Dear Grace-Mar Farms Ltd.

Grace-Mar Farms Ltd.
5093 Salmon River Road, Armstrong, BC

Re: An Administrative Penalty Referral, Environmental Management Act, 5093 Salmon River Road, Armstrong, Effluent

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

On March 22, 2017, Ministry of Environment, Environmental Protection Division staff conducted an inspection of your facility, Grace-Mar Farms Ltd. located at 5093 Salmon River Road, Armstrong with authorization number 108389 under the Environmental Management Act.

For your information, this inspection record is being referred for an Administrative Penalty.

Inspection Details:

<table>
<thead>
<tr>
<th>Requirement Description:</th>
<th>Environmental Management Act, Agricultural Waste Control Regulation (131/92) (EMA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>12: Agricultural waste must be applied to land only as a fertilizer or a soil conditioner.</td>
<td></td>
</tr>
</tbody>
</table>

| Details/Findings: | On March 22, 2017, Ministry staff received complaints that Grace-Mar Farm was applying agricultural waste to the lands. Devan Oldfield, Environmental Protection Officer with the Ministry of Environment attended Grace-Mar Farms and spoke with the Farm manager Jason Benjamin. Mr. Benjamin informed Officer Oldfield that the reason that they applied the agricultural waste to the lands earlier that day was because they did not have the capacity to store the waste. |

| Compliance: | Out |

| Actions to be taken: | Ensure the Farm has sufficient capacity to store its agricultural waste until such time that it is to be used on the lands as a soil conditioner or fertilizer. Do not apply agricultural waste to the lands as a means of getting rid of the waste. |

<table>
<thead>
<tr>
<th>Requirement Description:</th>
<th>March 3, 2017 amendment to Pollution Abatement Order #108389</th>
</tr>
</thead>
<tbody>
<tr>
<td>1(1): By March 1, 2017 cease any and all applications of agricultural waste and fertilizer to the Lands until such time that a nutrient management plan has been developed as described under requirement #4. Agricultural waste must not be applied to frozen land (including snow covered land), in diverting winds, on areas having standing water, nor on saturated soils.</td>
<td></td>
</tr>
</tbody>
</table>

Ministry of Environment
Compliance
Environmental Protection Division
Mailing Address: 102 Industrial Pl
Penticton BC V2A 7C8
Telephone: 250 490 8200
Facsimile: 250 490 2231
Website: www.gov.bc.ca/env
On March 1, 2017, an amendment to PAO108389 was issued. One of the requirements of the amendment was to cease the application of agricultural waste to the lands until a nutrient management plan (NMP) designed to meet an agronomic nitrogen balance of zero (0) for each field receiving nutrient application is submitted to the Director. As of March 23, 2017, no NMP has been received by the Director.

On March 22, 2017, Ministry staff received complaints that Grace-Mar Farm was applying agricultural waste to the lands. Devan Oldfield, Environmental Protection Officer with the Ministry of Environment attended Grace-Mar Farms and spoke with the Farm manager Jason Benjamin. Mr. Benjamin informed Officer Oldfield that the reason that they applied the agricultural waste to the lands earlier that day was because they did not have the capacity to store the waste.

On viewing the lands, Officer Oldfield noted that portions of the fields were still covered in snow and that there was standing water on a number of the fields.

| Details/Findings: | On March 1, 2017, an amendment to PAO108389 was issued. One of the requirements of the amendment was to cease the application of agricultural waste to the lands until a nutrient management plan (NMP) designed to meet an agronomic nitrogen balance of zero (0) for each field receiving nutrient application is submitted to the Director. As of March 23, 2017, no NMP has been received by the Director.
On March 22, 2017, Ministry staff received complaints that Grace-Mar Farm was applying agricultural waste to the lands. Devan Oldfield, Environmental Protection Officer with the Ministry of Environment attended Grace-Mar Farms and spoke with the Farm manager Jason Benjamin. Mr. Benjamin informed Officer Oldfield that the reason that they applied the agricultural waste to the lands earlier that day was because they did not have the capacity to store the waste.
On viewing the lands, Officer Oldfield noted that portions of the fields were still covered in snow and that there was standing water on a number of the fields. |
| Compliance: | Out |
| Actions to be taken: | Ensure the Farm has sufficient capacity to store its agricultural waste until such time that it is to be used on the lands as a soil conditioner or fertilizer. Do not apply agricultural waste to the lands as a means of getting rid of the waste. |
On May 12, 2016, Grace-Mar Farms Ltd. was issued a Pollution Abatement Order (PAO108389) for their agricultural operation located at 5093 Salmon River Road, Armstrong, BC. The Abatement Order was issued as a result of nitrogen concentrations in the local aquifer exceeding the Canadian drinking water guidelines. On January 16, 2017 the Steele Springs Water District source was tested. The results showed Nitrate levels at 13.2mg/L, exceeding the Canadian Drinking Water standard of 10mg/L.

On February 16, 2017, Grace-Mar Farms experienced a breach of its secondary manure effluent containment lagoon. In an effort to manage the spilled material, Grace-Mar Farms chose to apply the waste to the Farm lands. An inspection against Grace-Mar Farms was conducted with the outcome recommending an Administrative Penalty.

On March 1, 2017, an amendment to PAO108389 was issued. One of the requirements of the amendment was to cease the application of agricultural waste to the lands until a nutrient management plan (NMP) designed to meet an agronomic nitrogen balance of zero (0) for each field receiving nutrient application is submitted to the Director. As of March 23, 2017, no NMP has been received by the Director.

On March 22, 2017, Ministry staff received complaints regarding Grace-Mar Farms applying agricultural waste to the lands. Ministry staff attended Grace-Mar Farm and spoke with the Farm manager Jason Benjamin. Mr. Benjamin informed ministry staff that the application of agricultural waste to the lands earlier in the day was a result of not having sufficient storage capacity to manage the waste.

Compliance History
IR#25608 - April 6, 2016 - Warning
IR#48771 - March 13, 2017 - Referral for Investigation
IR#48941 - March 23, 2017 - Referral for Administrative Penalty

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

Yours truly,
Devan Oldfield
Environmental Protection Officer
cc:

Attachments:

Deliver via:
Email: [X] Fax: [ ] Mail: [ ]
Registered Mail: [ ] Hand Delivery: [ ]

Ministry of Environment
Compliance
Environmental Protection Division
Mailing Address:
102 Industrial Pl
Penticton BC V2A 7C8
Telephone: 250 490 8200
Facsimile: 250 490 2231
Website: www.gov.bc.ca/env

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

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

If you require a copy of the original permit, please contact the inspector noted on this inspection record or visit:
http://www2.gov.bc.ca/gov/topic.page?id=DF89089126D042FD96DF5D8C1D8B1E41&title=Publically%20Viewable%20Authorizations

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