www2.gov.bc.ca/gov/content/environment/air-land-water/site-remediation/remediation-implementation/soil-relocation>.

On August 27, 2025, the Ministry received a complaint about possible soil removal from the Facility, along with photos of soil being loaded on a barge docked at the Facility (See Photo 2). The Ministry sent DWR and SLR an e-mail requesting further information and reminding them notification was required prior to relocating soil from the site (August 27, 2025 e-mail). The SLR Representative replied that evening, stating they were still tracking down details regarding soil movement and would ensure that appropriate documentation was available.

Officer Deagle reviewed Drone Videos from August and September 2025. These videos showed imported sand being stockpiled on an unlined gravel pad next to the berm stockpile, then blended and screened with soil from the berm (See Photo 3). This initial blend was then trucked to the north side of the asphalt pad where it was blended with fish compost.

On September 2, 2025, not having received an update from DWR or SLR, the Ministry sent them a follow-up e-mail requesting soil removal notification information by September 16, 2025.

The SLR Representative responded on September 16, 2025, stating that DWR had carried out soil blending for Vancouver Island Enterprises (VEI), a Comox based landscaping firm. The soil blend consisted of on-site berm material, imported sand and imported fish compost to create approximately 400 m³ of topsoil, which was then shipped from the site by barge on August 27, 2025. VEI did not share the soil's destination with DWR, other than that soil was distributed to sites within the Vancouver Island region.

According to the September 16, 2025, e-mail, DWR collected soil samples on September 2, 2025, from the berm material stockpile (Photos 3, 4, 5) and from residual amounts of blended soil that did not get loaded on the barge (See Photo 6). These samples were collected one week after the blended soil was removed from the site. Soil quality was not tested before soil was removed from the site and no samples were collected from soil that was relocated, therefore DWR is out of compliance with EMA Section 55(1.1)(a).

Review of Ministry records on November 7, 2025, found that DWR had not submitted a soil relocation notification to the Ministry. According to CSR Section 43 (See Appendix 1), notification is required at least 1 week before soil relocation occurs. DWR is out of compliance with EMA Section 55(1.1)(b).

According to the September 16, 2025 e-mail, DWR did not believe soil removal notification was required, as the soil was only being manufactured on-site and the sand and fish compost components were not from the site. The e-mail stated the wood-waste berm material should be considered "untreated and unprocessed wood residuals" under the Organic Matter Recycling Regulation (OMRR).

While unprocessed wood is suitable for composting, the berm material was made up of wood waste and inorganic material graded from the site during operation of the former log sort. There is no indication that the berm was ever composted in accordance with OMRR. According to OMRR Section 2(1), compostable materials continue to be waste until dealt with in accordance with that regulation.

The 2005 Site Assessment included a test pit of the woodwaste berm and determined it was at least 60% wood waste with sandy and clayey silt. The samples taken by DWR in September 2025, found the stockpiled berm material now contained 5.6% organic matter. This is supported by Officers' visual observations (See Photos 1, 4), which show the berm material has a soil-like appearance and includes gravel, rock and other non-organic components. In September 2024 and November 2025, Officers observed the berm stockpile material is also capable of growing vegetation, which a pure woodwaste would not. Based on the 2005 Site assessment, 2025 soil analytical results and visual observations, the material meets the CSR definition of soil, and, therefore, notification is required.

On December 1, 2025, the SLR Representative sent a follow-up e-mail stating that DWR intended to submit a soil relocation notification.

The December 1, 2025 e-mail states, "*The notification will go toward satisfying the spirit of the legislation regarding the removal of soil 'from' a Schedule 2 site, even though the soil product distributed from the site was manufactured using soil/sand brought to the site.*" DWR is reminded that notification is required even in cases where soil is in temporary transit through a site with current or historical schedule 2 activity, (See Protocol 19, page 11, https://www2.gov.bc.ca/assets/gov/environment/air-land-water/site-remediation/docs/protocols/protocol_19.pdf).

Compliance:

Out

Actions to be taken:

Submit soil relocation notification for soils removed from the site on August 27, 2025, per the December 1, 2025 e-mail from SLR.

In future, ensure soil quality is analyzed before removing it from the site and provide notice of removal in accordance with EMA Section 55(1.2).

