



MINISTER OF CONSERVATION

Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

September 5, 2008

Mr. Sam Schellenberg
Chief Executive Officer
Pembina Valley Water Cooperative Inc.
P. O. Box 1180
Altona MB R0G 0B0

Dear Mr. Schellenberg:

Enclosed is Environment Act Licence No. 2847 dated September 5, 2008 issued in accordance with The Environment Act to Pembina Valley Water Cooperative Inc. for the construction and operation of the Development being a regional water supply system serving nine rural municipalities, seven towns, one village and one city in south-central Manitoba.

This Licence is issued in response to your letter to Tracey Braun of July 29, 2008 and material submitted on your behalf by GENIVAR dated July 18, 2008. This material described an alteration to the Morris Water Treatment Plant. As the environmental effects of the alteration are insignificant, the alteration is deemed to be minor pursuant to Section 14(2) of The Environment Act.

In addition to the enclosed Licence requirements, please be informed that all other applicable federal, provincial and municipal regulations and by-laws must be complied with.

For further information on the administration and application of the Licence, please feel free to contact Glenn Ritchie, Environment Officer, at (204) 325-1753.

Pursuant to Section 27 of The Environment Act, this licensing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within six weeks of the date of the Licence.

Yours sincerely,

Stan Struthers
Minister
Environment Act

- c. B. Gillespie, Central Region, Gimli
G. Ritchie, Central Region, Winkler
T. Braun, Environmental Assessment and Licensing
Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2847 (*by the Licencee only*) is required by the Director of Environmental Assessment & Licensing (Fax #945-5229). Please acknowledge receipt by signing in the space provided below and faxing a copy (cover letter only) back to the Department by September 11 2008.

On behalf of Pembina Valley Water Cooperative Inc.

Date

****A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES****

LICENCE

Licence No. / Licence n° 2847

Issue Date / Date de délivrance September 5, 2008

In accordance with The Environment Act (C.C.S.M. c. E125) /
Conformément à la Loi sur l'environnement (C.P.L.M. c. E125)

Pursuant to Section 12(1) and 14(2) / Conformément au Paragraphe 12(1) et 14(2)

THIS LICENCE IS ISSUED TO: / CETTE LICENCE EST DONNÉE À:

PEMBINA VALLEY WATER COOPERATIVE INC.; "the Licencee"

for the construction and operation of the Development being a regional water supply system, in accordance with the Proposal filed under The Environment Act and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"accredited laboratory" means an analytical facility accredited by the Standard Council of Canada (SCC), or accredited by another accrediting agency recognized by Manitoba Conservation to be equivalent to the SCC, or be able to demonstrate, upon request, that it has the quality assurance/quality control (QA/QC) procedures in place equivalent to accreditation based on the international standard ISO/IEC 17025, or otherwise approved by the Director; and

"as constructed drawings" means engineering drawings complete with all dimensions which indicate all features of the Development as it has actually been built.

PROJECT SCOPE

The Development includes water treatment plants and associated works at Letellier, Morris, and Stephenfield and a water supply system serving the rural municipalities of Dufferin, Franklin, Grey, Montcalm, Morris, Rhineland, Roland, Stanley and Thompson, the towns of Altona, Carman, Emerson, Gretna, Morden, Morris and Plum Coulee, the Village of St. Claude, and the City of Winkler.

GENERAL TERMS AND CONDITIONS

This Section of the Licence contains requirements intended to provide guidance to the Licencee in implementing practices to ensure that the environment is maintained in such a manner as to sustain a high quality of life, including social and economic development, recreation and leisure for present and future Manitobans.

A COPY OF THE LICENCE MUST BE KEPT ON THE SITE AT THE DEVELOPMENT

1. The Licencee shall, upon the request of the Director:
 - a) sample, monitor, analyse or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such duration and at such frequencies as may be specified;
 - b) determine the environmental impact associated with the release of any pollutants from the said Development;
 - c) conduct specific investigations in response to the data gathered during environmental monitoring programs; or
 - d) provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, flow rate measurements and such other information as may from time to time be requested.

