June 26, 2008

Dear Mr. Swanson:

Enclosed is Environment Act Licence No. 2837 dated June 26, 2008 issued in accordance with The Environment Act to Manitoba Hydro for the construction, operation and maintenance of the Development being the conversion of the existing 11 km private tramway line between Pointe du Bois and Slave Falls Generating Station to a private, all-weather road, in accordance with the Proposal and the Environmental Impact Statement filed under The Environment Act during July, 2007 and March, 2008, respectively.

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 Bryan Blunt, Environment Officer at (204) 945-7085.

Pursuant to Section 27 of The Environment Act, this licencing decision may be appealed by any person who is affected by the issuance of this Licence to the Minister of Conservation within 30 days of the date of the Licence.

Yours truly,

[Signature]
Tracey Braum, M. Sc.
Director
Environment Act

Enc.

C: J. Irwin, Eastern Regional Director
Millennium Public Library/Manitoba Eco-Network/LGD of Pinawa (As Registry)
Brokenhead River Regional Library/R.M. of Lac du Bonnet (As Registry)

NOTE: Confirmation of Receipt of this Licence No. 2837 (by the Licencee only) is required by the Director of Environmental Assessment and Licensing. Please acknowledge receipt by signing in the space provided below and faxing (letter only) a copy back to the Department by July 3, 2008.

On behalf of Manitoba Hydro: ____________________________ Date: ____________________________

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
THE ENVIRONMENT ACT
LOI SUR L'ENVIRONNEMENT

Manitoba

LICENCE

 Licence No. / Licence n° ___________ 2837

 Issue Date / Date de délivrance ___________ June 26, 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 11(1) / Conformément au Paragraphe 11(1)

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

MANITOBA HYDRO: "the Licencee"

for the construction, operation and maintenance of the Development being the conversion of the existing 11 km private tramway line between Pointe du Bois and Slave Falls Generating Station to a private, all-weather road, in accordance with the Proposal and the Environmental Impact Statement filed under The Environment Act during July, 2007 and March, 2008, respectively, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence:

"Department" means Manitoba Conservation;

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

"Environment Officer" means an employee of the department appointed as such by the Minister; and

"wetlands" means those areas where the water table is at or above the land surface for a long enough period each year to make the area capable of supporting aquatic or hydrophilic vegetation, and which have soils with characteristics indicative of wet conditions.

A COPY OF THIS 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 construct and operate the Development as a private all-weather road to provide access for Manitoba Hydro operating and maintenance personnel and equipment to Slave Fall Generating Station. Any uses other than those approved by this Licence will be considered as an alteration to the Development and the appropriate Notice of Alteration shall be filed with the Director.

2. The Licencee shall not affect any land during the construction and operation of the Development which has not been acquired through either Crown Land reservation or easement.

3. The Licencee shall establish any fuel storage areas required 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.

4. The Licencee shall ensure fuel storage containers incorporate secondary containment satisfactory to an Environment Officer.

5. The Licencee shall collect and dispose of all used petroleum products and other hazardous wastes generated by the machinery used in the construction and operation of the Development in accordance with Manitoba Conservation and legislative requirements.

6. The Licencee shall, at all times during the construction of the Development, have available at the construction sites, materials to contain and recover spills of fuel and other fluids associated with construction machinery.

7. 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 pursuant to Manitoba Regulation 439/87 or any future amendment thereof, respecting Environmental Accident Reporting; and
   b) at the request of the Director, provide a follow-up report to the Director on a reportable environmental accident outlining the cause(s) and proposed corrective action to prevent reoccurrence.
8. The Licencee shall, during the full term of the construction of the Development, cleanup and deposit all debris from the construction site, including demolition debris, at a Waste Disposal Ground operating under the authority of a permit issued pursuant to *Manitoba Regulation 150/91* or any future amendment thereof, respecting *Waste Disposal Grounds*.

9. The Licencee shall, during construction, dispose of all sewage and septage from on-site sanitary facilities in accordance with the *Onsite Wastewater Management Systems Regulation, MR 83/2003* or any future amendment thereof.

10. The Licencee shall, during construction, adhere to the general recommendations on design, construction and maintenance of stream crossings as specified in the Manitoba Department of Conservation guidelines titled *Manitoba Stream Crossing Guidelines for the Protection of Fish and Fish Habitat, 1996*.

11. The Licencee shall, on a daily basis throughout construction and restoration of the Development, monitor the work activity to ensure adherence to all the environmental practices outlined in the Environmental Impact Statement.

12. The Licencee shall, prior to construction, obtain all permits and agreements as required by Manitoba Transportation and Government Services.

13. The Licencee shall, prior to construction, provide a copy of this Licence to the contractor and subcontractor(s) involved in the Development.

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

14. The Licencee shall, prior to commencement of clearing and construction activities for the Development, submit to the Director for approval, a Slave Falls Tramway Conversion Project Environmental Protection Plan (EPP). The EPP shall describe the approach to be used by the Licencee to monitor environmental conditions during the construction and operation of the project to ensure that mitigative measures are applied systematically, and in a manner consistent with the commitments made in the Slave Falls Tramway Conversion Project Environmental Impact Statement (EIS). Specifically, the EPP shall:

   a) describe the protocol for reporting on monitoring and compliance for the construction and operational phases of the project;

   b) facilitate the mitigation of environmental effects throughout the full-life cycle of the project by providing field construction and operating personnel with clear instructions on the mitigation measures to be implemented and on the appropriate lines of communication and means of reporting to be followed;
c) document the disposition of any issues and concerns identified during the consultation process;

d) identify modifications to construction methods or schedules, summarize environmental sensitivities and mitigation actions, list emergency response plans and reporting protocols, describe a plan for rail line abandonment and a closure plan for aggregate quarries, including mitigation of potential hazards to public safety and mitigation to address land reclamation concerns;

e) provide specific information on waste management practices to be utilized during the construction phase of the project, including consideration of all liquid and solid wastes generated; and

f) monitor clearing and construction practices to ensure that the work proceeds in accordance with the EPP.

