



Industrial Sewage Inspection Report

Client: Canadian National Railway Company
 Mailing Address: 277 Front Street West, Toronto, Ontario, Canada, M5V 2X7
 Physical Address: 277 Front Street West, Concession: , Plan: , Toronto, City, Ontario, Canada, M5V 2X7
 Telephone: (416)217-6733, FAX: (416)217-6774
 Client #: 5201-5KRRXT, Client Type: Corporation, NAICS: 482111,

Inspection Site Address: Canadian National Railway Hornepayne Yard
 Address: 58 Front Street, Concession: , Plan: , Hornepayne, Township, District of Algoma, P0M 1Z0
 District Office: Sault Ste. Marie
 GeoReference: ,

Contact Name: David Sutherland **Title:** Environmental Officer

Contact Telephone: (905)669-3377 ext **Contact Fax:** (905)760-3490

Last Inspection Date: 1999/06/09

Inspection Start Date: 2004/09/21 **Inspection Finish Date:** 2004/09/21

Region: Northern

1.0 INTRODUCTION

A routine inspection of the Canadian National Railway industrial sewage works at the Hornepayne yard was conducted on September 21, 2004, in the company of Mr. David Sutherland, Environmental Officer. The purpose of the inspection was to audit the operation and maintenance of the works for compliance with the Certificate of Approval.

2.0 INSPECTION OBSERVATIONS

MOE Facility Number:

This facility is not subject to the requirements of either IMIS or MIDES

Certificate of Approval Number(s):

Yes No

C of A Number(s): 4-0052-98-006

2.1 PROCESS DESCRIPTION

The sewage works was established for the collection, transmission, treatment, and disposal of groundwater that has been impacted with petroleum hydrocarbons at the west end fuelling stand. The sewage works consists of perforated pipe under drains, installed under the trackage adjacent to the west end fuelling platform and the contaminated soil stockpile, discharging to a 960 cubic meter retention lagoon. Effluent discharge is to Jackfish Creek.

2.2 EFFLUENT SUMMARY REPORT

Effluent limits are contained in the Certificate of Approval. Condition 3(1) and 3(2) state that the Owner shall design, construct, and operate the works such that at all times, the effluent being discharged to Jackfish Creek does not contain solvent extractable matter of mineral or synthetic origin in excess of 15 milligrams per litre as measured by oil and grease, and the Owner shall ensure that the effluent from the works is essentially free of floating and settleable solids and does not create a visible film or sheen or foam on Jackfish Creek.

2.3 SYSTEM CAPACITY ASSESSMENT

Flows shown below are for the last three calendar years. Identify the year, eg., 1999

Item	Year 1	Year 2	Year 3
Average daily flow (m ³ /day)	0.00	0.00	0.00
Maximum daily flow (m ³ /day)	0.00	0.00	0.00
Capacity Design (m ³ /day)	960.00	960.00	960.00
% of capacity, based on average daily flow	0.00	0.00	0.00

The sewage works design capacity is stated in the Certificate of Approval. Effluent flows from the works are not metered and are not required to be metered by the Certificate of Approval. However, product recovery is measured and recorded. In 2004, a total of 10.568 cubic meters of product was recovered.

2.4 SAMPLING REQUIREMENTS

The Certificate of Approval requires the Owner to collect a grab sample at the effluent discharge control gate once each month, and have it analyzed for benzene, toluene, ethylbenzene, xylene, total purgeable hydrocarbons, total extractable hydrocarbons, and oil and grease.

2.5 REPORTING REQUIREMENTS

There are no effluent monitoring reporting requirements specified in the Certificate of Approval.

2.6 FLOW MEASUREMENT

Flow measurement is not a requirement.

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection? Yes

Samples were broken in transit to the MOE laboratory. The effluent stream will be re-sampled in October, 2004.

2.8 FINANCIAL ASSURANCE

There is no record of financial assurance on file or the IDS database.

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

There were no outstanding non-compliance issues on file.

4.0 SUMMARY OF INSPECTION FINDINGS (HEALTH/ENVIRONMENTAL IMPACT)

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate ?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material ?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment ?

Yes

Specifics: Conditions 4(4)(a) and 4(4)(b) of the Certificate of Approval # 4-0052-98-006, require the Company to conduct a weekly inspection of the effluent from the Discharge Control Gate during discharge of treated water for any visible oil sheens, and a weekly inspection of the level of material in the recovered product storage tank. Condition 6.(1) of the Certificate of Approval requires the Company to log the results of the effluent monitoring required pursuant to condition No.4, including results of the visual inspections as per subsection (4) of condition 4 in a log-book. A review of the records contained in the log-book showed biweekly inspection entries contrary to the weekly inspection requirement.

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material ?

No

Specifics:

The summary of inspection findings does not include the review of analytical results from samples collected during the inspection. Once analytical results are received, the Ministry will verify for compliance against legal requirements and/or Ministry guidelines, and advise you of their findings.

5.0 ACTION(S) REQUIRED

Fully comply with condition 4(4)(a)(b) of the Certificate of Approval.

6.0 OTHER INSPECTION FINDINGS

There were no other inspection findings requiring action.

7.0 INCIDENT REPORT

Applicable
1337-653LEB

8.0 ATTACHMENTS

PREPARED BY: Environmental Officer:

Name: Ed Bil
District Office: Sault Ste. Marie Area Office
Date: 2004/10/12
Signature

REVIEWED BY: District Supervisor:

Name: Rod Stewart
District Office: Sault Ste. Marie Area Office
Date: 2004/10/12

Signature:

File Storage Number: AL HP 410

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"



Industrial Sewage Inspection Report

Client: Canadian National Railway Company
 Mailing Address: 503 - 277 Front Street West, Toronto, Ontario, Canada, M5V 2X7
 Physical Address: 503 - 277 Front Street West, Concession: , Plan: , Toronto, City, Ontario, Canada, M5V 2X7
 Telephone: (416)217-6733, FAX: (416)217-6774
 Client #: 5201-5KRRXT, Client Type: Corporation.

Inspection Site Address: Canadian National Railway Hornepayne Yard
 Address: 58 Front Street, Concession: , Plan: , Hornepayne, Township, District of Algoma, P0M 1Z0
 District Office: Sault Ste. Marie
 GeoReference: .

Contact Name: David Sutherland **Title:** Environmental Officer

Contact Telephone: (905)669-3377 ext **Contact Fax:** (905)760-3406

Last Inspection Date: 2004/09/21

Inspection Start Date: 2006/04/20 **Inspection Finish Date:** 2006/04/20

Region: Northern

1.0 INTRODUCTION

On April 20, 2006, I was on the property, responding to a complaint of a sheen on the Jackfish River coming from the CN property. Although the complaint was not focused on the Industrial Sewage Works under Certificate of Approval 4-0052-98-006 (Lagoon #5 and the oil/water separator) this site was also reviewed.

During the inspection of the oil/water separator located at Lagoon # 5, the log books kept inside the separator building were reviewed. The form style inside the book appeared to cover all of the documentable requirements with the Certificate of Approval (4.4, 6.). In reviewing the book the last two sheets indicated inspection occurred on September 7, 2005, and October 5, 2005, which would indicate that the site was only being inspected once a month. In later discussion with Tony of KGS Group, he indicated that the inspection were done weekly and had the annual report with the inspection dates. It was noted that some inspection forms were not in the book at the time of my review. The title of the inspection forms has biweekly in them which would imply that the inspection are done every two weeks rather than weekly as indicated in the Certificate of Approval.

While inside the oil/water separator building the power supply was not on and the belt for the separator was not hooked up/ready to go. There was a brownish material on the surface of the lagoon that went out for several feet, the CN employee that was on site indicated that the ice had just come of the lagoon within the past two days. In the Certificate of Approval there is no operational periods indicated, which implies that this oil/water separator is in operations all year round (which would require sample and inspections through this time period). This is not the case, it was understood that the oil/water separator is operated from late April until November of each year (when the outside lagoon #5 would freeze over).

2.0 INSPECTION OBSERVATIONS

MOE Facility Number:

This facility is not subject to the requirements of either IMIS or MIDES

Certificate of Approval Number(s):

Yes No

C of A Number(s): 4-0052-98-006

2.1 PROCESS DESCRIPTION

The sewage works was established for the collection, transmission, treatment and disposal of groundwater that has been impacted with petroleum hydrocarbons at the west end fuelling stand. The sewage works consists of perforated pipe under drains, installed under the trackage adjacent to the west end fuelling platform and the contaminated soil stockpile, discharging to a 960 cubic meter retention lagoon. Effluent discharge is to Jackfish Creek. Since 2005 the fueling area have been drained, now when fueling is required it is done directly from tanker truck.

2.2 EFFLUENT SUMMARY REPORT

Effluent limits are contained in the Certificate of Approval. Condition 3(1) and 3(2) state that the Owner shall design, construct, and operate the works such that at all times, the effluent being discharged to Jackfish Creek does not contain solvent extractable matter of mineral or synthetic origin in excess of 15 milligrams per litre as measured by oil and grease, and the Owner shall ensure that the effluent from the works is essentially free of floating and settleable solids and does not create a visible film or sheen or foam on Jackfish Creek.

2.3 SYSTEM CAPACITY ASSESSMENT

Flows shown below are for the last three calendar years. Identify the year, eg., 1999

Item	Year 1	Year 2	Year 3
Average daily flow (m ³ /day)	0.00	0.00	0.00
Maximum daily flow (m ³ /day)	0.00	0.00	0.00
Capacity Design (m ³ /day)	960.00	0.00	0.00
% of capacity, based on average daily flow	0.00	0.00	0.00

The sewage works design capacity is stated in the Certificate of Approval. Effluent flows from the works are not metered and are not require to be metered by the Certificate of Approval. However, product recovery is measured and recorded.

2.4 SAMPLING REQUIREMENTS

The Certificate of Approval requires the Owner to collect a grab sample at the effluent discharge control gate once each month, and have it analyzed for benzene, toluene, ethylbenzene, xylene, total petroleum hydrocarbons, total extractable hydrocarbons, and oil and grease

2.5 REPORTING REQUIREMENTS

There are no effluent monitoring reporting requirements specified in the Certificate of Approval

2.6 FLOW MEASUREMENT

Flow measurement is not a requirement.

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection? No

2.8 FINANCIAL ASSURANCE

There is no record of financial assurance on file or the IDS database

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

Conditions 4(4)(a) and 4(4)(b) of the Certificate of Approval # 4-0052-98-006, require the Company to conduct a weekly inspection of the effluent from the Discharge Control Gate during discharge of treated water for any visible oil sheens, and a weekly inspection of the level of material in the recovered product storage tank. Condition 6.(1) of the Certificate of Approval requires the Company to log the results of the effluent monitoring required pursuant to condition No 4, including results of the visual inspections as per subsection (4) of condition 4 in a log-book. A review of the records contained in the log-book showed biweekly inspection entries contrary to the weekly inspection requirement.

4.0 SUMMARY OF INSPECTION FINDINGS (HEALTH/ENVIRONMENTAL IMPACT)

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate ?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material ?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment ?

Yes

Specifics: Some of the weekly inspection information were not in the log book inside the oil/water separator building as required by the Certificate of Approval.

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material ?

No

Specifics:

Was there any indication of minor administrative non-compliance?

Yes

Specifics: The belt for the oil/water separator was not operable at time of inspection.

5.0 ACTION(S) REQUIRED

Ensure that all inspection area completed as required under the Certificate of Approval and that records of these inspection are kept on site for review.

6.0 OTHER INSPECTION FINDINGS

In a meeting on April 26, 2006, at the Ministry office in Sault Ste. Marie, attended by David Sutherland of CN this sewage works was discussed. Through that meeting it was agreed that CN would apply to amend Certificate of Approval 4-0052-98-006 to indicate that this site is operated on a season basis. In the meeting it was also mentioned that annual report for this site be added to the amended approval.

