February 17, 2010

Mr. Jim Dowsett, C.A.O.
Rural Municipality of Killarney-Turtle Mountain
415 Broadway Avenue
Box 10
Killarney, MB
R0K 1G0

Dear Mr. Dowsett:

Enclosed is Environment Act Licence No. 2913 dated February 17, 2010 issued in accordance with The Environment Act to the Rural Municipality of Killarney – Turtle Mountain for the expansion and operation of the Development being a wastewater collection system and a wastewater treatment lagoon located in south 34-2-17 WPM in the Rural Municipality of Killarney – Turtle Mountain. Treated wastewater effluent will be discharged into Long River which drains into Badger Creek, in accordance with the Proposal filed under The Environment Act on June 4, 2009 and subsequent information provided on August 31, 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 Jennifer Winsor, Environmental Engineer at (204) 945-7012.

Pursuant to Section 27 of The Environment Act, this licensing 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 Braun, M.Sc.
Director
Environment Act

Enc.

- Don Labossiere, Director, Environmental Operations
  Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2913 (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 March 3, 2010.

[Signature]
On behalf of the R. M. of Killarney-Turtle Mountain

Date

**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
Licence No. / Licence n° 2913

Issue Date / Date de délivrance February 17, 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. F125)

Pursuant to Section 11(1) / Conformément au Paragraphe 11(1)

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

RURAL MUNICIPALITY OF KILLARNEY – TURTLE MOUNTAIN; "the Licencee"

for the expansion and operation of the Development being a wastewater collection system and a wastewater treatment lagoon located in south 34-2-17 WPM in the Rural Municipality of Killarney – Turtle Mountain with discharge of treated wastewater effluent into Long River which drains into Badger Creek, in accordance with the Proposal filed under The Environment Act on June 4, 2009 and subsequent information provided on August 31, 2009 and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

"access road" means a road that leads from a Provincial Trunk/Highway, Provincial Road, or a municipal road;

"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 in writing;

"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;

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

"cut-off" means a vertical-side trench filled with compacted clay or a wall constructed from compacted clay;

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

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

"Environment Officer" means an employee so appointed pursuant to The Environment Act;

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

"five-day biochemical oxygen demand (BOD5)" means that part of the oxygen demand usually associated with biochemical oxidation of organic matter within five days at a temperature of 20º 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;

"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;

"hydraulic conductivity" means the quantity of water that will flow through a unit cross-sectional area of a porous material per unit of time under a hydraulic gradient of 1.0;

"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;

"odour nuisance" means a continuous or repeated odour, smell or aroma in an affected area which is offensive, obnoxious, troublesome, annoying, unpleasant or disagreeable to a person:

a) residing in an affected area;
b) working in an affected area; or

c) present at a location in an affected area which is normally open to members of the public;

if the odour, smell or aroma

d) is the subject of at least 5 written complaints received by the Director in a form satisfactory to the Director and within a 90 day period, and from 5 different persons falling within clauses a), b) or c) who do not live in the same household; or

e) is the subject of at least one written complaint, received by the Director in a form satisfactory to the Director, from a person falling within clauses a), b) or c) and the Director is of the opinion that if the odour, smell or aroma had occurred in a more densely populated area there would have been at least 5 written complaints received within a 90 day period from 5 different persons who do not live in the same household;

"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;

"riprap" 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;

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

"septage" means the sludge produced in individual on-site wastewater disposal systems such as septic tanks;

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

"sludge solids" means solids in sludge;

"sludge" means accumulated solid material containing large amounts of entrained water, which has separated from wastewater during processing;

"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 Association;
"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 the component of this development which consists of 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 Licencsee 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 Licencsee shall direct all wastewater generated within the Rural Municipality of Killarney – Turtle Mountain and surrounding area to the wastewater treatment lagoon or other approved wastewater treatment facility.

2. In addition to any of the limits, terms and conditions specified in this Licence, the Licencsee 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 Licencsee shall, unless otherwise specified in this Licence:
   a) carry out all preservations 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 Licencee shall not construct, alter or operate the Development, or permit the Development to be constructed, altered or operated, in a way which causes or results in an odour nuisance, and shall take steps as the Director may require to eliminate or mitigate an odour nuisance.

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

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; 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.

