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

WELLWOOD HOLDING CO. LTD., "the Licencee"

for the construction, operation and maintenance of the Development being a wastewater collection system and a wastewater treatment lagoon to serve the CanAm Colony located in NW 28-5-18 WPM in the Rural Municipality of Riverside and with discharge from the wastewater treatment lagoon to a constructed ditch that discharges into a natural ravine that discharges into a tributary of the Souris River, in accordance with the proposal filed under The Environment Act on June 14, 2005 and subsequent information provided on August 5, 2005 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;

"affected area" means a geographical area excluding the property of the Development;

"approved" means approved by the Director, or an assigned Environment Officer, in writing;

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
"appurtenances" means machinery, appliances, or auxiliary structures attached to a main structure to enable it to function, but not considered an integral part of it;

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

"ASTM" means the American Society for Testing and Materials;

"bentonite" means specially formulated standard mill grade sodium bentonite conforming to American Petroleum Institute Specification 13-A;

"Director" means an employee so designated pursuant to the Environment Act;

"effluent" means treated wastewater flowing or pumped out of the wastewater treatment lagoon;

"fecal coliform" means aerobic and facultative, Gram-negative, nonspore-forming, rod-shaped bacteria capable of growth at 44.5 °C, and associated with fecal matter of warm-blooded animals;

"five-day biochemical oxygen demand" means that part of the oxygen demand usually associated with biochemical oxidation of organic matter within 5 days at a temperature of 20°C;

"flooding" means the flowing of water onto lands, other than waterways, due to the overtopping of a waterway or waterways;

"grab sample" means a quantity of wastewater taken at a given place and time;

"HDPE" means high density polyethylene;

"high water mark" means the line on the interior surface of the primary and secondary cells which is normally reached when the cell is at the maximum allowable liquid level or the line of the exterior of the perimeter dykes which is reached during local flooding;

"influent" means water, wastewater, or other liquid flowing into a wastewater treatment facility;

"in-situ" means on the site;

"low water mark" means the line on the interior surface of the primary and secondary cells which is normally reached when the cell is discharged;
"MPN Index" means the most probable number of coliform organisms in a given volume of wastewater which, in accordance with statistical theory, would yield the observed test result with the greatest frequency;

"primary cell" means the first in a series of cells of the wastewater treatment lagoon system and which is the cell that receives the untreated wastewater;

"rip rap" means small, broken stones or boulders placed compactly or irregularly on dykes or similar embankments for protection of earth surfaces against wave action or current;

"SAR" means sodium adsorption ratio;

"secondary cell" means a cell of the wastewater treatment lagoon system which is the cell that receives partially treated wastewater from the primary cell;

"sewage" means household and commercial wastewater that contains human waste;

"Sodium adsorption ratio" means the dimensionless value where:

\[
\text{SAR} = \frac{0.044 \times \text{Sodium concentration}}{\sqrt{(0.025 \times \text{Calcium concentration}) + (0.041 \times \text{Magnesium concentration})}}
\]

"Standard Methods for the Examination of Water and Wastewater" means the most recent 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 Environment Federation;

"total coliform" means a group of aerobic and facultative anaerobic, Gram-negative, nonspore-forming, rod-shaped bacteria, that ferment lactose with gas and acid formation within 48 hours at 35 °C, and inhabit predominantly the intestines of man or animals, but are occasionally found elsewhere and include the sub-group of fecal coliform bacteria;

"wastewater" means the spent or used water of a community or industry which contains dissolved and suspended matter;

"wastewater collection system" means the sewer and pumping system used for the collection and conveyance of domestic, commercial and industrial wastewater; and

"wastewater treatment lagoon" means an impoundment into which wastewater is discharged for storage and treatment by natural oxidation.
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 direct all sewage generated within the farmsite toward the wastewater treatment lagoon or other approved sewage treatment facilities.

2. 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 pollutant(s) from the Development; or
   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.

3. The Licencee shall, unless otherwise specified in this Licence:
   a) carry out all preservation and analyses on liquid samples in accordance with the methods prescribed in "Standard Methods for the Examination of Water and Wastewater" or in accordance with an equivalent analytical methodology approved by the Director;
   b) have all analytical determinations undertaken by an accredited laboratory; and
   c) report the results to the Director, in writing or in a format acceptable to the Director, within 60 days of the samples being taken.

4. The Licencee shall, in case of physical or mechanical breakdown of the wastewater collection and/or treatment system:
   a) notify the Director immediately;
   b) identify the repairs required to the wastewater collection and/or treatment system;
   c) undertake all repairs to minimize unauthorized discharges of wastewater; and
   d) complete the repairs in accordance with any written instructions of the Director.
5. The Licencsee 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 or any future amendment thereof.