7.0 INCIDENT REPORT

Applicable
3651-6P6LHY

8.0 ATTACHMENTS

CN Rail 009.jpg; CN Rail 010.jpg; CN Rail 011.jpg

PREPARED BY:

Environmental Officer:

Name: Kirk Crosson
District Office: Sault Ste. Marie Area Office
Date: 2006/04/26
Signature

REVIEWED BY:

District Supervisor:

Name: Rod Stewart
District Office: Sault Ste. Marie Area Office
Date: 2006/04/27

Signature:



File Storage Number: AL HP RA 410

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"

Ministry of the Environment

Northern Region
Sudbury District Office
Sault Ste Marie Area Office
289 Bay Street, 3rd floor
Sault Ste Marie ON P6A 1W7
Fax: (705)942-6327
Telephone: (705)942-6392

Ministère de l'Environnement

Direction régionale du Nord
Bureau du district de Sudbury
Bureau du secteur de Sudbury
289 Bay Street, 3e étage
Sault Ste Marie ON P6A 1W7
Télécopieur: (705)942-6327
Téléphone: (705)942-6392



April 27, 2006

Canadian National Railway Company
503 - 277 Front Street West
Toronto, Ontario, M5V 2X7
Canada

RE: 58 Front Street
Hornepayne, District of Algoma

Reference Number 8747-6P3R3K

Dear Mr. David Sutherland

Enclosed for your review and records is the Industrial Sewage Works Inspection Report for the oil/water separator located at Lagoon #5 at the CN yard in Hornepayne that was completed on April 20, 2006.

Yours truly,

Kirk Crosson
Senior Environmental Officer
Sault Ste. Marie Area Office

File Storage Number: AL HP RA 410

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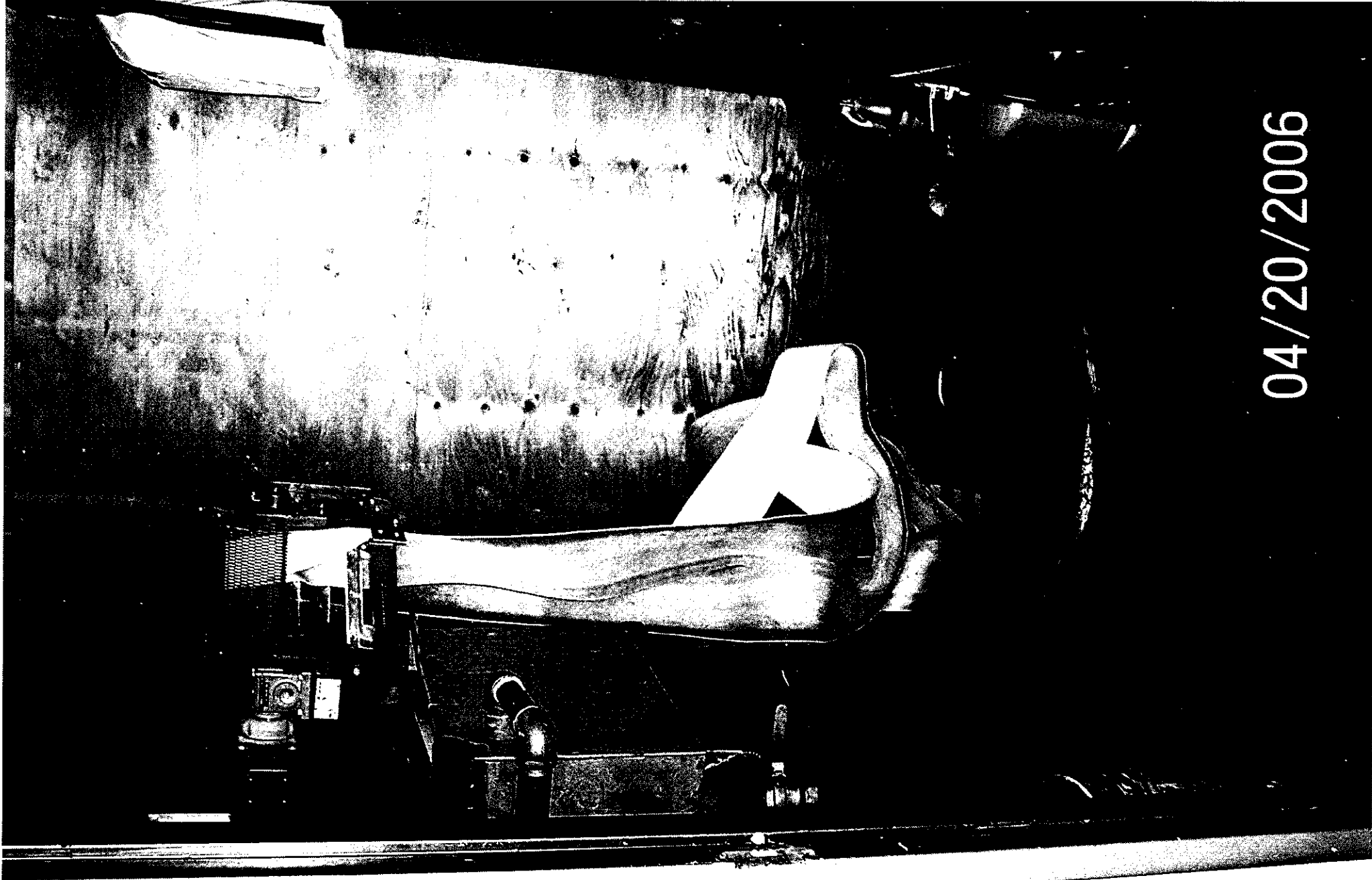


04/20/2006

001834



04/20/2006



04/20/2006

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001836



Industrial Sewage Inspection Report

Client: Canadian National Railway Company
 Mailing Address: 633 Creditstone Rd, Concord, Ontario, Canada, L4K 4N2
 Physical Address: 633 Creditstone Rd, Concession: , Plan: , Vaughan, City, Regional Municipality of York, Ontario, Canada, L4K 4N2
 Telephone: (905)669-3377, FAX: (905)760-3450, email: nick.coleman@cn.ca
 Client #: 8288-53DLMV, Client Type: Corporation

Inspection Site Address: Canadian National Railway Hornepayne Yard
 Address: 58 Front Street, Concession: , Plan: , Hornepayne, Township, District of Algoma, P0M 1Z0
 District Office: Sault Ste. Marie
 GeoReference: ,

Contact Name: Dave Sutherland **Title:** Environmental Officer

Contact Telephone: (905)669-3377 ext **Contact Fax:**

Last Inspection Date: 2006/04/20

Inspection Start Date: 2007/06/28 **Inspection Finish Date:** 2007/06/28

Region: Northern

1.0 INTRODUCTION

An inspection was conducted at the Canadian National Railway Company Hornepayne Yard as part of the Ministry of the Environment Sault Ste. Marie Area Office 2007/2008 planned inspection program. The Company operates a sewage works under Certificate of Approval 4-0052-98-006. The sewage works was established, and continues to operate, to collect and treat petroleum hydrocarbon impacted groundwater at the former West end fuelling stand in the CN Hornepayne Yard. The purpose of the inspection was to assess the Company's compliance with the Certificate of Approval issued for the works. The inspection was completed in the company of David Sutherland with CN, Tony Gallo with KGS Group, and Ron Dorscht with the MOE. In conjunction with this inspection, Ministry staff intended to complete an inspection of an additional sewage works that is operated at the site for the collection and treatment of petroleum hydrocarbon impacted groundwater.

2.0 INSPECTION OBSERVATIONS

MOE Facility Number:

N/A

Certificate of Approval Number(s):

Yes No

C of A Number(s): 4-0052-98-006

2.1 PROCESS DESCRIPTION

The sewage works was established for the collection, transmission, treatment, and disposal of groundwater that has been impacted with petroleum hydrocarbons at the west end fuelling stand. The sewage works consists of perforated pipe under drains, installed under the trackage adjacent to the west end fuelling platform and the contaminated soil stockpile, discharging to a 960 cubic meter retention lagoon equipped with a belt oil skimmer with product recovery tank. Final effluent discharge is to Jackfish Creek.

2.2 EFFLUENT SUMMARY REPORT

Effluent limits are contained in the Certificate of Approval. Condition 3(1) and 3(2) state that the Owner shall design, construct, and operate the works such that at all times, the effluent being discharged to Jackfish Creek does not contain solvent extractable matter of mineral or synthetic origin in excess of 15 milligrams per litre as measured by oil and grease, and the Owner shall ensure that the effluent from the works is essentially free of floating and settleable solids and does not create a visible film, sheen, or foam on Jackfish Creek

2.3 SYSTEM CAPACITY ASSESSMENT

Flows shown below are for the last three calendar years. Identify the year. eg., 1999

Item	Year 1 2004	Year 2 2005	Year 3 2006
Average daily flow (m ³ /day)	0.00	0.00	0.00
Maximum daily flow (m ³ /day)	0.00	0.00	0.00
Capacity Design (m ³ /day)	960.00	960.00	960.00
% of capacity, based on average daily flow	0.00	0.00	0.00

The sewage works design capacity is stated in the Certificate of Approval. Effluent flows from the works are not metered and are not required to be metered by the Certificate of Approval.

2.4 SAMPLING REQUIREMENTS

The Certificate of Approval requires the Owner to collect a grab sample at the effluent discharge control gate once each month, and have it analysed for benzene, toluene, ethylbenzene, xylene, total purgeable hydrocarbons, total extractable hydrocarbons, and oil and grease. At the time of the inspection the Company provided spreadsheets showing monthly sample dates and analytical results to confirm compliance with the certificate of approval sampling requirement. In addition to sample collection the Certificate of Approval requires the Company to conduct weekly inspections of the discharge to Jackfish Creek and the product recovery tank level. A review of the inspection log maintained at the works shows that weekly inspections are being performed.

2.5 REPORTING REQUIREMENTS

The Certificate of Approval Condition 5 identifies emergency reporting requirements. Condition 5 requires the Company to immediately notify the District Officer during normal business hours, or the spills action center after hours, of any spill, bypass, loss of product, by product, intermediate product, oils, solvents, waste material or any polluting substance into the environment. The condition also requires that a report be submitted to the District Manager within 10 working days of an occurrence describing the cause and discovery of the spill or loss, clean up and recovery measures taken, preventative measures to be taken, and a schedule for implementation.

The above emergency reporting requirements related to the operation of the sewage works do not absolve the Company of any other reporting requirements set out in the Environmental Protection Act, the Ontario Water Resources Act, or associated regulations.

2.6 FLOW MEASUREMENT

Flow measurement is not a required by the Certificate of Approval.

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection? No

2.8 FINANCIAL ASSURANCE

No financial assurance required by the Certificate of Approval.

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

There were no outstanding non-compliance issues identified related to the operation of the sewage works approved under Certificate of Approval 4-0052-98-006.

4.0 SUMMARY OF INSPECTION FINDINGS (HEALTH/ENVIRONMENTAL IMPACT)

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate ?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material ?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment ?

No

Specifics:

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material ?

No

Specifics:

Was there any indication of minor administrative non-compliance?

No

Specifics:

5.0 ACTION(S) REQUIRED

There are no actions required of the Company in relation to the operation of the sewage works approved under Certificate of Approval 4-0052-98-006.

6.0 OTHER INSPECTION FINDINGS

There are no additional findings to report related to this inspection.

7.0 INCIDENT REPORT

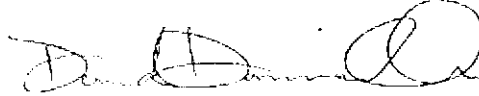
Not Applicable

8.0 ATTACHMENTS

PREPARED BY:

Environmental Officer:

Name: David Dominelli
District Office: Sault Ste. Marie Area Office
Date: 2007/08/08
Signature



REVIEWED BY:

District Supervisor:

Name: Rod Stewart
District Office: Sault Ste. Marie Area Office
Date: 2007/08/08

Signature:



File Storage Number: AL HP RA 410

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"

Ministry of the Environment

Northern Region
Sudbury District Office
Sault Ste Marie Area Office
289 Bay Street, 3rd floor
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Ministère de l'Environnement

Direction régionale du Nord
Bureau du district de Sudbury
Bureau du secteur de Sault Ste Marie
289 Bay Street, 3e étage
Sault Ste Marie ON P6A 1W7
Télécopieur: (705)942-6327
Téléphone: (705) 942-6306



August 10, 2007

David Sutherland
Canadian National Railway Company
633 Creditstone Road
Concord, Ontario, L4K 4N2
Canada

RE: Ministry of the Environment Compliance Inspection: Industrial
Sewage
Reference Number 1103-728KKU

Dear Mr. Sutherland,

Enclosed please find the inspection report prepared following the June 28, 2007 inspection of the Canadian National Railway Company Hornepayne Yard. The inspection was completed as part of the Ministry of the Environment's Sault Ste. Marie Area Office 2007/2008 planned inspection program. The purpose of the inspection was to assess the Company's compliance with the issued certificate of approval 4-0052-98-006.