Compliance History:

2025

- 2025-08-21 IR 249074 Notice: Pollution Abatement Order 112057
- 2025-08-11 IR 244785 AMP: Pollution Abatement Order 112057 - Required Action 4(B), Required Action 4(C), Required Action 4(D), Required Action 4(E), Required Action 4(F), Required Action 4(G), Required Action 4(H), Required Action 4(I), Required Action 4(J), Required Action 4(L)
- 2025-06-20 IR244510 AMP: Pollution Abatement Order 112057 - Required Action 4(B), Required Action 4(C), Required Action 4(D), Required Action 4(E), Required Action 4(F), Required Action 4(G), Required Action 4(H), Required Action 4(I), Required Action 4(J), Required Action 4(K)
- 2025-06-04 IR 243398 AMP: Pollution Abatement Order 112057 - Required Action 4
- 2025-05-06 IR 241941 AMP: Pollution Abatement Order 112057 - Required Action 1, Required Action 4
- 2025-03-25 IR 240675 AMP: Pollution Abatement Order 112057 - Required Action 4
- 2025-02-28 IR 238568 AMP: Pollution Abatement Order 112057 - Required Action 1, Required Action 3, Required Action 4
- 2025-01-23 IR 238061 AMP: Pollution Abatement Order 112057 - Required Action 1, Required Action 3, Required Action 4

2024

- 2024-12-13 IR 236755 AMP: Pollution Abatement Order 112057 - Required Action 4, Required Action 5, Required Action 6
- 2024-11-21 IR 235281 Warning: Pollution Abatement Order 112057 - Required Action 4, Required Action 5
- 2024-11-12 IR 235424 Advisory: Environmental Management Act 91.2 (1)(a), Spill Reporting Regulation (187/2017)(EMA) 4 (1)
- 2024-08-23 IR 230462 Warning: Pollution Abatement Order 112057 - Required Action 3
- 2024-08-02 IR 228922 AMP: Pollution Abatement Order 112057 - Required Action 1
- 2024-08-02 IR 225587 AMP: Environmental Management Act Section 6 (2)
- 2024-04-22 IR 222735 Warning: Pollution Abatement Order 112057 - Required Action 2, Required Action 3, Required Action 6
- 2024-03-25 IR 221886 Notice: Information Order 111550
- 2024-02-16 IR 220776 Notice: Information Order 111550
- 2024-01-22 IR 219527 Notice: Information Order 111550
- On March 15, 2024 the Ministry issued Pollution Abatement Order 112057. This Order remains in effect.

2023

- 2023-12-20 IR 218684 Notice: Information Order 111550
- 2023-11-24 IR 217482 Warning: Information Order 111550 - Required Action 3 Sampling and Monitoring Plan Implementation
- 2023-10-19 IR 215625 Notice: Information Order 111550
- 2023-09-19 IR 213864 Notice: Information Order 111550
- 2023-08-16 IR 211704 Notice: Information Order 111550
- 2023-07-17 IR 209740 Notice: Information Order 111550
- 2023-06-30 IR 207681 Warning: Information Order 111550 - Required Action 2 Submit a Sampling and Monitoring Plan
- 2023-04-28 IR 205501 AMP: Information Order 111550- Required Action 4 Monthly Report
- 2023-03-02 IR 203307 Notice: Information Order 111550
- On January 23, 2023, the Ministry issued Information Order 111550, which was cancelled on March 15, 2024.

2022

- 2022-12-08 IR 199271 Warning Unauthorized Discharge Environmental Management Act Section 6(2)
- 2022-09-06 IR 193589 Warning Unauthorized Discharge Environmental Management Act Sections 6(2) and 13
- 2022-04-29 IR 184988 Warning Unauthorized Discharge Environmental Management Act 6(2)

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 noncompliance. Using the Non-Compliance Decision Matrix, the compliance determination for this inspection has been assessed as **Level 2, Category B, Warning Codes and Regulations**.

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

General compliance information:

www.gov.bc.ca/environmentalcompliance

Non-Compliance Decision Matrix information:

www2.gov.bc.ca/gov/content?id=41FAF54F96214C218329AC218700F17F

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.

Below are attachments related to this inspection.

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

Yours truly,



Jurgen Deagle

Environmental Protection Officer

cc: SLR Consulting Ltd.

Attachments:

- 1) Appendix 1: Excerpts from EMA and Contaminated Sites Regulation
- 2) Photo 1: Stockpiled Berm 2024-09-17
- 3) Photo 2: Stockpiled Berm Material 2025-11-06
- 4) Photo 3: Berm Vegetation 2025-11-06
- 5) Photo 4: Soil Blending 2025-08-20
- 6) Photo 5: Soil Barge 2025-08-27
- 7) Photo 6: Soil storage area on date of sampling 2025-09-02

Deliver via:

Email: ☒ Fax: ☐ Mail: ☐
Registered Mail: ☐ Hand Delivery: ☐

DISCLAIMER:

Please note that sections of the act, 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>

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

Appendix 1: Excerpts from EMA and Contaminated Sites Regulation

Environmental Management Act

55 (1.2): Notice under subsection (1.1) (b) must

- (a) include the following information:
 - (i) the site from which the soil will be removed;
 - (ii) the site or sites at which the soil will be deposited;
 - (iii) the maximum amount of soil that will be deposited at each site;
 - (iv) a summary, prepared in accordance with the regulations, if any, of the analysis referred to in subsection (1.1) (a);
 - (v) the prescribed information,
- (b) be provided in the prescribed form and manner, if any, and
- (c) be provided by the prescribed date.

