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

YELLOWHEAD WATER CO-OPERATIVE INC.; "the Licencsee"

for the construction and operation of the Development being a water supply system in the
rural municipalities of North Norfolk and Westbourne, in accordance with the Proposal
filed under The Environment Act and dated October 15, 2004, and subject to the
following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

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

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. The Licencee shall, in addition to any of the following specifications, limits, terms
   and conditions specified in this Licence, 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;

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

3. The Licencsee shall, prior to the commencement of operation of the Development, receive approval pursuant to The Public Health Act for final plans for the Development.

4. The Licencsee shall construct waterway crossings on flowing waterways by augering, tunnelling 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.

5. The Licencsee 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.

6. The Licencsee 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.

7. The Licencsee 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.
8. 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.

9. The Licencee shall not permit the interconnection of a private water supply system with the Development.

10. 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.

11. The Licencee shall operate the municipal water supply in accordance with Manitoba Regulations under The Public Health Act and all operating requirements as recommended by Manitoba Water Stewardship.

12. The Licencee shall properly train or qualify individuals to carry out the operation of the Development.


**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

14. The Licencee shall, during construction of the Development, comply with the requirements of The Heritage Resources Act. Notification of pipeline route locations shall be provided to the Historic Resources Branch not less than one month prior to beginning construction of the Development in any year in which construction occurs.

15. The Licencee shall notify the Red River Regional Office of Manitoba Conservation in Portage la Prairie not less than two weeks prior to beginning 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.
16. 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.

17. The Licencee shall construct open cut stream crossings associated with the Development in accordance with the methodologies described in the November, 1999 publication “Watercourse Crossings Second 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.

18. The Licencee shall, adjacent to wildlife management areas, conduct all construction activities in connection with the Development within the area of road allowances and provincial and municipal road rights-of-way.

19. 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.

20. 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.

21. 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.

22. The Licencee shall, during construction and operation of the Development, report spills of fuels or other contaminants to an Environment Officer in accordance with the requirements of *Manitoba Regulation 439/87* respecting *Environmental Accident Reporting*.

23. 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.
24. 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* respecting *Storage and Handling of Petroleum Products and Allied Products.*

**REVIEW AND REVOCATION**

A. 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.

B. If construction of the development has not commenced within three years of the date of this Licence, the Licence is revoked.

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.*

[Signature]

J. Trent Hreno
A/Director
*Environment Act*

File: 5068.00
1. TOPSOIL STRIPPED

2. TRENCH EXCAVATED

3. TRENCH BACKFILLED

4. TOPSOIL REPLACED

SEQUENCE OF TOPSOIL HANDLING
COMPACIION OF BACKFILL

ROACH THE TRENCH

Roach the trench to compensate for settlement and changes in natural drainage patterns. The height of the roach depends upon land use, the degree of compaction achieved.

Figure 2

Figure 3