While on site Ministry staff indicated that they intended on inspecting an additional sewage works the Company has informed Ministry staff it operates on the property. It was the intention of Ministry staff to assess the operation of the works for compliance with the Ontario Water Resource Act. The Company denied Ministry staff access to the works for the purposes of conducting a compliance inspection.

Please refer to the attached inspection reports for detailed inspection findings. If you have any questions please contact me by phone at 705-942-6306, or by email at david.dominelli@ontario.ca.

Yours truly,

A handwritten signature in black ink, appearing to read "David Dominelli".

David Dominelli
Environmental Officer
Sault Ste. Marie Area Office

File Storage Number: AL HP RA 410



Ontario

Ministry of the
Environment

Industrial Sewage Inspection Report

Client: Canadian National Railway Company
Mailing Address: 633 Creditstone Rd, Concord, Ontario, Canada, L4K 4N2
Physical Address: 633 Creditstone Rd. Concession: , Plan: . Vaughan, City, Regional Municipality of York, Ontario, Canada, L4K 4N2
Telephone: (905)669-3377, FAX: (905)760-3450, email: nick.coleman@cn.ca
Client #: 8288-53DLMV, Client Type: Corporation

Inspection Site Address: Canadian National Railway Hornepayne Yard
Address: 58 Front Street, Concession: , Plan: . Hornepayne, Township, District of Algoma, P0M 1Z0
District Office: Sault Ste. Marie
GeoReference: ,

Contact Name: David Sutherland **Title:** Environmental Officer

Contact Telephone: (905)669-3377 ext **Contact Fax:**

Last Inspection Date:

Inspection Start Date: 2007/06/28 **Inspection Finish Date:** 2007/06/28

Region: Northern

1.0 INTRODUCTION

Ministry of the Environment Staff attended the Canadian National Railway Company Hornepayne Yard in order to complete a planned inspection of a sewage works operated under Certificate of Approval 4-0052-98-006. It was the intent of Ministry staff to also complete a reactive inspection of an unapproved sewage works that was constructed and is operated on the property while on site.

Ministry staff had contacted David Sutherland with the Company on May 11, 2007 to arrange an inspection of the two sewage works operated on the property. At that time Mr. Sutherland indicated that the Company would allow Ministry staff to complete an inspection of the approved system, but would not allow staff to formally inspect the sewage works that the Company installed on the East end of the property as the company alleges that the Ministry does not have jurisdiction on federal property. Ministry staff arranged to meet Mr. Sutherland in Hornepayne on June 28, 2007.

Following the inspection of the approved sewage works on June 28 Ministry staff indicated that they wished to proceed to observe the unapproved sewage works. At that time Mr. Sutherland indicated again that the Ministry had no jurisdiction to conduct an official inspection. He said he would provide a tour of the system but if it was the Ministry's intent to prepare an inspection report or provide any formal direction related to the works that he would not allow Ministry staff to observe the works. Ministry staff indicated that it is the Ministry's position that it does have jurisdiction. Mr. Sutherland was informed that if staff were to observe the system they would be doing so as an official inspection to assess compliance with the Ontario Water Resources Act. Mr. Sutherland was asked by Ministry staff if he was denying staff access to the works to complete a formal inspection. Mr. Sutherland indicated that if it was the Ministry's intent to inspect, prepare a report, and provide any direction to the Company that he was denying Ministry staff access.

Staff followed Mr. Sutherland off the Canadian National Railway Hornepayne Yard property. An inspection of the unapproved sewage works operated at the East end of the Hornepayne Yard was not completed.

2.0 INSPECTION OBSERVATIONS

MOE Facility Number:

N/A

Certificate of Approval Number(s):

Yes No

2.1 PROCESS DESCRIPTION

Prior to being denied access to complete an inspection, in discussion with the Mr. Sutherland very limited details were provided about the East end sewage works. Mr. Sutherland indicated that the works operates to recover and treat petroleum hydrocarbon contaminated groundwater. He indicated that following treatment the system discharges sub-surface. He also said the Company has installed a number of monitoring wells to monitor the systems performance. He said the system is operated to meet the same criteria as required by the Certificate of Approval issued for the West end sewage works.

2.2 EFFLUENT SUMMARY REPORT

N/A

2.3 SYSTEM CAPACITY ASSESSMENT

Flows shown below are for the last three calendar years. Identify the year. eg., 1999

Item	Year 1	Year 2	Year 3
Average daily flow (m ³ /day)	0.00	0.00	0.00
Maximum daily flow (m ³ /day)	0.00	0.00	0.00
Capacity Design (m ³ /day)	0.00	0.00	0.00
% of capacity, based on average daily flow	0.00	0.00	0.00

N/A

2.4 SAMPLING REQUIREMENTS

N/A

2.5 REPORTING REQUIREMENTS

N/A

2.6 FLOW MEASUREMENT

N/A

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection? No

2.8 FINANCIAL ASSURANCE

N/A

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

4.0 SUMMARY OF INSPECTION FINDINGS (HEALTH/ENVIRONMENTAL IMPACT)

Was there any indication of a known or anticipated human health impact during the inspection and/or review

of relevant material, related to this Ministry's mandate ?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material ?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment ?

Yes

Specifics: The Company has informed Ministry staff that it operates a sewage works on the East end of the Hornepayne Yard property that does not have an approval issued by the Ministry of the Environment's Environmental Assessment and Approvals Branch for construction and operation. The Ontario Water Resources Act requires that Sewage Work's receive approval from the Ministry of the Environment prior to construction and operation.

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material ?

No

Specifics:

Was there any indication of minor administrative non-compliance?

No

Specifics:

5.0 ACTION(S) REQUIRED

N/A

6.0 OTHER INSPECTION FINDINGS

N/A

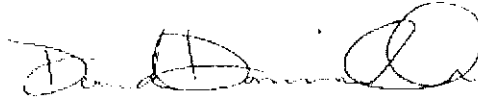
7.0 INCIDENT REPORT

Applicable
1440-752NC7 [.]

8.0 ATTACHMENTS

PREPARED BY:
Environmental Officer:

Name: David Dominelli
District Office: Sault Ste. Marie Area Office
Date: 2007/08/08
Signature



**REVIEWED BY:
District Supervisor:**

Name: Rod Stewart
District Office: Sault Ste. Marie Area Office
Date: 2007/08/08

Signature:



File Storage Number: SI-AL-HP-RA-410

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"



Industrial Sewage Inspection Report

Client: Canadian National Railway Company
 Mailing Address: 1 Administration Rd, Post Office Box, 1000, Concord, Ontario, Canada, L4K 1B9
 Physical Address: 1 Administration Rd, Vaughan, City, Regional Municipality of York, Ontario, Canada
 Telephone: (905)669-3377, FAX: (905)760-4306, email: david.sutherland@cn.ca
 Client #: 8338-4JGK8N, Client Type: Corporation, NAICS: 482111

Inspection Site Address: Canadian National Railway Hornepayne Yard
 Address: 58 Front Street, Hornepayne, Township, District of Algoma, P0M 1Z0
 District Office: Sault Ste. Marie
 GeoReference: ,

Contact Name: David Sutherland **Title:** Environmental Officer

Contact Telephone: (905)669-3377 ext **Contact Fax:**

Last Inspection Date: 2007/06/28

Inspection Start Date: 2007/11/14 **Inspection Finish Date:** 2007/11/14

Region: Northern

1.0 INTRODUCTION

A responsive inspection was completed at the Canadian National Railway Company Hornepayne Yard as a follow-up to a previous inspection at the Yard on June 28, 2007, in which Ministry staff were denied inspection powers to make compliance observations related to a sewage works operated at the East End of the Yard. The Company agreed, via an email from David Sutherland on October 31, 2007, to allow Ministry staff to complete an inspection of the East End Recovery System to assess whether or not the systems operations are subject to the Ontario Water Resources Act while maintaining their position that the facility is not subject to provincial jurisdiction. David Sutherland with CN was present for the inspection with consultant Tony Gallo from KGS Consulting Group.

2.0 INSPECTION OBSERVATIONS

MOE Facility Number:

N/A

Certificate of Approval Number(s):

Yes No

2.1 PROCESS DESCRIPTION

The East End Recovery System was constructed for the extraction and treatment of diesel contaminated groundwater in the area of the former East End Refuelling Station. The system consists of 10 groundwater recovery wells, 1 groundwater interception trench, an oil/water separator discharging to the East end lagoon, which in turn gravity discharges to the Little Jackfish River. Diesel contaminated groundwater is diverted from the interception trench and recovery wells to the oil water separator. Recovered diesel is diverted to storage tanks and the remaining effluent is diverted to the lagoon for final disposal to the Little Jackfish River. The system is operated seasonally from May to November as weather permits. KGS Consulting Group was onsite at the time of the inspection decommissioning the works for the winter.

Although no approval has been issued for the sewage works, the Company monitors the works operation according to the same criteria the Ministry has imposed on the approval issued for the West End Recovery System. The Company completes and logs

weekly inspections of the works, and collects monthly samples which are analysed for benzene, toluene, ethylbenzene, xylene, total purgeable hydrocarbons, total extractable hydrocarbons, and oil and grease as required by the West End Recovery System approval. Records of sample analysis and inspections are maintained onsite at the location of the works.

2.2 EFFLUENT SUMMARY REPORT

The sewage works is currently operated without a certificate of approval.

2.3 SYSTEM CAPACITY ASSESSMENT

Flows shown below are for the last three calendar years. Identify the year, eg., 1999

Item	Year 1	Year 2	Year 3
Average daily flow (m ³ /day)	0.00	0.00	0.00
Maximum daily flow (m ³ /day)	0.00	0.00	0.00
Capacity Design (m ³ /day)	0.00	0.00	0.00
% of capacity, based on average daily flow	0.00	0.00	0.00

2.4 SAMPLING REQUIREMENTS

The Company currently collects samples from the oil/water separator effluent and from the lagoon effluent on a monthly basis which are analysed for benzene, toluene, ethylbenzene, xylene, total purgeable hydrocarbons, total extractable hydrocarbons, and oil and grease.

2.5 REPORTING REQUIREMENTS

There are no reporting requirements associated with the sewage works. The works is operated without a certificate of approval.

2.6 FLOW MEASUREMENT

N/A

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection? No

2.8 FINANCIAL ASSURANCE

N/A

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

The Ministry has stated its position in previous inspections and correspondence that a certificate of approval is required for the operation of the East End Recovery System. The Company has not applied for an approval of the system as it maintains its position that the Ontario Ministry of the Environment does not have jurisdiction over the operation of the facility.

4.0 SUMMARY OF INSPECTION FINDINGS (HEALTH/ENVIRONMENTAL IMPACT)

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate ?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material ?

Yes

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment ?

Yes

Specifics: The Company has constructed and is operating a sewage works for the treatment and recovery of diesel contaminated groundwater. The Company does not hold, nor have they applied for, a certificate of approval as required by section 53 of the Ontario Water Resources Act.

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material ?

No

Specifics:

Was there any indication of minor administrative non-compliance?

No

Specifics:

5.0 ACTION(S) REQUIRED

A Provincial Officer's Order identifying actions required by the Company has been issued to address ongoing non-compliance related to the operation of the East End Recovery System.

6.0 OTHER INSPECTION FINDINGS

There are no additional inspection findings to report at this time.