6. The Licencsee shall comply with the provisions of the Department of Fisheries and Oceans Canada/Manitoba Natural Resources publication, "Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat" (May, 1996).

7. The Licencsee shall submit all information required to be provided to the Director under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director.

8. The Licencsee shall have the operation of the Development carried out by individuals properly trained or qualified to do so.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

9. The Licencsee shall notify the assigned Environment Officer not less than two weeks prior to beginning construction of the Development. The notification shall include the intended starting date of construction.

10. The Licencsee shall notify the Department of Fisheries and Oceans Canada – Winnipeg District Office a minimum of ten days prior to the commencement of construction, citing file number: WI-05-1690.

11. The Licencsee shall:
   a) conduct all ditch related work activities during no flow or dry conditions and not during the April 1 to June 15 fish spawning and incubation period.
   b) not construct the wastewater treatment lagoon or wastewater collection system during periods of heavy rain;
   c) place and/or isolate all dredged and construction material where it will not erode into any watercourse;
   d) implement effective long-term sediment and erosion control measures to prevent soil-laden runoff, and/or silt from entering any watercourse during construction and until vegetation is established;
   e) routinely inspect all erosion and sediment control structures and immediately complete any necessary maintenance or repair; and
   f) maintain streambeds and banks of watercourses associated with lagoon operation and repair eroded and physically unstable streambeds and banks associated with the wastewater treatment lagoon, the discharge route and associated watercourses such that they are able to perform the operations for which they were designed and constructed.
11. The Licencee shall, during construction of the wastewater treatment lagoon, operate, maintain and store all materials and equipment in a manner that prevents any deleterious substances (fuel, oil, grease, hydraulic fluids, coolant, paint, uncured concrete and concrete wash water, etc.) from entering the wastewater treatment lagoon, the discharge route and associated watercourses.

12. The Licencee shall, prior to the construction of the dykes for the wastewater treatment lagoon:
   a) remove all organic topsoil from the area where the dykes will be constructed; or
   b) remove all organic material for a depth of 0.3 metres and a width of 3.0 metres from the area where the liner will be constructed.

13. The Licencee shall construct and maintain a continuous liner underlying the primary and secondary cells of the wastewater treatment lagoon, such that:
   a) the liner is constructed from HDPE geomembrane;
   b) the liner has a minimum thickness of 60 mils;
   c) all sections of the liner are joined by double channel fusion seaming;
   d) the liner shall be installed to a minimum elevation of 2.5 metres above the base of the primary and secondary cells;
   e) in accordance with ASTM Standard D-4437, the integrity of all field seams are tested by non-destructive test methods and a testing report is prepared and submitted to the Director within 30 days of commencing the installation of the liner; and
   f) the liner is covered with sand or other granular cover material to a minimum depth of 0.30 metre measured perpendicular to the surface of the liner.

14. The Licencee shall construct and maintain an effective gas relief system under the liner for all cells of the wastewater treatment lagoon.

15. The Licencee shall notify the Director one week prior to commencing the installation of the liner and the gas relief system.

16. The Licencee shall not cover the liner or use the cells of the wastewater treatment lagoon until receiving the approval of the Director of the report submitted pursuant to sub-Clause 13 e) of this Licence.

17. The Licencee shall, if in the opinion of the Director, significant erosion of the granular material covering the liner occurs, place rip rap on the interior dyke surfaces from 0.6 metres above the high water mark to at least 0.6 metres below the low water mark to protect the dykes from wave action.
18. The Licencee shall dispose of non-reusable construction debris from the Development at a waste disposal ground operating under the authority of a permit issued pursuant to *Manitoba Regulation 150/91* respecting *Waste Disposal Grounds*, or any future amendment thereof, or a Licence issued pursuant to *The Environment Act*.

19. The Licencee shall not discharge effluent from the wastewater treatment lagoon:
   a) where the organic content of the effluent, as indicated by the five day biochemical oxygen demand, is in excess of 30 milligrams per litre;
   b) where the fecal coliform content of the effluent, as indicated by the MPN index, is in excess of 200 per 100 millilitres of sample;
   c) where the total coliform content of the effluent, as indicated by the MPN index, is in excess of 1500 per 100 millilitres of sample;
   d) between the 1st day of November of any year and the 15th day of June of the following year;
   e) when flooding from any cause is occurring along the effluent drainage route; or
   f) when such a discharge would cause or contribute to flooding in or along the effluent drainage route.

20. The Licencee shall operate and maintain the wastewater treatment lagoon in such a manner that:
    a) the organic loading on the primary cell, as indicated by the five-day biochemical oxygen demand, is not in excess of 56 kilograms per hectare per day;
    b) the depth of liquid in the primary cell or secondary cell does not exceed 1.5 metres; and
    c) the release of offensive odours is minimized.