2. The Licencee shall construct and operate the Development in accordance with the Environment Act Proposal dated October 25, 1991 and as amended by letters of December 16, 1993 and July 29, 2008 and the applicable portions, as determined by the Director, of the following documents:
 - a) Environmental Impact Statement for the Pembina Valley Regional Potable Water Supply Proposal, prepared by M. M. Dillon Ltd. for the Licencee (December, 1992);
 - b) Environmental Impact Statement for the Pembina Valley Regional Potable Water Supply Proposal, Response to Additional Information Request, prepared by M. M. Dillon Ltd. for the Licencee (March, 1993);
 - c) Pembina Valley Water Cooperative Response to Manitoba Environment's Discussion Paper of March 25, 1993, prepared by M. M. Dillon Ltd. for the Licencee (September, 1993);
 - d) Amendment to the Proposal and to the Environmental Impact Statement, prepared by the Licencee (January, 1994); and
 - e) PVWC Morris WTP Upgrades Predesign Report Tech Memo #1, prepared by GENIVAR for the Licencee (July, 2008).

3. The Licencee shall collect and dispose of all used oil products and other regulated hazardous wastes generated by the machinery used in the construction and operation of the Development in accordance with applicable Manitoba Conservation and legislation requirements.

4. The Licencee shall revegetate soil exposed during the construction of the Development with native or introduced grasses or legumes. Native species shall be used to revegetate areas where native species existed prior to construction. Revegetation is not required for pipelines installed by chain trenching or ploughing on previously disturbed ground including road allowances.

5. The Licencee shall, prior to the commencement of operation of the Development, receive approval pursuant to The Drinking Water Safety Act for final plans for the Development.

6. The Licencee shall construct and operate the Development in accordance with Manitoba Regulations under the Drinking Water Safety Act, and all operating requirements as recommended by Manitoba Water Stewardship.

7. The Licencee shall properly train or qualify individuals to carry out the operation of the Development pursuant to the requirements of *Manitoba Regulation 77/2003* respecting *Water and Wastewater Facility Operators*, or any future amendment thereof.
8. The Licencee shall not permit the interconnection of a private water supply system with the Development.
9. The Licencee shall:
 - a) prepare “As Constructed” drawings for the Development and shall label the drawings “As Constructed”; and
 - b) provide to the Director, within three months of the completion of construction of the Development, two sets of “As Constructed” drawings.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Construction – General

10. The Licencee shall notify the Historic Resources Branch not less than one month prior to commencing construction of the Development in any year in which construction occurs, in compliance with the requirements of The Heritage Resources Act. The notification shall include pipeline route locations.
11. The Licencee shall notify the Central Regional Office of Manitoba Conservation in Winkler not less than two weeks prior to commencing construction of the Development in any year in which construction occurs. The notification shall include the intended starting date of construction and the name of the contractor responsible for the construction.
12. The Licencee shall, during construction and operation of the Development:
 - a) immediately report any reportable spills to Manitoba Conservation’s Accident Reporting Line at (204) 944-4888; and
 - b) provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and proposing corrective action to prevent reoccurrence.
13. The Licencee shall, at all times during the construction of the Development, maintain materials to contain and recover spills of fuel and other fluids associated with construction machinery at construction sites.
14. The Licencee shall establish fuel storage and equipment servicing areas for the construction and operation of the Development:
 - a) a minimum distance of 100 metres from any waterbody; and
 - b) in compliance with the requirements of *Manitoba Regulation 188/2001*, or any future amendment thereof, respecting *Storage and Handling of Petroleum Products and Allied Products*.