7.0 INCIDENT REPORT

Applicable
4338-795S5Z

8.0 ATTACHMENTS

CNEast End (1).jpg; CNEast End (2).jpg; CNEast End (3).jpg; CNEast End (4).jpg; CNEast End (5).jpg; CNEast End (6).jpg; CNEast End (7).jpg; CNEast End (8).jpg; CNEast End (9).jpg; CNEast End.jpg

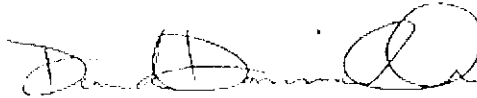
PREPARED BY:

Environmental Officer:

Name: David Dominelli

District Office:
Date:
Signature

Sault Ste. Marie Area Office
2007/11/20



**REVIEWED BY:
District Supervisor:**

Name:
District Office:
Date:

Rod Stewart
Sault Ste. Marie Area Office
2007/11/22

Signature:



File Storage Number:

SI-AL-HP-230

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"

BEST AVAILABLE COPY

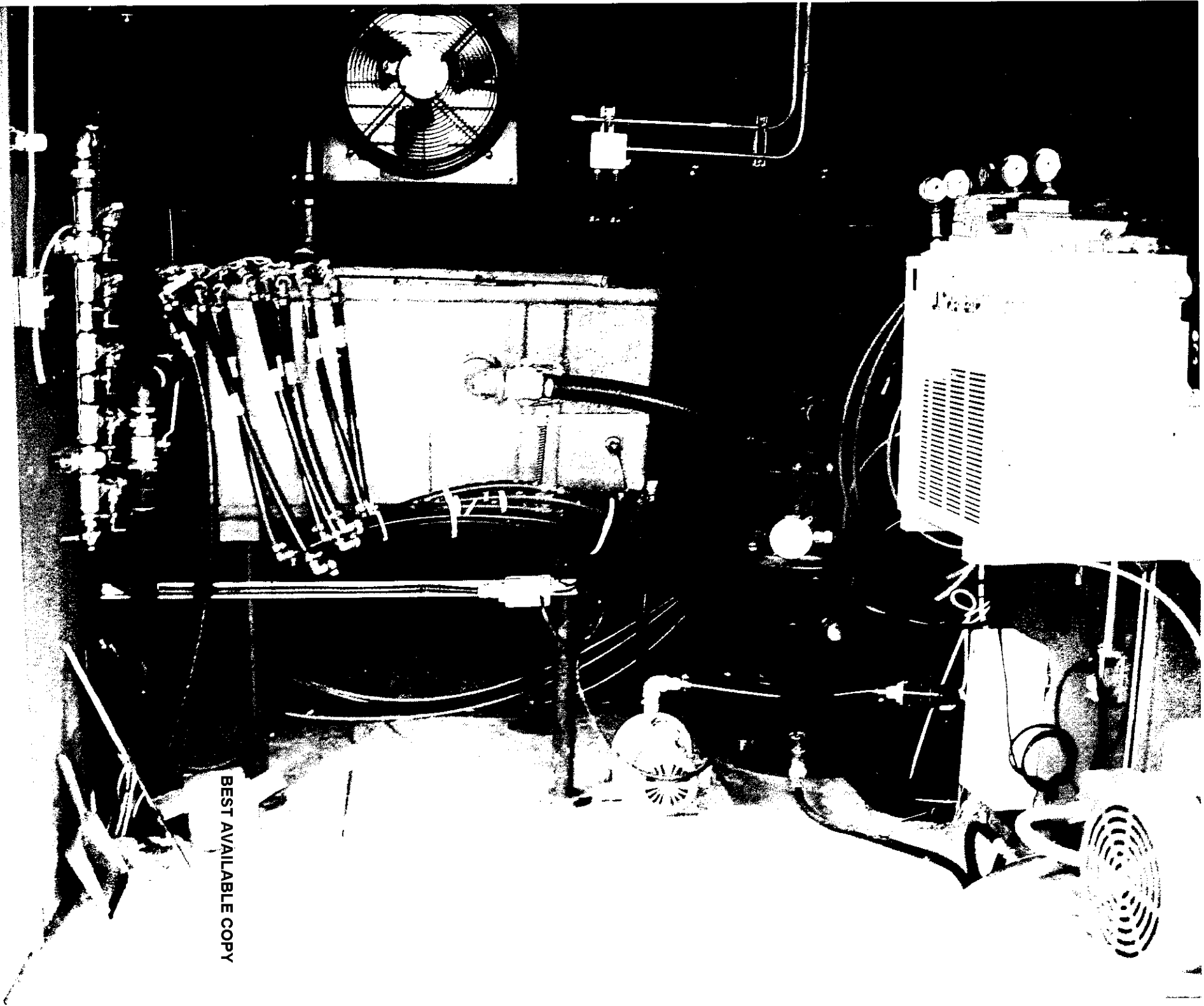


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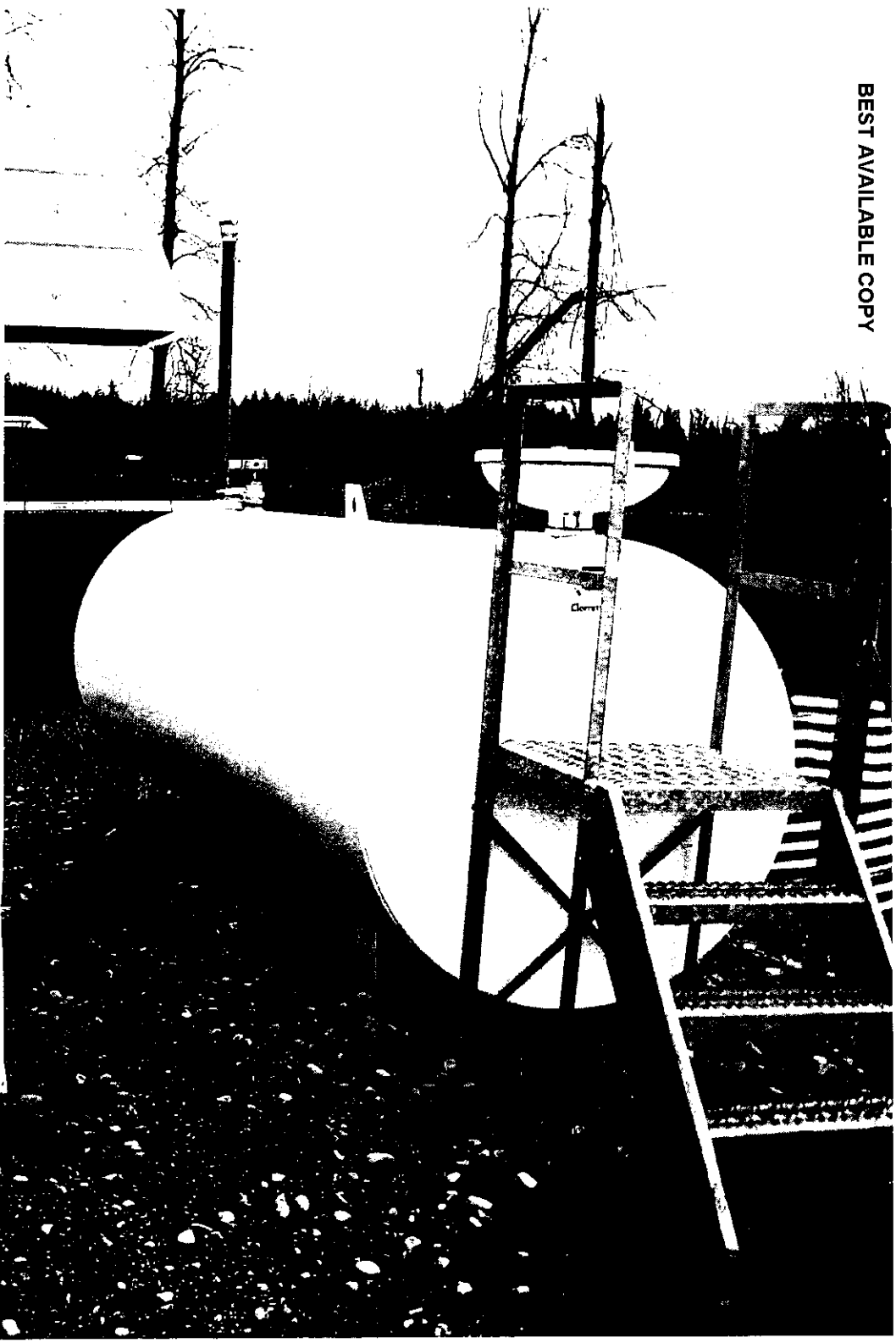
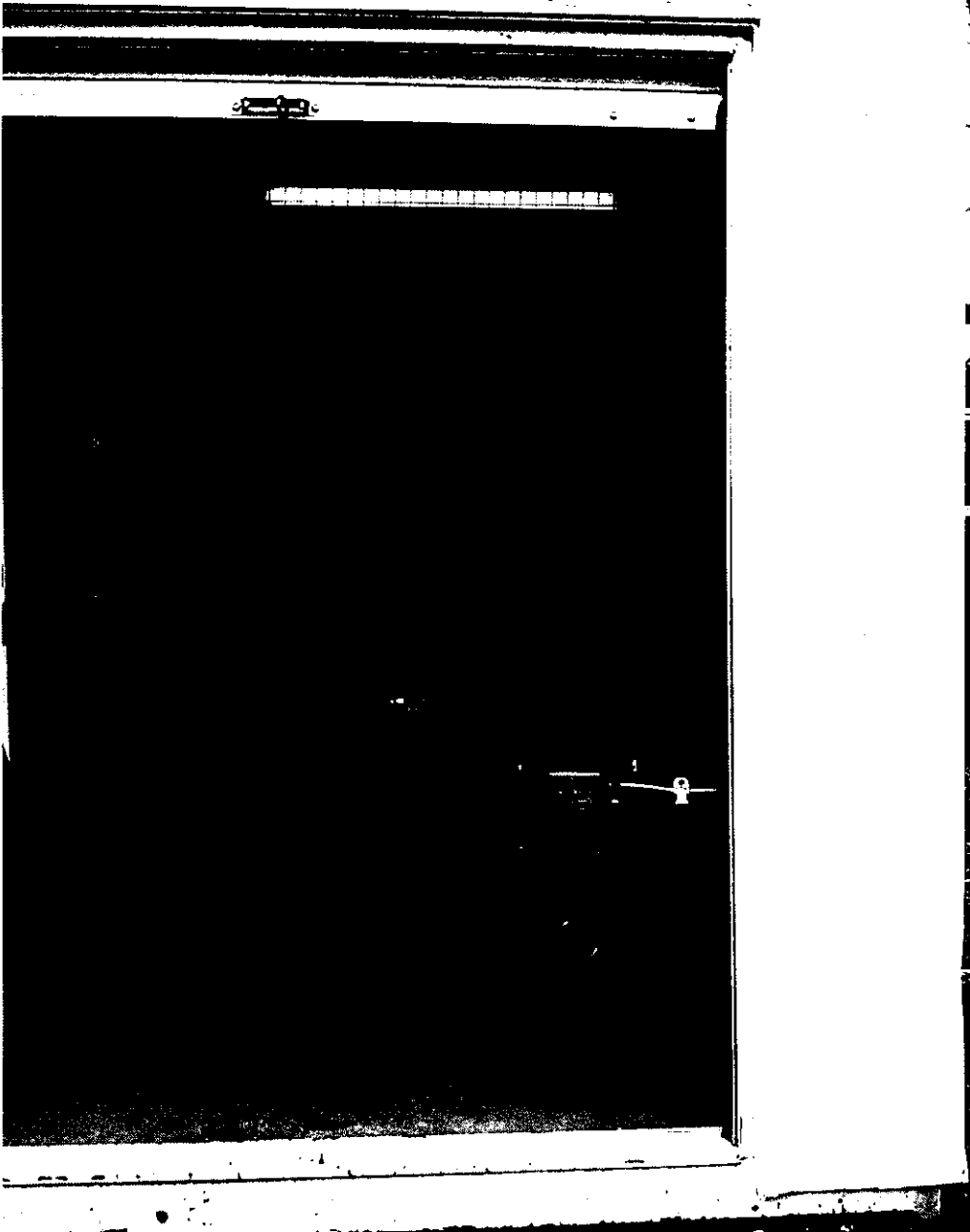
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001856





001857



001858





Industrial Sewage Inspection Report

Client: Canadian National Railway Company
 Mailing Address: 1 Administration Rd, Post Office Box, 1000, Concord, Ontario, Canada, L4K 1B9
 Physical Address: 1 Administration Rd, Vaughan, City, Regional Municipality of York, Ontario, Canada, L4K 1B9
 Telephone: (905)669-3377, FAX: (905)760-3406, email: alexandre.borges@cn.ca
 Client #: 8338-4JGK8N, Client Type: Corporation, NAICS: 482111

Inspection Site Address: Canadian National Railway Hornepayne Yard
 Address: Hornepayne Yard, Hornepayne, Township, District of Algoma, P0M 1Z0
 District Office: Sault Ste. Marie
 GeoReference:

Contact Name: Alex Borgess **Title:** Environmental Officer

Contact Telephone: (905)669-3377 ext **Contact Fax:**

Last Inspection Date: 2007/06/28

Inspection Start Date: 2008/10/01 **Inspection Finish Date:** 2008/10/01

Region: Northern

1.0 INTRODUCTION

On October 30, 2008 Provincial Officer Blair McLaughlin conducted an Industrial Sewage Inspection on the CN Railyard in Hornepayne, ON. The inspection consisted of a site visit, detailed file review and grab samples from the discharge pipe. The West treatment system has a certificate of approval. No sampling or maintenance records were viewed as a part of this inspection. As a result of the new CofA being issued an annual report is to be submitted within 60 days following the end of the previous calendar year.

