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April 6, 2020

Jennifer Winsor, P.Eng. Environmental Engineer Environmental Approvals Branch Department of Sustainable Development 1007 Century Street Winnipeg, MB R3H 0W4 Ph: (204) 945-7012 Fax: (204) 945-5229 Email: Jennifer.Winsor@gov.mb.ca

Dear Ms. Winsor:

RE: Request for Minor Notice of Alteration to R3 Innovations Inc Environment Act Licence 2870 RRR; Client 2755.20

This notice of alteration request is submitted on behalf of R3 Innovations Inc. for the intermittent transfer and use of the original IWWTF lagoons on-site during the Covid-19 pandemic.

HyLife Foods, as is the case with all essential businesses, are developing and working on operating procedures and policies to continue operations through the current Covid-19 pandemic that has challenged the entire world. As an integrated company, these challenges pose considerable risks as disruptions in any one part of our business has a domino effect on other areas in the supply chain, causing infinite challenges to multiple different areas of our business and other associated businesses. As we continue to work our way through the challenges we're facing, some areas of concern have arisen in relation to disruptions to our supply chain. These areas are affected due to employee shortages, adjusted working conditions, and supplier and service provider changes due to the current pandemic.

In consideration of the aforementioned challenges, HyLife Foods is adjusting our strategies and operating procedures daily to ensure as little disruption to our supply chain as possible and thus maintaining consistent operations for our customers, but more importantly, our employees. The long-term health and



safety of our employees is paramount in our operations and maintaining financial security throughout this crisis is an important aspect.

As these unexpected changes occur, HyLife Foods and R3 Innovations are looking at options to accommodate them. Adjusting working hours and extending daily operations to a 6-day week have been considered as viable options to ensure continued operations at the facility. This permits our staff the maximum level of physical distancing we can provide within our facility while maintaining operations at a consistent level. These changes have not been made as of today but are being considered on an on-going basis as the severity of this pandemic increases.

Should operations through this pandemic dictate an adjustment to our operating schedule to include multiple Saturday operating events, this will have a direct impact on R3 Innovations Inc.'s ability to fully process wastewater. R3 Innovations is currently operating near process capacity, the addition of a Saturday shift can be accommodated, but on a limited basis. The current situation may require more consistent use of Saturday production, thus causing challenges with the R3 Innovations facility to process all of the wastewater produced at the HyLife Foods facility.

A secondary challenge that the R3 Innovations Inc. facility may face as a result of the Covid-19 pandemic is the potential for an entire plant shutdown of HyLife Foods. Should HyLife Foods incur a large population of Covid-19 infected individuals, this would result in a 2-week shutdown of plant activity. This shutdown would have a dramatic impact on the hog supply chain throughout the system creating a significant backlog in animals awaiting processing. In order to minimize impacts on animal health and welfare and return the supply chain to normal operations, additional Saturday kill production would need to be implemented to accommodate this. It would be anticipated that post a 2-week shutdown period that 8-12 consecutive Saturday production shifts would be required to facilitate processing the backlog in animals within the system. This would in turn create similar challenges with the R3 Innovations facility to treat the additional wastewater produced through this continuous period of Saturday production.

Therefore, R3 Innovations Inc would respectfully request the ability to implement wastewater transfers to the original industrial wastewater treatment lagoons in circumstances where required throughout the period of April 6, 2020 until such time the Covid-19 crisis is under control. Currently, Clause 33 of the R3 Innovations Inc Environment Act states:

33. The Licencees shall:

a) transfer wastewater to the existing wastewater treatment lagoon at the Development, only under exceptional circumstances, for temporary wastewater storage purposes only;
b) transfer the stored wastewater from the existing wastewater treatment lagoon to the wastewater treatment plant for treatment and discharge only through the final discharge point; and
c) notify the Environment Officer on each occasion when the transfer of wastewater to the existing wastewater treatment lagoon occurs and keep a record of each transfer.

The proposed Notice of Alteration would allow for the ongoing use of the wastewater lagoons to accommodate the temporary storage of wastewater throughout this period. R3 Innovations would maintain all other aspects of the license requirements and would continue with notification of the Environment officer on each occasion when a transfer of wastewater is required. R3 Innovations will endeavour to limit wastewater transfers to a single event per week and will strive to limit these events to a single days worth of production. Below is a description of the anticipated quantity and duration of transfers R3 Innovations Inc would expect through this period.

- Duration of transfers April 6, 2020 end of Covid-19 pandemic
- Weekly transfer quantity 2,000 m³
- Current capacity within lagoons >65,000 m³

As this is a time sensitive request, R3 Innovations is requesting permission to accommodate wastewater transfers for April 11, 2020. As previously mentioned, the necessity for wastewater transfers are not definitive and may or may not occur pending on the progression and issues arising from the Covid-19 pandemic situation. Also, as previously mentioned and as stated in clause 33. C), Environment Officer will be notified on each occasion when the transfer of wastewater to the existing lagoons has occurred.

R3 Innovations Inc. would like to thank you in advance for consideration of this request. Any further questions or concerns, please feel free to contact the undersigned at (204) 424-2313.

Sincerely,

Sheldon Stott, P.Ag Senior Director of Corporate Sustainability HyLife Foods LP Ph: (204) 424-2313 Email: <u>Sheldon.Stott@Hylife.com</u>