21. The Licencee shall construct and maintain an all-weather access road to the wastewater treatment lagoon.

22. The Licencee shall install and maintain a fence around the wastewater treatment lagoon to limit access. The fence shall be a minimum of 1.2 meters high and have a locking gate, which shall be locked at all times except to allow access to the wastewater treatment lagoon.

23. The Licencee shall take action to maintain the HDPE liner of the cells of the Development. If the liner becomes displaced from its design position, the Licencee shall immediately report the displacement to the Director, and take any measures required by the Director to restore the liner to its design position and state.
The Licencee shall provide and maintain a grass cover on the dykes of the wastewater treatment lagoon and shall regulate the growth of the vegetation so that the height of the vegetation does not exceed 0.3 metres on all dykes.

The Licencee shall annually remove by mechanical methods all reeds, ruches and trees located above the low water mark in every cell of the wastewater treatment lagoon.

The Licencee shall implement an ongoing program to remove burrowing animals from the site of the wastewater treatment lagoon.

The Licencee shall locate all fuel storage and equipment servicing areas established for the construction and operation of the Development a minimum distance of 100 metres from any waterbody, and shall comply with the requirements of Manitoba Regulation 188/2001 respecting Storage and Handling of Petroleum Products and Allied Products Regulation or any future amendment thereof.

The Licencee shall actively participate in any future watershed-based management study, plan and/or nutrient reduction program, approved by the Director, for the Souris River, the Assiniboine River, the Red River, Lake Winnipeg, and/or associated waterways and watersheds.

**MONITORING AND REPORTING**

The Licencee shall prior to each effluent discharge campaign obtain grab samples of the treated wastewater and have them analyzed for:

a) the organic content as indicated by the five day biochemical oxygen demand and expressed as milligrams per litre;  

b) the fecal coliform content as indicated by the MPN index and expressed as MPN per 100 millilitres per sample; and  

c) the total coliform content as indicated by the MPN index and expressed as MPN per 100 millilitres per sample.

The Licencee shall:

a) during each year maintain records of:  

i) wastewater sample dates;  

ii) original copies of laboratory analytical results of the sampled wastewater;  

iii) effluent discharge dates;  

b) make the records being maintained pursuant to sub-Clause 30 a) of this Licence available to an Environment Officer upon request; and
c) keep the maintained records of any one calendar year available for inspection for a period of three years following the respective calendar year in which they were recorded.

31. The Licencee shall, for a period of at least five years following the commencement of operation of the wastewater treatment lagoon under this Licence, obtain samples of effluent during the beginning, middle and end of each effluent discharge campaign from the secondary cell of the wastewater treatment lagoon. The samples shall be preserved, analyzed and reported in accordance with the requirements of Clause 3 of this Licence, and shall be analyzed for:
   a) ammonia nitrogen; and
   b) Sodium Adsorption Ratio as calculated from results of analyses for:
      i) total calcium;
      ii) total magnesium; and
      iii) total sodium.

32. The Licencee shall, for a period of at least five years following the commencement of operation of the wastewater treatment lagoon under this Licence and during each discharge campaign, obtain samples of water from the receiving surface body of water. Such samples shall be obtained from the confluence of the discharge route with the Souris River. Samples shall also be obtained in each year from the same location in the spring prior to each discharge campaign and in late August. The samples shall be preserved, analyzed and reported in accordance with the requirements of Clause 3 of this Licence, and shall be analyzed for:
   a) ammonia nitrogen; and
   b) Sodium Adsorption Ratio as calculated from results of analyses for:
      i) total calcium;
      ii) total magnesium; and
      iii) total sodium.

33. The Licencee shall report the results from the sampling required by Clauses 31 and 32 of this Licence to the Director in accordance with the requirements of Clause 3 c) of this Licence.

34. The Licencee shall, as may be requested by the Director, propose a plan that will be implemented by the Licencee, for approval by the Director, to reduce the concentrations of effluent constituents that create SAR levels that exceed SAR levels of Manitoba Water Quality Standards, Objectives, and Guidelines – Manitoba Conservation Report 2002-11.

35. The Licencee shall:
   a) prepare updated "as constructed drawings" for the Development and shall label the drawings "As Constructed"; and
b) provide to the Director, on or before 29th day of September, 2006, two sets of "as constructed drawings" of the wastewater treatment lagoon.

REVIEW AND REVOCATION

A. This Licence replaces Licence No. 2703 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 the Licencee has not commenced construction of the Development within three years of the date of this Licence, the Licence is revoked.

D. 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.

Tracey Braun, M.Sc.
Director
Environment Act

FILE: 5113.00