Val Turner, C.A.O.
R.M. of Lorne
307 – 3rd Street
Somerset MB R0G 2L0

Dear Ms. Turner:

Enclosed is Environment Act Licence No. 2912 dated January 27, 2010 issued to the R.M. of Lorne for the construction and operation of the Development being a groundwater source water treatment and supply system for the community of Swan Lake, with a manganese greensand water treatment plant located in the community, with the discharge of backwash water through a pipeline to a tributary of the Pembina River in SE 19-5-10 WPM, in accordance with the Proposal filed under The Environment Act dated September 9, 2009.

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 Bruce Webb, Environmental Engineer at (204) 945-7021.

Yours truly,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.
c: Don Labossiere, Director, Environmental Operations
    Jerry Cousin, P. Eng., J.R. Cousin
    Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2912 (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 a copy (letter only) to the Department by February 11, 2010.

On behalf of the R.M. of Lorne

Date

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
Licence No. / Licence n° ___________ 2912

Issue Date / Date de délivrance ______ January 27, 2010

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 10(1)

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

The Rural Municipality of Lorne; "theLicencee"

for the construction and operation of the Development being a groundwater source water treatment and
supply system for the community of Swan Lake, with a manganese greensand water treatment plant
located in the community, with the discharge of backwash water through a pipeline to a tributary of the
Pembina River in SE 19-5-10 WPM, in accordance with the Proposal filed under The Environment Act
dated September 9, 2009, 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;

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

"Director" means an employee so designated pursuant to The Environment Act.

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. TheLicencree 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. TheLicencree shall design, construct and operate the water treatment and supply system in accordance with Manitoba Regulations under the Public Health Act and the Drinking Water Safety Act and all operating requirements as recommended by Manitoba Conservation and Manitoba Water Stewardship.

3. TheLicencree 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.

4. TheLicencree 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.

5. TheLicencree 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.

6. TheLicencree shall not permit the interconnection of a private water supply system with the Development.

7. TheLicencree 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 top of the casings; and
   b) entering the well casings through the sides of the casings.

8. TheLicencree shall:
   a) prepare as constructed drawings for the Development and shall label the drawings “As Constructed”;
   b) provide to the Director, within one year of the completion of construction of the Development, two sets of as constructed drawings.
SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

9. 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.

10. 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.

11. 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.

12. 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, or any future amendment thereof.

13. The Licencee shall obtain and maintain classification of the Development pursuant to Manitoba Regulation 77/2003 respecting Water and Wastewater Facility Operators or any future amendment thereof and maintain compliance with all requirements of the regulation including, but not limited to, the preparation and maintenance of a Table of Organization, Emergency Response Plan and Standard Operating Procedures.

14. The Licencee shall carry out the operation of the Development with individuals properly certified to do so pursuant to Manitoba Regulation 77/2003 respecting Water and Wastewater Facility Operators or any future amendment thereof.

15. The Licencee shall conduct an effluent monitoring program as described in Clauses 16 to 19 of this Licence, for a period of two years commencing with the operation of the Development. Following this period, the duration of the 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.

16. 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 upstream and downstream of the effluent discharge pipeline outlet on the receiving waterway.

17. The Licencee shall transport the grab samples collected pursuant to Clause 16 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.

18. The Licencee shall, at an accredited laboratory, have the samples collected pursuant to Clause 16 of this Licence, analyzed for the following parameters:
   a) manganese;
   b) total suspended solids; and 
   c) total dissolved solids.

19. The Licencee shall, not more than 30 days after the results of each quarterly analysis are available, submit the results to the Director.

20. The Licencee shall, each winter during the operation of the Development:
   a) monitor ice accumulation in the receiving waterway at the effluent discharge pipeline outlet; and 
   b) take action as may be necessary to prevent flooding on the receiving waterway due to ice accumulation from the operation of the Development.

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 10 of The Environment Act.

Tracey Braun, M. Sc.
Director
Environment Act

File: 5428.00