8. 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.

9. 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.

10. The Licencee 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.
SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

11. 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, the name of the contractor responsible for the construction and the name of the on-site contact person.

12. 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.

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

14. The Licencee shall plant and maintain a tree shelter belt along the south side of the wastewater treatment lagoon. The shelter belt shall be designed and maintained to provide a visual screen of the wastewater treatment lagoon.

15. The Licencee shall construct a truck dumping station for truck hauled wastewater. The truck dumping facility shall have a surface splash ramp with a smooth hard surface that can be easily washed free of solids.

16. 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 does not exceed 1.5 metres;
   c) the depth of liquid in the secondary cells does not exceed 2.44 metres; and
   d) a 1.0 metre freeboard is maintained in primary and secondary cells at all times.

17. The Licencee shall, prior to the construction of 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 cut-off will be constructed.

18. The Licencee shall construct and maintain the cells of the wastewater treatment lagoon with continuous liners, including cutoffs, under all interior surfaces of the cells in accordance with the following specifications:
   a) the liners shall be made of clay;
   b) the liners shall be at least one metre in thickness;
   c) the liners shall have a hydraulic conductivity of $1 \times 10^{-7}$ centimeters per second or less at all locations;
d) the liners shall be constructed to an elevation of 2.5 metres above the floor elevation of all primary cells; and  
e) the liner shall be constructed to an elevation of 3.44 metres above the floor elevation of all secondary cells.

19. The Licencee shall not discharge or permit the discharge of septage into the wastewater treatment lagoon between the 15th day of October of any year and the 1st day of June the following year.

20. 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 (BOD5), is in excess of 25 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; or  
e) when such a discharge would cause or contribute to flooding in or along the effluent drainage route.

21. The Licencee shall prevent any wastewater, other than treated wastewater effluent which meets the discharge requirements of Clause 20 of this Licence, from being discharged into the old wastewater treatment lagoon located on Section 34, Township 2, Range 17 WPM in the Rural Municipality of Killarney – Turtle Mountain.

22. The Licencee shall:  
a) maintain the level of water in the cells from the old wastewater treatment lagoon located in Section 34, Township 2, Range 17 WPM to ensure that all the sewage sludge remains submerged;  
b) establish and maintain emergent grasses and vegetation; and  
c) operate the facility as a waterfowl reserve.

23. The Licencee shall discharge the wastewater treatment lagoon over a two-week period, while accelerating discharge as necessary to maintain normal operation of the wastewater treatment lagoon, such that increased nutrient uptake from the wastewater effluent may occur along the discharge route.

24. The Licencee shall ensure that if, in the opinion of the Director, significant erosion of the interior surfaces of the dykes occurs, rip rap shall be placed 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.

25. 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.
26. The Licencee shall annually remove by mechanical methods all reeds, rushes and trees located above the low water mark in every cell of the wastewater treatment lagoon.

27. The Licencee shall implement an ongoing program to ensure that burrowing animals are removed from the site of the wastewater treatment lagoon.

**MONITORING AND REPORTING**

28. The Licencee shall prior to each effluent discharge, obtain grab samples of the treated wastewater and have them analyzed for:
   a) organic content as indicated by the five day biochemical oxygen demand and expressed as milligrams per litre;
   b) fecal coliform content as indicated by the MPN index and expressed as MPN per 100 millilitres of sample;
   c) total coliform content as indicated by the MPN index and expressed as MPN per 100 millilitres of sample; and
   d) the total phosphorus content and expressed as milligrams per litre.

29. 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; and
      iii) effluent discharge dates;
   b) make the records being maintained pursuant to sub-Clause 29 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.

30. The Licencee shall arrange with the designated Environment Officer a mutually acceptable time and date for any required soil sampling between the 15th day of May and the 15th day of October of any year.

31. The Licencee shall take and test undisturbed soil samples, in accordance with Schedule "A" attached to this Licence, from the liner of the wastewater treatment lagoon; the number and location of samples and test methods to be specified by the designated Environment Officer up to a maximum of 40 samples.

32. The Licencee shall, not less than 2 weeks before the wastewater treatment lagoon is placed in operation, submit to the Director the results of the tests carried out pursuant to Clause 31 of this Licence.
33. The Licencee shall actively participate in any future watershed based management study, plan and/or nutrient reduction program, approved by the Director, for the Long River and/or associated waterways.