2.0 INSPECTION OBSERVATIONS

MOE Facility Number:

N/A

Certificate of Approval Number(s):

Yes No

C of A Number(s): 5146-7F2H6J

A new approval was applied for and issued on June 17, 2008.

The new approval takes into account the seasonal operation of the site (April to November) and also requires the owner to submit an annual report on the operations of the system.

2.1 PROCESS DESCRIPTION

The sewage works was established for the collection, transmission, treatment, and disposal of groundwater that has been impacted with petroleum hydrocarbons at the west end fuelling stand. The sewage works consists of perforated pipe under drains, installed

under the trackage adjacent to the west end fuelling platform and the contaminated soil stockpile, discharging to a 960 cubic meter retention lagoon equipped with a belt oil skimmer with product recovery tank. Final effluent discharge is to Jackfish Creek

2.2 EFFLUENT SUMMARY REPORT

Effluent limits are contained in the Certificate of Approval. Condition 3(1) and 3(2) state that the Owner shall design, construct, and operate the works such that at all times, the effluent being discharged to Jackfish Creek does not contain solvent extractable matter of mineral or synthetic origin in excess of 15 milligrams per litre as measured by oil and grease, and the Owner shall ensure that the effluent from the works is essentially free of floating and settleable solids and does not create a visible film, sheen, or foam on Jackfish Creek.

2.3 SYSTEM CAPACITY ASSESSMENT

Flows shown below are for the last three calendar years. Identify the year, eg., 1999

Item	Year 1	Year 2	Year 3
Average daily flow (m ³ /day)	0.00	0.00	0.00
Maximum daily flow (m ³ /day)	0.00	0.00	0.00
Capacity Design (m ³ /day)	960.00	960.00	960.00
% of capacity, based on average daily flow	0.00	0.00	0.00

The sewage works design capacity is stated in the Certificate of Approval. Effluent flows from the works are not metered and are not required to be metered by the Certificate of Approval

2.4 SAMPLING REQUIREMENTS

The Certificate of Approval requires the Owner to collect a grab sample at the effluent discharge control gate once each month, and have it analysed for benzene, toluene, ethylbenzene, xylene, total purgeable hydrocarbons, total extractable hydrocarbons, and oil and grease. At the time of the inspection the Company provided spreadsheets showing monthly sample dates and analytical results to confirm compliance with the certificate of approval sampling requirement. In addition to sample collection the Certificate of Approval requires the Company to conduct weekly inspections of the discharge to Jackfish Creek and the product recovery tank level.

2.5 REPORTING REQUIREMENTS

The Certificate of Approval Condition 4 identifies emergency reporting requirements. Condition 4 requires the Company to immediately notify the District Officer during normal business hours, or the spills action centre after hours, of any spill, bypass, loss of product, by product, intermediate product, oils, solvents, waste material or any polluting substance into the environment. The condition also requires that a report be submitted to the District Manager within 10 working days of an occurrence describing the cause and discovery of the spill or loss, clean up and recovery measures taken, preventative measures to be taken, and a schedule for implementation.

The above emergency reporting requirements related to the operation of the sewage works do not absolve the Company of any other reporting requirements set out in the Environmental Protection Act, the Ontario Water Resources Act or associated regulations.

2.6 FLOW MEASUREMENT

Flow measurement is not a required by the Certificate of Approval.

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection? Yes

A grab sample was collected from the West End outfall to Little Jackfish River.

2.8 FINANCIAL ASSURANCE

No financial assurance required by the Certificate of Approval.

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

There were no outstanding non-compliance issues identified related to the operation of the sewage works approved under Certificate of Approval 5146-7F2H6J.

4.0 SUMMARY OF INSPECTION FINDINGS (HEALTH/ENVIRONMENTAL IMPACT)

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate ?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material ?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment ?

No

Specifics:

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material ?

No

Specifics:

Was there any indication of minor administrative non-compliance?

No

Specifics:

5.0 ACTION(S) REQUIRED

There are no actions required at this time.

6.0 OTHER INSPECTION FINDINGS

Please see violation notice regarding unapproved east end industrial sewage works.

7.0 INCIDENT REPORT

8.0 ATTACHMENTS

PREPARED BY:

Environmental Officer:

Name: Blair McLaughlin
District Office: Sault Ste. Marie Area Office
Date: 2008/10/31
Signature

REVIEWED BY:

District Supervisor:

Name: Rod Stewart
District Office: Sault Ste. Marie Area Office
Date: 2008/11/03

Signature:



File Storage Number: AL HP RA 410

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"

Ministry of the Environment

Northern Region
Sudbury District Office
Sault Ste Marie Area Office
289 Bay Street, 3rd floor
Sault Ste Marie ON P6A 1W7
Fax: (705)942-6327
Tel: (705) 942-6306

Ministère de l'Environnement

Direction régionale du Nord
Bureau du district de Toronto
289 Bay Street, 3e étage
Sault Ste Marie ON P6A 1W7
Télécopieur: (705)942-6327
Tél.(705) 942-6306



November 4, 2008

Alex Borges, Environmental Officer
Canadian National Railway Company
1 Administration Rd
Concord, Ontario, L4K 1B9
Canada

Dear Mr. Borges

RE: NOTICE OF VIOLATION

Unapproved Industrial Sewage Works
Reference Number 1757-71.2SU8

On Thursday October 30, 2008 a pro-active industrial sewage inspection was completed on the #2 Lagoon sewage works located at the east end of the Canadian National Railway yard in Hornepayne, ON. The inspection consisted of a ministry file review, site visit and end of pipe effluent samples.

This Notice of Violation is being issued under *Ontario Water Resources Act, Section 53* , which reads as follows:

(1) No person shall establish, alter, extend or replace new or existing sewage works except under and in accordance with an approval granted by a Director. R.S.O. 1990, c. O.40, s. 53 (1)

(2) A Director may require an applicant for an approval under subsection (1) to submit plans, specifications, engineer's report and other information and to carry out and report on tests or experiments relating to the location of the discharge of effluent or the work to be undertaken and , subject to subsection (4), the Director may grant the approval. R.S.O. 1990, c.

After reviewing the history of this file it appears as though some efforts have been made in regards to submitting an application for an industrial sewage works approval. The application submitted in the spring of 2007 was incomplete and therefore withdrawn.

This Notice of Violation is requiring the Canadian National Railway Company to submit an application for industrial sewage works **complete with the following information;**

- sizing of the lagoon based on run off from a 25 year storm or the worst snow melt condition, whichever is critical;
- the design basis of the oil water separator at the lagoon site;
- containment requirements for the 4560 litre transfer tank at the lagoon site;
- containment requirements for the 5000 gallon recovery tank at the former shop remedial system;
- the design basis for the oil water separator at the waste oil transfer facility;
- containment of run off at the waste oil transfer facility;
- the catchment area captured by the lagoon;
- details of the groundwater monitoring program;
- contingency plan in case of accidental spillage;
- lining details for the lagoon and the soil containment cell;
- the collection of run-off from the soil containment cell;
- details for the interception trench sump and the design basis for the sump pump;
- details for the 10 pumping wells and the design basis for the pneumatic pumps;

The above information was requested by the technical reviewer following your initial application, in a letter dated April 25, 2008.

As a result the Canadian National Railway Company shall submit two copies of the complete application for industrial sewage works and all required documentation stated above. One (1) copy shall be sent to the Environmental Assessment and Approvals Branch and one (1) copy to the Sault Ste. Marie Area Office by no later than 4:00pm on January 9, 2009.

If you have any questions or concerns regarding this matter please feel free to contact me at 705-942-6306 or Blair.McLaughlin@Ontario.ca

Yours truly,

Blair McLaughlin
Senior Environmental Officer
Sault Ste. Marie Area Office

File Storage Number: SI AL HP RA 410

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Industrial Sewage Inspection Report

Client:	Canadian National Railway Company Mailing Address: 633 Creditstone Rd, Concord, Ontario, Canada, L4K 4N2 Physical Address: 633 Creditstone Rd, Vaughan, City, Regional Municipality of York, Ontario, Canada, L4K 4N2 Telephone: (905)669-3377, FAX: (905)760-3450, email: nick.coleman@cn.ca Client #: 8288-53DLMV, Client Type: Corporation		
Inspection Site Address:	Canadian National Railway Hornepayne Yard Address: Hornepayne Yard, Hornepayne, Township, District of Algoma, P0M 1Z0 District Office: Sault Ste. Marie GeoReference: ,		
Contact Name:	Alex Borgess	Title:	Environmental Officer
Contact Telephone:	(905)669-3377 ext	Contact Fax:	
Last Inspection Date:	2008/10/01		
Inspection Start Date:	2010/03/02	Inspection Finish Date:	2010/03/02
Region:	Northern		

1.0 INTRODUCTION

On March 2, 2010, Provincial Officer Blair McLaughlin conducted an Industrial Sewage Inspection on the East End Industrial Sewage Treatment system contained within the CN Railyard in Hornepayne, ON. The inspection consisted of a site visit and detailed file review. CN Rail has applied for a certificate of approval for the East treatment system. No sampling or maintenance records were viewed as a part of this inspection. The treatment system was not in operation at the time of the inspection.

As a result of the new CofA being issued an annual report is to be submitted within 60 days following the end of the previous calendar year.

The east end sewage works, Lagoon #2, was originally constructed to receive local site stormwater, as well as discharge from the roundhouse drain and from the waste oil transfer facility oil water separator. In 1995 remedial activities were initiated near Lagoon #2 to address a local plume of light non-aqueous phase liquid (LNAPL) impacting the groundwater. As a result of installing a pump and treat system in 1997 that connects to Lagoon #2, an approval from the ministry is required.

Location:
16U 0662207
5454424

2.0 INSPECTION OBSERVATION

Facility MEWS (Works) Number:
N/A

Sector Type:
Transportation

Effluent Type:

Other

Specify Other:

Treated ground water. Historical hydrocarbon contamination.

Receiver Type:

Surface Water

Name of Receiver:

Little Jackfish River

Is there a sensitive receptor on/in the receiver?

No

Certificate of Approval Number(s):

No

The company has submitted an application for the approval of this industrial sewage system. The application is currently being reviewed by the MOE's Regional Technical Section and the Environmental Assessment and Approvals Branch.

2.1 WASTEWATER TREATMENT PROCESS DESCRIPTION

The sewage works was established for the collection, transmission, treatment, and disposal of groundwater that has been impacted with petroleum hydrocarbons as a result of a former on-site refuelling stand. The sewage works consists of an oil/water separator, transfer tank, waste oil tank, air compressor, refrigerated air dryer, five pneumatic pumps, a pumping well network, bentonite/cement cut off wall and an interception trench collection sump. Final effluent discharge is to Little Jackfish River. The contaminated ground water is retrieved via the well network and pumped into the oil/water separator. The recovered oil is stored in the waste oil storage tank and the treated water gravity discharges into Lagoon #2 and eventually Little Jackfish River.

Lagoon #2 was constructed some time in the early 1970's. Its main function at the time was to treat on-site storm water, as well as to act as a final protection against off-site discharge of petroleum hydrocarbon spills from activities associated with the former East End Fuelling Stand, Shop Track Fuelling Stand and Roundhouse. The two fuelling stands were decommissioned in the late 1990's.

The Lagoon #2 LNAPL Containment System contains system components both inside and outside the Pollution Control Building. Located inside the Pollution Control Building is a 10 gallons per minute oil water separator (separator), air compressor, transfer tank and refrigerated air dryer.

