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

TOWN OF MELITA; "the Licencee"

for the construction and operation of the Development being a water supply and treatment system with two wells in NW 23-5-27 WPM, a raw water pipeline between the wells and the water treatment plant, and a water treatment plant in NW 6-4-26 WPM, with the discharge of wastewater from the water treatment plant to the Souris River, in accordance with the Environment Act proposal dated February 24, 2006 and additional information dated September 19, 2006 and October 19, 2006, 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.

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

   (b) determine the environmental impact associated with the release of any pollutants from the 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 water supply and treatment system in accordance with Manitoba Regulations under The Public Health Act and all operating requirements as recommended by Manitoba Conservation and Manitoba Water Stewardship.

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

4. 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.

5. 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.

6. The Licencee shall maintain the water supply wells associated with the Development to prevent the contamination of groundwater by surface water:

   (a) entering the well casings through the tops of the casings;
(b) entering the well casings through the sides of the casings; and
(c) seeping down the outsides of the casings to the groundwater.

7. 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.

8. The Licencee shall actively participate in any future watershed based management
study, approved by the Director, for the Souris River.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Respecting Construction and Operation:

9. The Licencee shall notify the Western Region of Manitoba Conservation not less
than two weeks prior to beginning construction of the Development. The
notification shall include the intended starting date of construction and the name
of the contractor responsible for the construction.

10. The Licencee shall, during construction of the Development, dispose of non-
reusable construction debris at a waste disposal ground operating under the
authority of a permit issued under *Manitoba Regulation 150/91* respecting *Waste
Disposal Grounds*, or any future amendment thereof, or a Licence issued pursuant
to The Environment Act.

11. The Licencee shall locate fuel storage and equipment servicing areas established
for the construction and operation of the Development in compliance with the
requirements of *Manitoba Regulation 188/2001* respecting *Storage and
Handling of Petroleum Products and Allied Products*, or any future amendment
thereof.

12. 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.

13. 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.
14. The Licencee shall construct the pipeline of the Development along the route identified as Option C of the Environment Act Proposal. This route commences on the west side of W 23-5-27 WPM, continues east on the south side of PR 345 on the north sides of sections 14 and 13-5-27 WPM, and continues south to the Town of Melita.

15. The Licencee shall, prior to the installation of the pipeline of the Development on the east side of Section 13-5-27 WPM, provide a vegetation survey to identify any rare or endangered plant species for the approval of the Director. The Licencee shall contact the Conservation Data Centre of Manitoba Conservation if any such species are found in this location.

16. The Licencee shall install the pipeline of the Development in W 23-5-27 WPM by directional drilling. For all areas in this location that will be disturbed, sod shall be removed prior to construction and replaced following construction if possible, in consultation with regional staff of the Wildlife and Ecosystem Protection Branch. All disturbed areas in this location that are not re-sodded shall be revegetated with similar native species.

17. The Licencee shall not construct components of the Development in W 23-5-27 WPM between May 1 and July 1 of any year, and not before providing for the approval of the Director a vegetation survey and grassland bird survey in any areas at this location to be disturbed by the construction of the Development.

18. The Licencee shall not service machinery used in the construction of the Development in W 23-5-27 WPM.

19. The Licencee shall not, during construction of the Development, remove, destroy or disturb species listed as rare or endangered, or their habitats. Rare and endangered species are listed in the Threatened, Endangered and Extirpated Species Regulation under the Manitoba Endangered Species Act and in the federal Species at Risk Act.

20. The Licencee shall, during construction of the pipeline of the Development, 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.
21. 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.

22. 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.

23. The Licencee shall not construct open cut stream crossings between April 1 and June 15 of any year.

24. 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.

25. 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.

26. 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.

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

28. The Licencee shall operate the Development with respect to the volume and rate of water diverted from the Oak Lake Aquifer in accordance with a Water Rights Licence issued pursuant to the Water Rights Act.
Respecting Drawdown Impact Monitoring:

29. The Licencee shall, by March 1, 2007, provide a report for the approval of the Director respecting a groundwater level monitoring program to define the magnitude and extent of the drawdown cone associated with the groundwater withdrawal of the Development. The program shall include monthly level monitoring adjacent to the pumping well of the Development, and semi-annual monitoring at other locations, including at least one control location outside of the drawdown area.

30. The Licencee shall implement the monitoring program approved in Clause 29 of this Licence. Results of the program shall be reported annually to the Director.

Respecting Effluent Monitoring:

31. The Licencee shall conduct an effluent monitoring program as described in Clauses 32 to 35 of this Licence, for a period of one year commencing with the operation of the water treatment plant of the Development. Following this period, the duration of the effluent 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.

32. The Licencee shall, on a quarterly basis for the duration of the effluent monitoring program, collect grab samples at locations approved by the Director in the wastewater stream within the water treatment plant, and in the Souris River upstream and downstream of the effluent discharge point from the water treatment plant.

33. The Licencee shall transport the grab samples collected pursuant to Clause 32 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.

34. The Licencee shall, at an accredited laboratory, have the samples collected pursuant to Clause 32 of this Licence, analysed for the following parameters:
   (a) calcium;
   (b) magnesium;
   (c) sodium;
   (d) sulphate;
   (e) chloride;
   (f) chlorine;
   (g) total suspended solids (TSS);
   (h) total dissolved solids (TDS); and
   (i) total alkalinity.
35. The Licencee shall, not more than 30 days after the results of each quarterly analysis are available, submit the results to the Director.

Respecting the Decommissioning of the Existing Water Supply System:

36. The Licencee shall, upon the operation of the Development, decommission the wells, water treatment plants and associated works of the existing water supply system in accordance with the requirements of Clauses 10 to 13 of this Licence.

37. The Licencee shall seal the wells of the existing water supply system in accordance with instructions from the Manitoba Water Services Board.

REVIEW AND REVOCATION

A. Environment Act Licence No. 2580 shall be rescinded upon the commencement of operation of the Development.

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 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 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: 5177.00
SEQUENCE OF TOPSOIL HANDLING

Figure 1
COMPACTION OF BACKFILL

Figure 2

ROACHING THE TRENCH

Figure 3

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.

Figures 2 and 3 to Environment Act Licence No. 2745