34. The Licencee shall:
   a) prepare "as constructed drawings" for the Development and shall label the drawings "As Constructed"; and
   b) provide to the Director, on or before 1st day of June 2011, two sets of "as constructed drawings" of the wastewater treatment lagoon.

**REVIEW AND REVOCATION**

A. This Licence replaces Licence No. 2098 RRRR which is hereby rescinded upon commissioning of the expanded wastewater treatment lagoon.

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, 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]
Tracey Braun, M.Sc.
Director
Environment Act

Client File No.: 4030.10
Schedule "A" to Environment Act Licence No. 2913

Soil Sampling:

1. The Licencee shall provide a drilling rig, acceptable to the designated Environment Officer, to extract soil samples from the liner which is not placed or found at the surface of the lagoon structure. This includes all wastewater treatment lagoons constructed with clay cutoffs at the interior base of the dyke or with a clay cutoff in the centre of the dyke. The drill rig shall have the capacity to drill to the maximum depth of the clay cutoff plus an additional 2 metres. The drill rig shall be equipped with both standard and hollow stem augers. The minimum hole diameter shall be 5 inches.

2. For lagoon liners placed or found at the surface of the lagoon structure, the Licencee shall provide a machine, acceptable to the designated Environment Officer, capable of pressing a sampling tube into the liner in a straight line motion along the centre axis line of the sample tube and without sideways movement.

3. Soil samples shall be collected and shipped in accordance with ASTM Standard D 1587 (Standard Practice for Thin-Walled Tube Sampling of Soils), D 4220 (Standard Practice for Preserving and Transporting Soil Samples) and D 3550 (Standard Practice for Ring-Lines Barrel Sampling of Soils). Thin-walled tubes shall meet the stated requirements including length, inside clearance ratio and corrosion protection. An adequate venting area shall be provided through the sampling head.

4. At the time of sample collection, the designated Environment Officer shall advise the Licencee as to the soil testing method that must be used on each sample. The oedometer method may be used for a sample were the Environment Officer determines that the soil sample is taken from an undisturbed clay soil which has not been remoulded and which is homogeneous and unweathered. The triaxial test shall be used for all samples taken from disturbed and remoulded soils or from non-homogenous and weathered soils.

5. The Licencee shall provide a report on the collection of soil samples to the designated Environment Officer and to the laboratory technician which includes but is not limited to: a plot plan indicating sample location, depth or elevation of sample, length of advance of the sample tube length of soil sample contained in the tube after its advancement, the soil test method specified by the Environment Officer for each soil sample and all necessary instructions from the site engineer to the laboratory technician.

6. All drill and sample holes shall be sealed with bentonite pellets after the field drilling and sampling has been completed.
Soil Testing Methods:

1. Triaxial Test Method
   b) Soil specimens shall have a minimum diameter of 70 mm (2.75 inches) and a minimum height of 70 mm (2.75 inches). The soil specimens shall be selected from a section of the soil sample which contains the most porous material based on a visual inspection. The hydraulic gradient shall not exceed 30 during sample preparation and testing. Swelling of the soil specimen should be controlled to adjust for the amount of compaction measured during sample collection and extraction from the tube and the depth or elevation of the sample. The effective stress used during saturation or consolidation of the sample shall not exceed 40 kPa (5.7 psi) or the specific stress level, that is expected in the field location were the sample was taken, which ever is greater.
   c) The complete laboratory report, as outlined in ASTM D 5084, shall be supplied for each soil sample collected in the field.

2. Oedometer Test Method
   a) The soil samples shall be tested for hydraulic conductivity using ASTM D 2435 (Standard Test Method for One-Dimensional Consolidation Properties of Soils).
   b) Soil specimens shall have a minimum diameter of 50 mm (2 inches) and a minimum height of 20 mm (0.8 inches). The soil specimens shall be selected from a section of the soil sample which contains the most porous material based on a visual inspection. The soil specimen shall be taken from an undisturbed soil sample. The soil specimen shall be completely saturated.
   c) The complete laboratory report, as outlined in ASTM D 2435, shall be supplied for each soil sample collected in the field.