Contaminated Sites Regulation (375/96) (EMA)

1 "soil" includes

- (a) unconsolidated mineral or organic material,
- (b) rock,
- (c) fill, and
- (d) sediment deposited on land,

but does not include the following, which are applied to land for a beneficial purpose in compliance with the Organic Matter Recycling Regulation or an authorization given under the Act:

- (e) sewage sludge;
- (f) composted organic materials;
- (g) products derived from the materials described in paragraph (e) or (f);

43 (1): A notice under section 55 (1.1) [removal of soil notice] of the Act must be

- (a) in the form set out in Schedule 8, and
- (b) provided to the minister by a qualified professional, through a website maintained by or on behalf of the minister, at least one week and no more than 2 years before the removal of the soil to which the notice relates.



Photo 1: Stockpiled Berm Material 2024-09-17

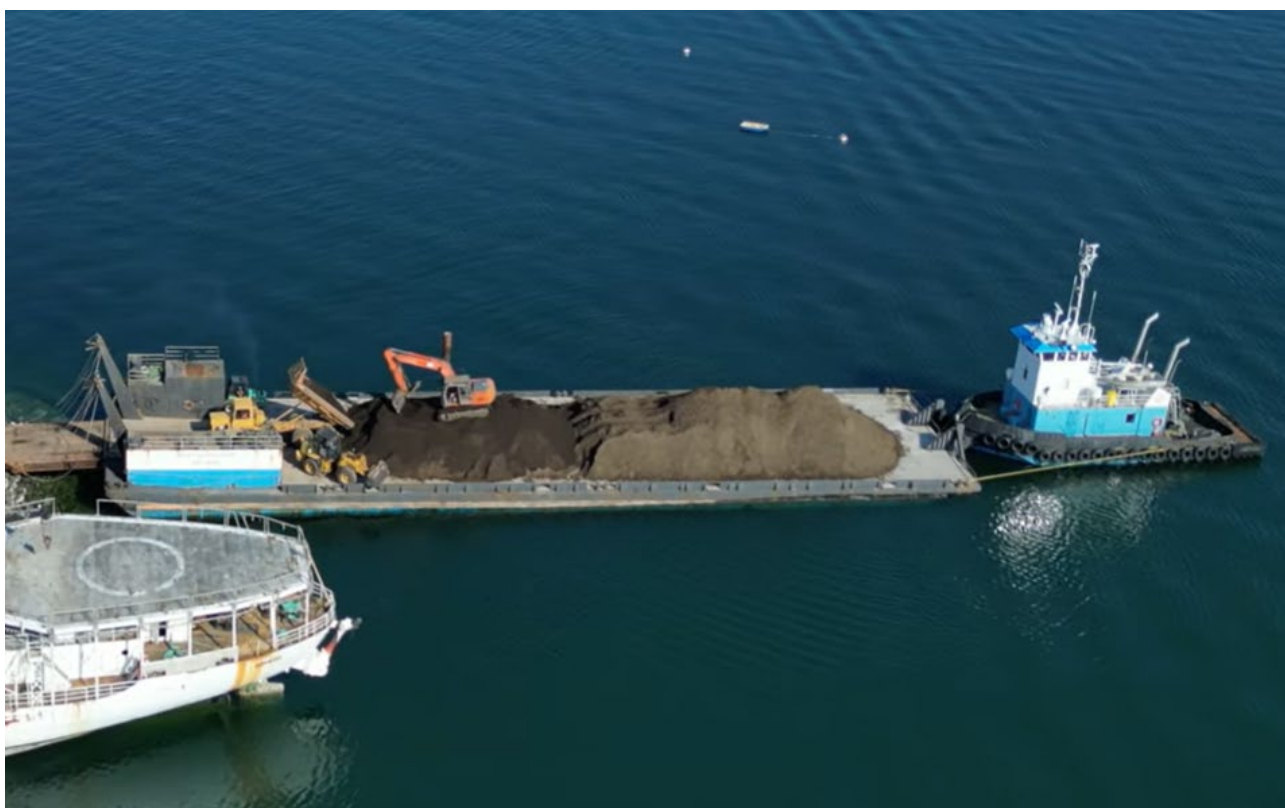


Photo 2: Soil Barge 2025-08-27

Photo retrieved from <https://www.youtube.com/watch?v=na5amLrzXaY> on November 5, 2025.



Photo 3: Soil Blending 2025-08-20

Photo retrieved from <https://www.youtube.com/watch?v=jodqTQvur9s> on November 5, 2025.



Photo 4: Stockpiled Berm Material 2025-11-06



Photo 5: Berm Vegetation 2025-11-06



Photo 6: Soil storage area on date of sampling 2025-09-02

Photo retrieved from <https://www.youtube.com/watch?v=kfslkzoQ6PQ> on November 24, 2025.