15. The Licencee shall, prior to construction, obtain authorization for water control works associated with the Development from Manitoba Water Stewardship, pursuant to the Water Rights Act.

16. The Licencee shall, prior to construction:

   a) flag areas containing species of local conservation concern in accordance with mitigation measures prescribed in the EIS/EPP.

   b) reduce right-of-way clearing through areas where species of concern are known to occur, and

   c) confine construction and operation activities along the road and existing tramway to cleared areas.

17. The Licencee 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.

18. The Licencee shall, from April 1 to June 15 of each year during construction, cease all construction activities that may impact water bodies and which may affect fish mobility and fish habitat.

19. The Licencee shall, from April 1 to July 31 of each year during construction, cease all forest clearing activity to avoid the destruction of active bird nests.

20. The Licencee shall, during construction and operation of the Development, not alter surface drainage patterns or wetlands.

21. The Licencee shall, during construction, undertake temporary erosion control measures to reduce siltation from erosion prone areas.
22. The Licencee shall, undertake the removal and disposal of rail track and associated infrastructure in accordance with the Manitoba Conservation procedure for rail line abandonment attached as Schedule A to this Licence.

23. The Licencee shall, at the completion of construction:
   a) promote natural regeneration of portions of the existing tramway located outside of the proposed road right-of-way,
   b) regenerate disturbed areas within the proposed road right-of-way with native plant species and/or non-invasive grasses and herbs mixtures, and
   c) limit any application of fertilizer on restored areas to the basic recommended amount of nitrogen and phosphorus required to establish healthy growth.

**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, 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.

C. This Licence expires six months following completion of the construction of the Development.

Tracey Braun, M. Sc.
Director
Environment Act

Client File No. 5282.00
PROCEDURE FOR RAILWAY LINE ABANDONMENT

Background

This procedure applies to federal, provincial, private and municipal railways in Manitoba. It applies to all railways which disturbed the land surface, whether or not trains ever ran on them.

Definitions

_Abandoned railway_ means the right-of-way and the developed infrastructure that was used, or held for or in connections with, the operation of the railway including, but not limited to the rail bed, main lines, branches, extensions, sidings, station grounds, yards, other tracks, bridges, tunnels, trestles, culverts, ditches, road crossings and other structures. The date of abandonment is the date determined by the responsible authority (i.e. the federal or provincial government.)

_Ballast_ means the granular material on which the ties and tracks are laid.

_Contaminated site_ means the site, designated under the provincial Contaminated Sites Remediation Act (CSRA), where contaminants are present at a level which poses or may pose a threat to human health or safety or the environment.

_Rail bed_ means the constructed base on which the tracks are laid plus the related infrastructure. The rail bed may consist of grade or ballast material.

Procedure

The following procedure will be used for the abandonment of railway lines in Manitoba. It derives its authority from various aspects of applicable relevant provincial legislation, such as the Environment Act, the Crown Lands Act, the Water Rights Act and the CSRA.

1. General

- Abandoned railways have a number of potential land uses and reclamation of a railway should accommodate these uses. For example, railway line segments that are used as roadways may require that culverts and ballast stay in place and should not be expected to have vegetation on the road surface.
- The procedure takes into account existing land uses, landscape stability, future potential land uses as well as the land use that occurred before the railway activity commenced.
- Manitoba Conservation will normally require bringing the land as close to its original state as possible. This would include, among other things, removal of all rails, railway ties, bridges, bridge abutments, concrete retaining walls and possibly rock and ballast from stream and river crossings.
- Prior to undertaking reclamation efforts, Manitoba Conservation will review workplans prior to necessary approvals/work permits being granted.
2. Contaminants

- Under section 4(1) of the CSRA, the responsible party will assess the site to determine if any contamination may have occurred (i.e. environmental site assessment). Under the provincial CSRA, if a site is designated as contaminated, a remedial action plan must be developed and implemented (see attachments).
- Contaminants identified in soil, surface water or groundwater must be remediated to the province's standards (i.e. Canadian Council of Ministers of the Environment (CCME) Canadian Environmental Quality Guidelines and Canada Wide Standards).
- Approvals from federal departments (i.e. Fisheries and Oceans Canada) may be required (e.g. stream crossings).
- Where a designated contaminated site has been remediated, a Certificate of Compliance will be issued by Manitoba Conservation, upon request.

3. Landscape

- Removal of rail infrastructure (including, but not limited to, rails, ties, ballast, bridge structure, culverts, telegraph and power poles and lines, underground materials such as wires and pipelines related to the railway operation, signs, fences, with the exception of boundary fences, and road crossings) will be required.
- Management of contaminated materials, such as railway ties, would be subject to the provincial Dangerous Goods Handling and Transportation Act. This may include landfilling in an approved landfill or other means (e.g. recycling) as approved by Manitoba Conservation.
- Any impacts to existing drainage patterns must be addressed in the RAP submitted to Manitoba Conservation, and where necessary, to Fisheries and Oceans Canada.

For more information, please contact:
Manitoba Conservation
1-800-945-6784