15. The Licencee shall not, during construction and operation of the Development, remove, destroy or disturb species listed as rare, endangered, or of special concern, or their habitats. These species are listed in *Manitoba Regulation 25/98*, or any future amendment thereof, respecting *Threatened, Endangered and Extirpated Species* and in the federal Species at Risk Act.
16. The Licencee shall, prior to commencing construction of the raw water reservoir at the expanded Morris Water Treatment Plant, identify the location of *Amorpha fruticosa* (False Indigo) plants, and obtain the written approval of the Director for a mitigation plan to address construction effects on this plant species.
17. The Licencee shall not construct the Development in areas likely to provide bird habitat before August 1 of any year. Construction in wetland areas and in riparian zones adjacent to rivers shall not occur before August 15 of any year.
18. The Licencee shall, during construction of the Development, implement all necessary measures to prevent the erosion of exposed soil into any waterbodies. Construction adjacent to waterbodies shall not occur during high rainfall events.

Construction - Pipelines

19. The Licencee shall, prior to commencing construction of the Development, obtain all necessary approvals from Manitoba Infrastructure and Transportation and the Highway Traffic Board prior to undertaking construction on or adjacent to highway rights-of-way.
20. The Licencee shall not release chlorinated water from pipeline testing and startup activities associated with the Development to a surface water body until chlorine level concentrations are equal to or less than 0.1 milligrams per litre. Releases of chlorinated water at higher concentrations may be made to vegetated land or dry waterways, provided that chlorine level concentrations have decayed to 0.1 milligrams per litre or less before the released water reaches any body of surface water.
21. The Licencee shall ensure that the design of buried pipelines associated with the Development minimizes impacts on land adjacent to the pipelines' routes. Previously disturbed publicly owned rights-of-way shall be followed where possible.
22. The Licencee shall construct waterway crossings on flowing waterways by augering, tunneling or boring. Open cut crossings on flowing waterways shall not be made unless prior consultation with Manitoba Water Stewardship and Department of Fisheries and Oceans staff has occurred and the prior written approval of the Director has been obtained. Dry or non-flowing (i.e. hydraulically unconnected to downstream flowing water) natural and artificial waterways may be crossed with open cut techniques where approval has been obtained where necessary from the authority responsible for the channel.
23. The Licencee shall, where open cut stream crossing techniques are used on intermittent waterways and artificial drainage channels, not construct open cut crossings associated with the Development between April 1 and June 15 of any year.

24. The Licencee shall construct open cut stream crossings associated with the Development in accordance with the methodologies described in the October, 2005 publication "Pipeline Associated Watercourse Crossings Third Edition", published by the Canadian Pipeline Water Crossing Committee, and the May, 1996 publication "Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat", published by the Department of Fisheries and Oceans and Manitoba Natural Resources.
25. The Licencee shall, where open cut stream crossing techniques are used on intermittent waterways and artificial drainage channels, minimize disturbance to riparian areas and restore the bottom and banks of the waterways to their original elevations and shapes.
26. The Licencee shall not alter local drainage patterns by the construction of the Development, including inflows and outflows from small wetlands adjacent to the route of pipelines.
27. The Licencee shall separate and replace topsoil from backhoe and trenching operations associated with the Development in accordance with the methodology described in Figures 1, 2 and 3 attached to this Licence. This requirement is not applicable where the topsoil has been previously disturbed due to the construction of roads or drains.

Operation - Water Treatment Plants

28. The Licencee shall operate the Development with respect to the volume and rate of water diverted in accordance with Water Rights licences issued for all water treatment plants of the Development pursuant to the Water Rights Act.
29. The Licencee shall ensure that water intake works at all water treatment plants of the Development are constructed and operated in accordance with the Department of Fisheries and Oceans publication "Freshwater Intake End-of-Pipe Fish Screen Guideline" (March, 1995).