A horizontal waste oil tank, ten pumping wells, an interception trench and collection sump and Lagoon #2 are located outside of the Pollution Control Building. There are five submersible pneumatic pumps transfer total fluids from selected pumping wells to the separator. The submersible pumps can be placed in any of the pumping wells within the network, depending on LNAPL thickness measured in the selected wells.

Total fluids collected from the interception trench and sump, located approximately 100 m west of the Pollution Control Building, are also pumped to the separator. A submersible pump, transfers the total fluids from the interception trench into the separator at the Pollution Control Building. An automatic float controls the level within the trench. Total fluids are processed by the separator, with LNAPL gravity draining into a transfer tank. When LNAPL inside the transfer tank attains a predetermined level, LNAPL is pumped into a 4560 L, double walled waste oil tank. Effluent water from the separator is discharged directly into Lagoon #2.

2.2 EFFLUENT SUMMARY REPORT

What are the facility's effluent limits based on?

None

Does the facility comply with its limits?

No

The company does not currently have a CofA for the system, therefore no sampling requirements are in place.

2.3 SEWAGE TREATMENT WORKS CAPACITY ASSESSMENT

Flow (m ³ /day)	Year 1	Year 2	Year 3
Average daily flow	0.00	0.00	0.00
Maximum daily flow	0.00	0.00	0.00
Capacity Design	0.00	0.00	0.00
% of capacity (based on average daily flow)	0.00	0.00	0.00

N/A

2.4 SAMPLING REQUIREMENTS

What are the facility's sampling requirements based on?

Certificate of Approval/Permit

Does the facility meet sampling requirements?

No

N/A, A CofA application is currently being reviewed by the MOE's Environmental Assessment and Approvals Branch.

2.5 REPORTING REQUIREMENTS

What are the facility's reporting requirements based on?

None

Does the facility meet reporting requirements?

No

N/A

2.6 FLOW MEASUREMENT

N/A

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection??

No

Reason:

Unsafe conditions and the system was not in operation.

2.8 FINANCIAL ASSURANCE

N/A

2.9 SPILL PREVENTION AND CONTINGENCY PLANS

Is the facility required to have a Spill Prevention and Contingency Plan (SPCP) as required by Ontario Regulation 224/07?

No

Has the facility had any spills since the last inspection?

No

Were all the spills reported to the ministry?

N/A

Does the facility's operations or spill history suggest that a SPCP be developed?

No

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

CN Rail is operating an unapproved industrial sewage system that discharges into Little Jackfish River. Potential environmental impairment.

CN Rail has submitted an approval application for the East Treatment System. The application is currently in the process of being granted.

4.0 SUMMARY OF INSPECTION FINDINGS

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment?

Yes

Specifics:

The East Treatment system currently does not have an Industrial Sewage Certificate of Approval to operate within Ontario.

The Company has submitted a complete application and will be receiving an CofA for the system in 2010.

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material?

No

Specifics:

Was there any indication of minor administrative non-compliance?

No

Specifics:

5.0 ACTION(S) REQUIRED

When the East End Sewage System CofA is received ensure all conditions contained within are complied with.

6.0 OTHER INSPECTION FINDINGS

7.0 INCIDENT REPORT

Applicable
0580-7L3MKA

8.0 ATTACHMENTS

PREPARED BY:

Environmental Officer:

Name: Blair McLaughlin
District Office: Sault Ste. Marie Area Office
Date: 2010/03/04
Signature

REVIEWED BY:

District Supervisor:

Name: Rod Stewart
District Office: Sault Ste. Marie Area Office
Date: 2010/03/05

Signature:



File Storage Number: SI AL HP RA 410 EAST END

Note:

"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"



Industrial Sewage Inspection Report

Client:	Canadian National Railway Company Mailing Address: 1 Administration Rd, Vaughan, Ontario, Canada, L4K 1B9 Physical Address: 1 Administration Rd, Vaughan, City, Regional Municipality of York, Ontario, Canada Telephone: (905)669-3377, FAX: (905)669-5591, email: alexandre.borges@cn.ca Client #: 8338-4JGK8N, Client Type: Corporation, NAICS: 482113		
Inspection Site Address:	Canadian National Railway Hornepayne Yard Address: Hornepayne Yard, Hornepayne, Township, District of Algoma, P0M 1Z0 District Office: Sault Ste. Marie GeoReference: , LIO GeoReference: Zone: 16, UTM Easting: 659748.44, UTM Northing: 5456292.0, Latitude: 49.238544, Longitude: -84.80535		
Contact Name:	Aaron Stadnyk	Title:	Environmental Coordinator
Contact Telephone:	(416)575-3647 ext	Contact Fax:	(905)760-3406
Last Inspection Date:			
Inspection Start Date:	2013/09/10	Inspection Finish Date:	2013/09/10
Region:	Northern		

1.0 INTRODUCTION

Canadian National Railway has had a operational presence at its rail yard located in the Township of Hornepayne, District of Algoma, for a very long time. Historically trains were fuelled at the Hornepayne yard at one of three fuelling stands (West, East and VIA). Over time, a considerable amount of diesel fuel has been lost to the ground at the yard. Pre-1996, there were several lagoons placed along the Jackfish River side of the property to collect surface water from the property and allow for settling of materials before the water entered the Jackfish River. In 1996, an air application was submitted for this site (8-6084-96-006) to use a dual phase soil vapour extraction system. This system included a recovery well, blower, separator and activated carbon adsorption unit. The system was a pilot initiative and this air approval expired on February 3, 1997.

In 1998, an application was submitted for a treatment works for the west end fuelling area. This treatment works consisted of a network of piping (underdrains) that were installed under the rail tracks. The drains transported collected material to a retention lagoon. The retention lagoon is equipped with a belt skimmer (GPS 16-0660349-5456166) that is operated seasonally between April and November, annually.

In addition, there is a sheet pile metal weir and a product recovery storage tank located at the site. After receiving treatment, effluent is discharged to a lined ditch and flows to a discharge weir (GPS 16-0660338-5456270) and into the Jackfish River. In 2009, an application was submitted for the existing industrial sewage works associated with the east end of the yard. This east end system has several components that make up the overall works. The shop track recovery system (GPS 16-0662136-5454342) is equipped with a belt skimmer that is located in a trench. Recovered material is deposited into a double walled 5000 L metal tank that is equipped with a high level shut-off switch.

The waste oil transfer facility is located near the shop track recovery system and has an oil/water separator and a 10,000 gallon storage tank. Also within this area is a containment cell for hydrocarbon impacted soil. The containment cell consists has a non-permeable liner with a holding capacity of 13,600 m³. This area is used to process/treat hydrocarbon impacted soil from this yard and other remote rail locations. There is no waste disposal site (processing) approval for this site. CN shall submit an Environmental Compliance

Approval Waste Disposal Site (processing) application for the impacted soil disposal/treatment cell located at this site.

Along the Jackfish River on the east end of the yard there is another collection/treatment system that includes lagoon #2 and a ground water pump and treat system. Between lagoon #2 and the Jackfish River a bentonite/ concrete cut-off wall has been constructed to prevent off-site migration of Light Non-Aqueous Phase Liquid (LNAPL) to the Jack Fish River. There are 10 ground water wells in the area of lagoon #2. Impacted water that is collected is pumped to the pollution control building where an oil/water separator is used as treatment. Collected waste is deposited into a 4, 560 L double walled, metal holding tank. The effluent from this pump and treat process is deposited into lagoon #2. In addition, storm water from the east section of the property is also deposited into lagoon #2. Effluent from lagoon #2 is then discharged to the Jackfish River. At the time of this inspection there was a visible sheen on the water within lagoon #2. Similar to the west end treatment works, these facilities are operated seasonally between April and November. The monthly inspections, annual report and well maintenance is undertaken by KGS Group staff. At the time of the inspection, KGS staff were removing and servicing the ground water pumps associated with the lagoon #2 treatment works. The staff person undertaking the work was asked if they were a licensed water well technician (as this work falls under the requirements of Ontario Regulation 903) and they indicated they were not. I would like to clarify this point (see attached Table 3-1 from the "Water Supply Wells- Requirements and Best Management Practices" December 2009) that if the staff person undertaking the removal and servicing of the pumps is either a P. Eng, P. Geo or CET in good standing, an exemption may apply. otherwise, that person doing the work will need to be a licensed water well technician.

In between the east and west treatment works it was noted that there was another lagoon (Lagoon #1 GPS16-0661865-5454649) that contained water and had a discharge that ran towards the Jackfish River. This sewage works was not listed or incorporated into the current approval, yet it has a discharge to the natural environment. KGS staff noted that sampling of this discharge is undertaken as part of the overall site sampling program. An amendment to the approval for the sewage works should be submitted in order to capture Lagoon #1 and any other industrial sewage discharges from the CN Homepayne property.

2.0 INSPECTION OBSERVATION

Facility MEWS (Works) Number:

0

Sector Type:

Transportation

Effluent Type:

Process, Storm Water

Receiver Type:

Surface Water

Name of Receiver:

Jackfish River

Is there a sensitive receptor on/in the receiver?

No

Certificate of Approval Number(s):

Yes

C of A Number(s): 3528-83LQWT

Amended approval was issued on April 29, 2010.

2.1 WASTEWATER TREATMENT PROCESS DESCRIPTION

At both east and west treatment works, wastewater is treated by either a belt skimmer or oil/water separator. The collected LNAPL is transfer to on-site holding tanks and is later removed under paper manifest(s) by an approved waste management system. The final effluent is discharged to the Jackfish River.

2.2 EFFLUENT SUMMARY REPORT

What are the facility's effluent limits based on?

Certificate of Approval/Permit

Does the facility comply with its limits?

Yes

Sampling of the industrial sewage works is undertaken at this site between April and November annually. In 2012 there were a few months where samples were not collected as the discharge areas were dry (summer). Of the surface water monitoring that was conducted in 2012, the values are reported to be within the required limits.

2.3 SEWAGE TREATMENT WORKS CAPACITY ASSESSMENT

Flow (m ³ /day)	Year 1 2013	Year 2	Year 3
Average daily flow	0.00	0.00	0.00
Maximum daily flow	0.00	0.00	0.00
Capacity Design	0.00	0.00	0.00
% of capacity (based on average daily flow)	0.00	0.00	0.00

2.4 SAMPLING REQUIREMENTS

What are the facility's sampling requirements based on?

Certificate of Approval/Permit

Does the facility meet sampling requirements?

Yes

Table 3 of the ECA lists the sampling requirements for both surface and ground water parameters. Surface water monitoring is conducted once monthly at five locations using a grab sample method. The ground water monitoring is conducted at established monitoring well locations at the site and are sampled 1-2 times annually as outlined within the approval. In addition to the sampling, weekly visual inspections of the discharge areas, infrastructure, LNAPL storage tanks are undertaken and documented. On a monthly basis the sewage works are sampled, inspected and maintenance is completed.

2.5 REPORTING REQUIREMENTS

What are the facility's reporting requirements based on?

Certificate of Approval/Permit, Legislation

Does the facility meet reporting requirements?

Yes

There are several reporting requirements within the sewage works approval and associated with Section 92 of the Environmental Protection Act. The approval outlines that the company is required to report any monitoring effluent exceedance to the ministry, as soon as possible and in writing within seven days. Should a spill occur the company also has the reporting requirements to follow under Section 92 of the Act. The Act stipulates that the report must be submitted within 10 days of the event.

The key reporting requirement is the annual monitoring report for the sewage work operation. The information required for this report is outlined in condition 9 (4) of the approval. The annual report for 2012 was submitted as required within 30 days of the end of the period being reported (the end of January). In future reports please ensure that effluent flow information and flow equipment calibration information is included.

This approval also requires that an operation manual be established and kept at the site. An operation manual was present but does require some additional information to be added. It is requested that the manual be updated to include procedures/methods for flow monitoring and calibrations, how complaints are to be addressed along with a section on spill reporting and contingency plans.

2.6 FLOW MEASUREMENT

Information on the flow monitoring methods and calibrations must be clarified to ensure compliance with condition 7 (6) of the approval.

2.7 MINISTRY SAMPLE RESULTS

Were Ministry samples collected during the inspection?

Yes

Reason:

Samples of the final effluent for both the east and west discharge points were collected, the lab results are attached to this inspection report.

2.8 FINANCIAL ASSURANCE

This site does not have a financial assurance condition for the industrial sewage work approval.

