Licence No.: 2266
Licence Issued: July 7, 1997

IN ACCORDANCE WITH THE MANITOBA ENVIRONMENT ACT (C.C.S.M. c. E125)
THIS LICENCE IS ISSUED PURSUANT TO SECTION 11(1) TO:

MEDO-LAND DAIRY PRODUCTS - DIVISION OF BEATRICE FOODS INC.;
"the Licencee"

for the continuing operation of the Development, being a cheese manufacturing plant, together with its decommissioned wastewater lagoon facility, located on Lots 2, 17, 18 and 19, Plan 6152, WLTO, in Section 21-5-5 EPM, in the Village of Grunthal, in accordance with the Proposal filed on March 21, 1996, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,
"approved" means approved by the Director in writing;
"CAEAL" means Canadian Association for Environmental Analytical Laboratories;
"Director" means an employee of the department appointed as such by the minister;
"process wastewater" means wastewater generated by the Grunthal Cheese Plant, excluding whole milk or whey;
"sewage" means all domestic and sanitary wastewaters generated at the Development;
"whey" means the serum portion of the milk separated from the milk coagulated during the manufacture of cheese or casein.

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.

1. In addition to any of the limits, terms and conditions specified in this Licence, the Licencee shall, upon the request of the Director:
   a. sample, monitor, analyze and/or investigate specific areas of concern regarding any segment, component or aspect of pollutant storage, containment, treatment, handling, disposal or emission systems, for such pollutants or ambient quality, aquatic toxicity, leachate characteristics and discharge or emission rates, 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 Development; and
   c. provide the Director, within such time as may be specified, with such reports, drawings, specifications, analytical data, descriptions of sampling and analytical procedures being used, bioassay data, flow rate measurements and such other information as may from time to time be requested.

2. The Licencee shall, unless otherwise specified in this Licence:
   a. carry out all preservations and analyses on liquid samples in accordance with the methods prescribed in the most current edition of "Standard Methods for the Examination of Water and Wastewater" published jointly by the American Public Health Association, the American Waterworks Association and the Water Pollution Control Federation, or in accordance with an equivalent analytical methodology approved by the Director; and
b. ensure that all analytical determinations are undertaken by a laboratory accredited by CAEAL or an equivalent accrediting agency.

3. The Licencee shall report all the information requested through the provisions of this Licence in a manner and form acceptable to the Director.

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

**Respecting Liquid Wastes**

4. The Licencee shall direct all sewage and process wastewater from the Development into the Village of Grunthal sewage collection system, subject to any restrictions and obligations imposed by the Rural Municipality of Hanover through the Industrial Use Agreement dated February 25, 1994, or any future amendment thereto, that relates to this Development.

5. The Licencee shall ensure that the transfer lift station for the combined wastewaters released from the Development to the Village of Grunthal sewerage system is:
   a. regularly inspected and maintained;
   b. provided with functional back-up safeguards to preclude the release or overflow of any sewage or process wastewater towards the decommissioned wastewater lagoon facility; and
   c. maintained leak-proof against seepage losses.

6. The Licencee shall not dispose, or allow the overflow, of any whole milk or whey from the Development:
   a. into the decommissioned wastewater lagoon which previously served the Development;
   b. into the Village of Grunthal sewage collection system; or
   c. in any manner or location not authorized through Manitoba Regulation 90/88R, or any future amendment thereof, respecting the disposal of whey.

**Respecting Monitoring, Record Keeping and Reporting**

7. The Licencee shall, as per the recommendation of UMA Engineering Ltd. in their Delineation Study dated September, 1992, which was submitted by the Licencee to the Director on November 9, 1992, prepare and submit a proposed groundwater monitoring program to the Director within two months of the date of issuance of this Licence, for the Director's approval.

8. The Licencee shall, in each year during which the approved monitoring program remains in effect, report the results and interpretation of the approved groundwater monitoring program within 60 days of the date on which the monitoring was conducted.

9. The Licencee shall once every 12 months commencing with October 1, 1997, report to the Director the total quantity of whey, expressed in cubic metres, disposed of from the Development during the preceding 12 month, outlining each manner in which it was disposed, the quantities associated with each manner of disposal, and the total surface area utilized where disposal by application to land was utilized.

**Respecting Decommissioning**

10. The Licencee shall ensure that:
   a. the decommissioned lagoon is returned to its natural wetland state;
   b. any new dumping of liquid, sludge or solid wastes into, or on the banks of, the lagoon facility by any person does not occur, or is cleaned up if it does occur; and
   c. the existing groundwater monitoring wells installed around the decommissioned wastewater lagoon facility, as well as any other existing local groundwater monitoring wells which may be required pursuant to Clause 7 of this Licence, are maintained intact, capped with a locked cap, and safeguarded against vandalism for future monitoring purposes, until such time as the Director has approved their decommissioning.

**REVIEW OR REVOCATION**
A. This Licence replaces Environment Act Licence No. 1495, which is hereby rescinded.

B. If, in the opinion of the Director, 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 Director may, temporarily or permanently, revoke this Licence.

C. If, in the opinion of the Director, new evidence warrants a change in the specifications, limits, terms or conditions of this Licence, the Director may require the filing of a new proposal pursuant to Section 11 of The Environment Act.

"original signed by"
Larry Strachan, P. Eng.
Director
Environment Act

Client File No.: 3285.10