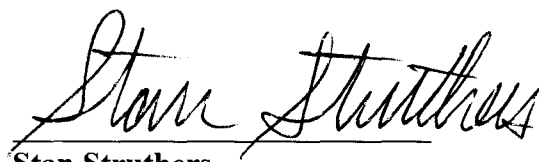
Monitoring – Upgraded Morris Water Treatment Plant

30. The Licencee shall conduct an effluent monitoring program at the upgraded Morris water treatment plant as described in Clauses 31 to 34, of this Licence, for a period of two years commencing with the operation of this component of the Development. Following this period, the duration of the monitoring program may be extended by the Director if the results, in the opinion of the Director, indicate that a longer monitoring period is appropriate.
31. The Licencee shall, on a quarterly basis for the duration of the effluent monitoring program, collect grab samples at four locations approved by the Director. These locations shall be in the process wastewater lift station at the water treatment plant, in the effluent stream from the effluent settling ponds, and in the Red River above and below the effluent discharge point.
32. The Licencee shall transport the grab samples collected pursuant to Clause 31, of this Licence, to an accredited laboratory for analysis. The samples shall be stored and transported in accordance with procedures specified by Manitoba Water Stewardship to ensure that the samples are suitable for analysis.

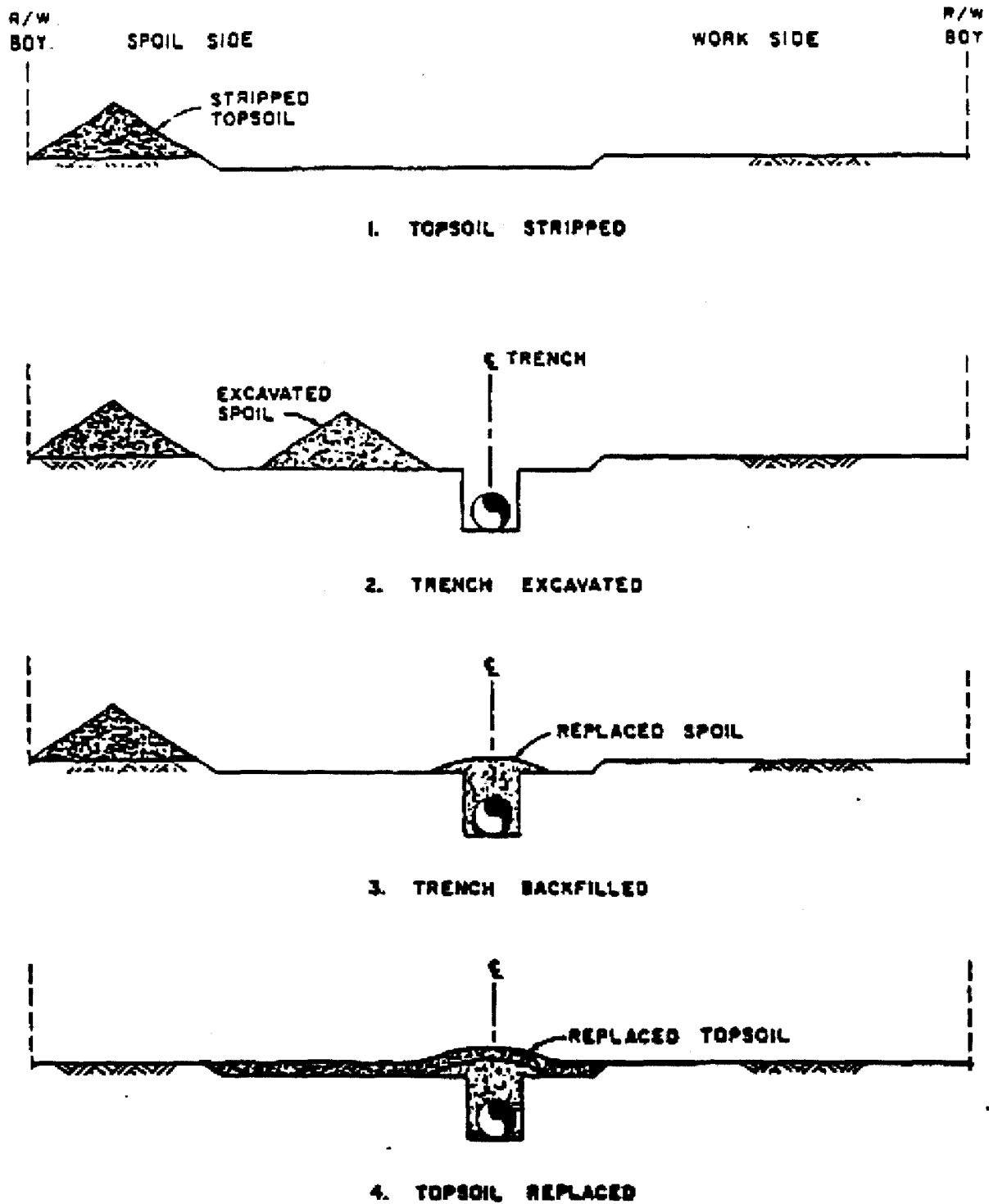
33. The Licencee shall, at an accredited laboratory, have the samples collected pursuant to Clause 31, of this Licence, analysed for the following parameters:
- a) pH;
 - b) hardness;
 - c) total dissolved solids;
 - d) total suspended solids;
 - e) iron;
 - f) manganese; and
 - g) aluminum.
34. The Licencee shall, not more than 30 days after the results of each quarterly analysis are available, submit the results to the Director.