2.9 SPILL PREVENTION AND CONTINGENCY PLANS

Is the facility required to have a Spill Prevention and Contingency Plan (SPCP) as required by Ontario Regulation 224/07?

No

Has the facility had any spills since the last inspection?

Yes

Were all the spills reported to the ministry?

N/A

Does the facility's operations or spill history suggest that a SPCP be developed?

Yes

Comments:

As direct fuelling does occur at the site, a SPCP should be established for fuelling and the removal of collected LNAPL materials (as exemplified) for this site.

3.0 REVIEW OF PREVIOUS NON-COMPLIANCE ISSUES

4.0 SUMMARY OF INSPECTION FINDINGS

Was there any indication of a known or anticipated human health impact during the inspection and/or review of relevant material, related to this Ministry's mandate?

No

Specifics:

Was there any indication of a known or anticipated environmental impact during the inspection and/or review of relevant material?

No

Specifics:

Was there any indication of a known or suspected violation of a legal requirement during the inspection and/or review of relevant material which could cause a human health impact or environmental impairment?

Yes

Specifics:

It was noted that there were some areas within the sewage works that are not listed in the site approval. Lagoon #1 is present and has a discharge to the natural environment. It should be included in the site sewage works approval. The hydrocarbon impacted soil waste disposal site does not have a waste site approval for operation. A bunkhouse has been established on Front Street and has a back-up generator that should be registered in the (Environmental Activity and Sector Registry) EASR program.

Was there any indication of a potential for environmental impairment during the inspection and/or the review of relevant material?

No

Specifics:

Was there any indication of minor administrative non-compliance?

No

Specifics:

5.0 ACTION(S) REQUIRED

1. By May 22, 2014, the company shall update the operations manual to include the spill procedures, public complaint response, flow monitoring methods and calibration information.
2. By April 30, 2014, the company shall register the back-up generator located at the Front Street bunkhouse in the EASR program if available.
3. By August 28, 2014, the company shall submit an approval amendment application to include Lagoon #1 into the site's industrial sewage works approval.
4. By July 29, 2014, the company shall submit an application for the waste disposal/processing site, that is not currently approved under Part V of the Environmental Protection Act.

6.0 OTHER INSPECTION FINDINGS

It was noted that an unapproved back-up generator was established at the bunkhouse that is located on the opposite side of Front Street operations. This generator is not approved, but could be registered in the EASR should the site location meet the requirements, other wise a complete approval application would be required.

7.0 INCIDENT REPORT

Applicable
0673-9DER2V

8.0 ATTACHMENTS

CNHPsampleresults2013.pdf; CNHPsitemaps.pdf; P9100019.JPG; P9100020.JPG; P9100021.JPG; P9100022.JPG; P9100023.JPG; P9100024.JPG; P9100025.JPG; P9100026.JPG; P9100027.JPG; P9100028.JPG

PREPARED BY:

Environmental Officer:

Name:

Kirk Crosson

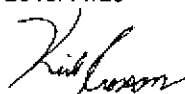
District Office:

Sault Ste. Marie Area Office

Date:

2013/11/29

Signature



REVIEWED BY:

District Supervisor:

Name: Trisha Westman
District Office: Sault Ste. Marie Area Office
Date: 2013/12/31

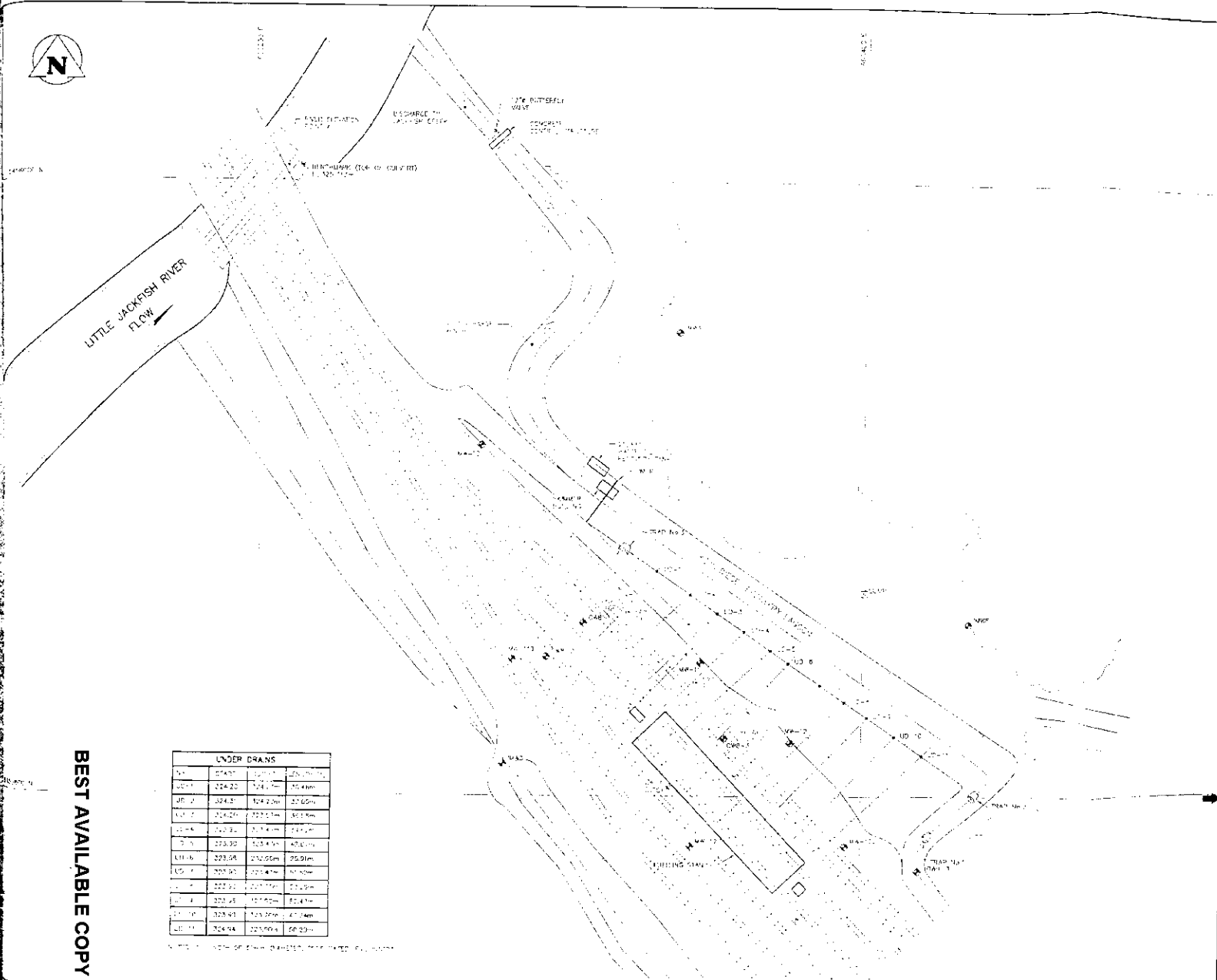
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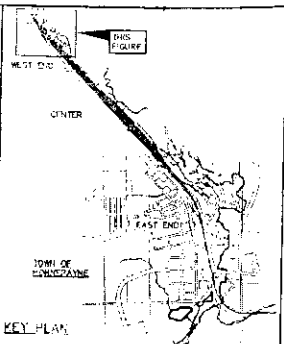
"This inspection report does not in any way suggest that there is or has been compliance with applicable legislation and regulations as they may apply to this facility. It is, and remains, the responsibility of the owner and/or the operating authority to ensure compliance with all applicable legislative and regulatory requirements"



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UNDER DRAINS			
NO.	EASTING	NORTHING	LENGTH
UD-1	324.20	324.70m	50.00m
UD-2	324.37	324.70m	37.00m
UD-3	324.20	323.14m	30.00m
UD-4	324.37	323.14m	30.00m
UD-5	323.30	323.47m	45.00m
UD-6	323.08	322.05m	25.00m
UD-7	323.00	322.47m	15.00m
UD-8	322.92	322.70m	15.00m
UD-9	322.43	322.05m	32.00m
UD-10	323.41	323.20m	4.00m
UD-11	324.94	323.00m	50.00m

NOTE: ALL COORDINATES ARE IN METERS.



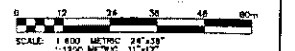
KEY PLAN

LEGEND:

- BERM
- CENTERLINE OF DITCH
- FENCE
- BURIED ELECTRICAL CABLE
- BENCHMARK
- MW-17 MONITORING WELL (INSTALLED BY FOS) (DEPTH=10M33, APPROXIMATE)
- MW-20 MONITORING WELL (INSTALLED BY OTHERS) (ALL OTHER WELLS)
- RW-1 RECOVERY WELL
- SW-1 SUMP WELL
- RA-ROAD TRACKS
- UNDERGROUND DRAIN
- DESTROYED

NOTES:

- SITE PLAN BASED ON AUTOCAD FILE PROVIDED BY CN.

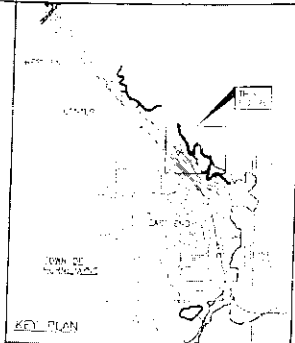
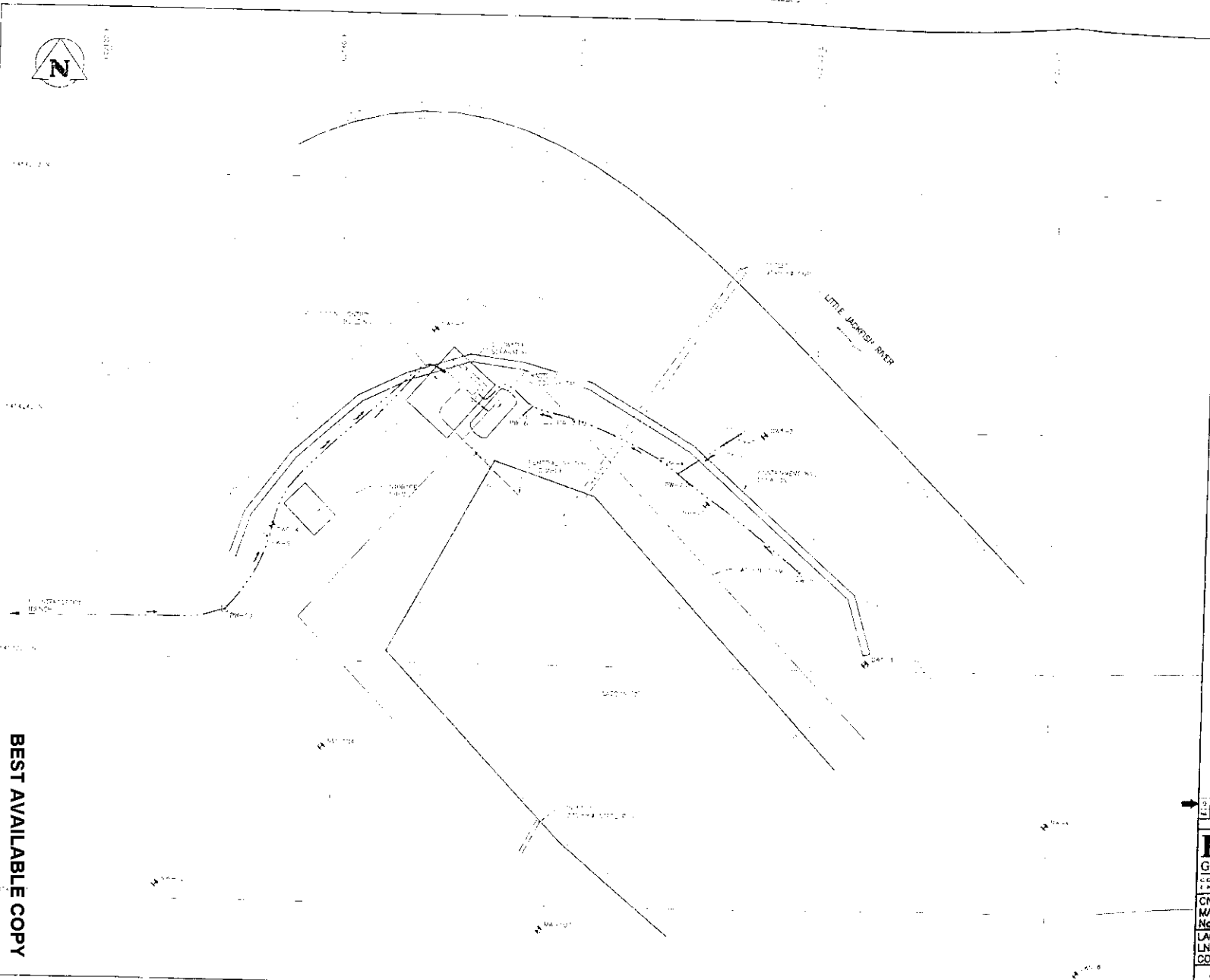


0	12/10/10	ISSUED WITH OPERATIONS MANUAL	20
10	10/10/10	REVISION	42
REVISIONS / ISSUE			

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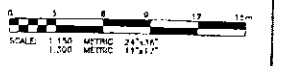
CN HORNEPAYNE YARD OPERATIONS MANUAL CERTIFICATE OF APPROVAL No. 352B-83LOWT.

WEST END DIESEL RECOVERY SYSTEM COMPONENTS
OCTOBER 2012 **FIGURE 03** 0



- LEGEND**
- ALTERNATIVE LIMITS OF FUEL AREA
 - EDGE OF WATER
 - CONCRETE CURB
 - RECHARGE LID
 - ⊙ MW 182 MONITORING WELL (INSTALLED BY USR (04/17/2013), DATED 04/17/13)
 - ⊙ MW 206 MONITORING WELL (INSTALLED BY USR (04/17/2013), DATED 04/17/13)
 - PLUMBING WELLS
 - WATERBODIES
 - TOTAL FLOOD FLOW DIRECTION
 - LOW FLOW DIRECTION
 - WATER FLOW DIRECTION
 - RIVER WATER FLOW DIRECTION
 - DISTANCE

NOTES:
 1. CHANGE DATA ON DISK OR ENVIRONMENTAL OR AUTO CAD FILE



02/12/10 ISSUED WITH OPERATIONS MANUAL
 10/06/10
 REVISIONS / ISSUE

KGS GROUP **CN CANADIAN NATIONAL**
 CONSULTING ENGINEERS

CN HORNEPAYNE YARD OPERATIONS
 MANUAL CERTIFICATE OF APPROVAL
 No. 3528-83LQWT

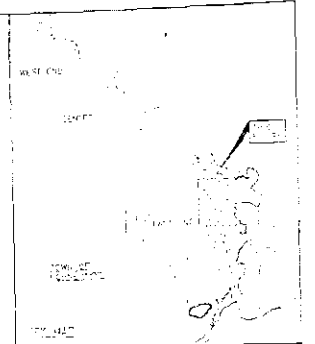
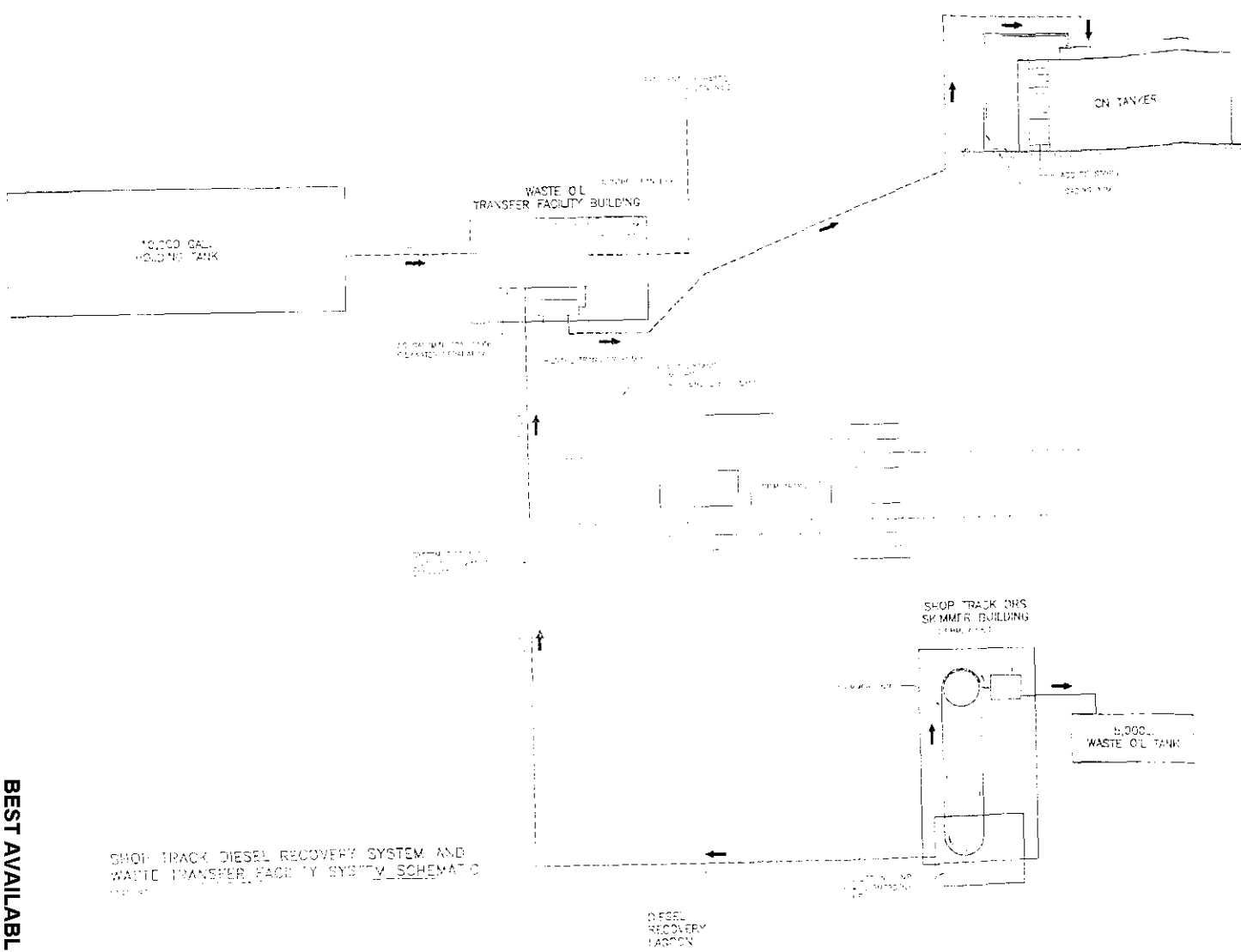
LAGOON No. 2
 LNAPL CONTAINMENT SYSTEM
 COMPONENTS

OCTOBER 2012 | FIGURE 06 | 0

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SHOP TRACK DIESEL RECOVERY SYSTEM AND WASTE TRANSFER FACILITY SYSTEM SCHEMATIC



LEGEND

- WASTE OIL
- DIESEL RECOVERY
- DIESEL RECOVERY
- DIESEL RECOVERY
- DIESEL RECOVERY

001880-8 SHOP TRACK DIESEL RECOVERY SYSTEM AND WASTE TRANSFER FACILITY SYSTEM SCHEMATIC

DATE: 10/20/12

KGS GROUP CANADIAN NATIONAL

1000 HORNEMAYNE YARD OPERATIONS MANUAL CERTIFICATION OF APPROVAL No. 3528-83LOWT.

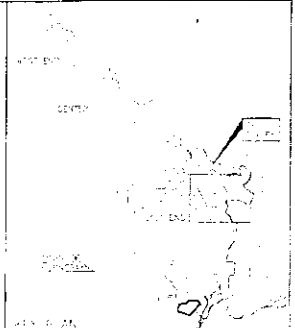
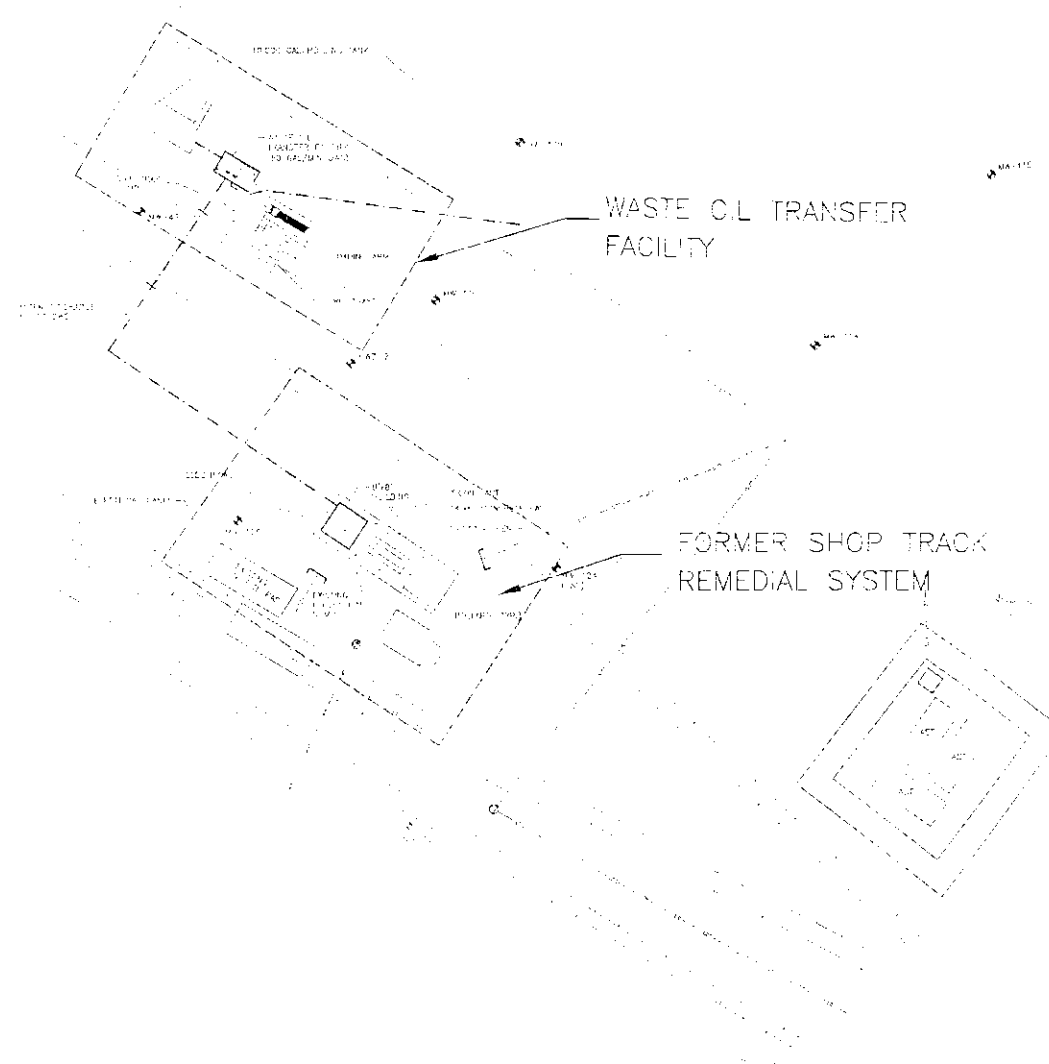
SHOP TRACK DIESEL RECOVERY SYSTEM AND WASTE TRANSFER FACILITY SYSTEM SCHEMATIC

OCTOBER 2012	FIGURE 10	0
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PARTIAL SITE PLAN
14-100

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- LEGEND
- BOUNDARY
 - TO EAST SIDE
 - TO WEST SIDE
 - TO NORTH SIDE
 - TO SOUTH SIDE
 - TO EAST SIDE
 - TO WEST SIDE
 - TO NORTH SIDE
 - TO SOUTH SIDE
 - TO EAST SIDE
 - TO WEST SIDE
 - TO NORTH SIDE
 - TO SOUTH SIDE



001881

REVISIONS

NO.	DESCRIPTION	DATE
1	ISSUED FOR APPROVAL	10/12/12

KGS GROUP CANADIAN NATIONAL

CN HORNEPAYNE YARD OPERATIONS
MANUAL CERTIFICATE OF APPROVAL
No. 352B-83/QWT

WASTE OIL TRANSFER FACILITY
SYSTEM COMPONENTS

OCTOBER 2012	FIGURE 12	0
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