REVIEW AND REVOCATION

- A. This Licence replaces Environment Act Licence No. 1841 which is hereby rescinded.
- B. If, in the opinion of the Minister, the Licencee has exceeded or is exceeding or has or is failing to meet the specifications, limits, terms, or conditions set out in this Licence, the Minister may, temporarily or permanently, revoke this Licence.
- C. If construction of the development has not commenced within three years of the date of this Licence, the Licence is revoked.
- D. If, in the opinion of the Minister, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Minister may require the filing of a new proposal pursuant to Section 12 of The Environment Act.

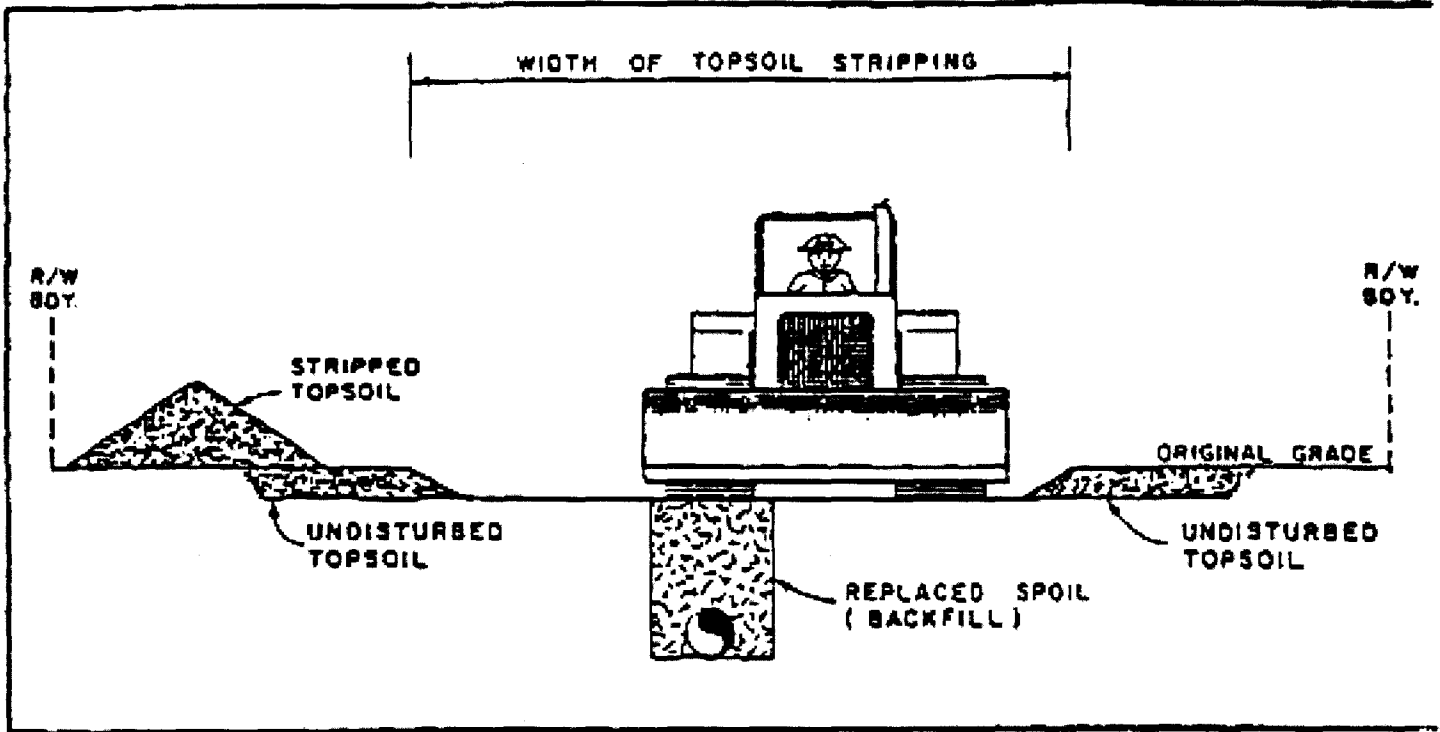


Stan Struthers
Minister
Environment Act



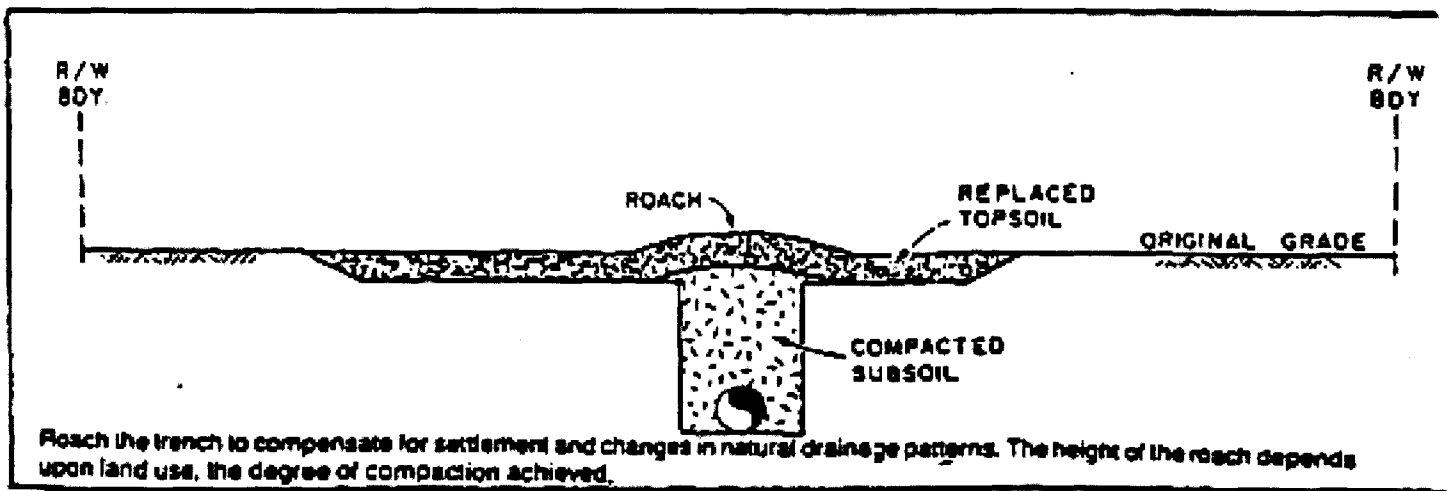
SEQUENCE OF TOPSOIL HANDLING

Figure 1



COMPACTION OF BACKFILL

Figure 2



ROACHING THE TRENCH

Figure 3