May 3, 2011

W. Tom Raine, C.A.O.
R.M. of Macdonald
Box 100
Sanford, MB
R0G 2J0

Dear Mr. Raine:

Enclosed is revised Environment Act Licence No. 1599 R dated May 3, 2011 issued in accordance with The Environment Act to the Rural Municipality of Macdonald for the construction and operation of the Development being a regional water supply system, in accordance with the Proposal filed under The Environment Act dated July 22, 1992 and additional information dated October 20, 2010.

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. A Notice of Alteration must be filed with the Director for approval prior to any alteration to the Development as licensed.

For further information on the administration and application of the Licence, please feel free to contact Julie Froese, Environment Officer, at (204) 945-6817.

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,

Tracey Braun, M. Sc.
Director
Environment Act

Enc.
c: Don Labossiere, Director, Environmental Operations
   Public Registries

NOTE: Confirmation of Receipt of this Licence No. 1599 R (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 May 13, 2011.

Rural Municipality of Macdonald ___________________________ 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 No. / Licence n°  1599 R
Issue Date / Date de délivrance  October 9, 1992
Revised :  May 3, 2011

In accordance with The Environment Act (C.C.S.M. c. E125) / Conformément a la Loi sur l'environnement (C.P.L.M. c. E125)
Pursuant to Section 11(1) and 14 (2) / Conformément au Paragraphe 11(1) et 14 (2)

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

The Rural Municipality of Macdonald: "the Licencee"

for the construction and operation of the Development being a regional water supply system, in accordance with the Proposal filed under The Environment Act dated July 22, 1992 and additional information dated October 20, 2010, 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.

PROJECT SCOPE

1. The Development includes a water treatment plant and associated works in NW SW 29-8-1E adjacent to the Village of Sanford, and a water supply system serving portions of the Rural Municipality of MacDonald.

**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.

2. The Licencee shall, 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 said 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.

3. 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.

4. 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.

5. The Licencee shall, prior to the commencement of operation of new components of the Development, receive approval pursuant to The Drinking Water Safety Act for final plans for the new components of the Development.

6. The Licencee shall construct and operate the Development in accordance with Manitoba Regulations under the Drinking Water Safety Act, and all operating requirements as recommended by Manitoba Water Stewardship.

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

8. The Licencee shall:
   a) prepare "As Constructed" drawings for new components of the Development and shall label the drawings "As Constructed"; and
provide to the Director, within three months of the completion of construction of new components of the Development, two sets of “As Constructed” drawings.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Construction – General

9. The Licencee shall notify the Historic Resources Branch not less than one month prior to commencing construction of the Development in any year in which construction occurs, in compliance with the requirements of The Heritage Resources Act. The notification shall include pipeline route locations.

10. The Licencee shall notify the Central Regional Office of Manitoba Conservation in Winnipeg not less than two weeks prior to commencing construction of the Development in any year in which construction occurs. The notification shall include the intended starting date of construction and the name of the contractor responsible for the construction.

11. 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.

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 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, or any future amendment thereof, respecting Storage and Handling of Petroleum Products and Allied Products.

14. The Licencee shall not, during construction and operation of the Development, remove, destroy or disturb species listed as rare, endangered, or of special concern, or their habitats. These species are listed in Manitoba Regulation 25/98, or any future amendment thereof, respecting Threatened, Endangered and Extirpated Species and in the federal Species at Risk Act.

15. 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.
16. The Licencee shall, during construction of the Development, implement all necessary measures to prevent the erosion of exposed soil into any waterbodies. Construction adjacent to waterbodies shall not occur during high rainfall events.

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

**Construction - Pipelines**

18. The Licencee shall, prior to commencing construction of new pipelines of the Development, obtain all necessary approvals from Manitoba Infrastructure and Transportation and the Highway Traffic Board prior to undertaking construction on or adjacent to highway rights-of-way.

19. 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.

20. The Licencee shall ensure that the design of buried pipelines associated with the Development minimizes impacts on land adjacent to the pipelines' routes. Previously disturbed publicly owned rights-of-way shall be followed where possible.

21. The Licencee shall construct waterway crossings on flowing waterways by augering, tunneling 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.

22. The Licencee shall, where open cut stream crossing techniques are used on intermittent waterways and artificial drainage channels, not construct open cut crossings associated with the Development between March 15 and June 15 of any year.

23. 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.

24. 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.

25. The Licencee 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.

26. 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.

**Operation**

27. The Licencee shall obtain and maintain classification of the Development pursuant to *Manitoba Regulation 77/2003*, or any future amendment thereof, respecting *Water and Wastewater Facility Operators* 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.

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

29. The Licencee shall operate the Development with respect to the volume and rate of water diverted in accordance with a Water Rights Licence issued for the water treatment plant of the Development pursuant to the Water Rights Act.

30. The Licencee shall ensure that water intake works at the water treatment plant of the Development are constructed and operated in accordance with the Department of Fisheries and Oceans publication “Freshwater Intake End-of-Pipe Fish Screen Guideline” (March, 1995).
Monitoring – Water Treatment Plant

31. The Licencee shall conduct an effluent monitoring program at the upgraded Sanford water treatment plant as described in Clauses 32 to 35 of this Licence, for a period of two years commencing with the operation of this component 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.

32. The Licencee shall, on a quarterly basis for the duration of the effluent monitoring program, collect grab samples at three locations approved by the Director. These locations shall in the effluent stream from the settling ponds, and in the La Salle River above and below the effluent discharge point.

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) pH;
   b) hardness;
   c) total dissolved solids;
   d) total suspended solids;
   e) calcium;
   f) magnesium;
   g) sodium;
   h) bicarbonate; and
   i) sulphate.

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

REVIEW AND REVOCATION

A. Environment Act Licence No. 1599 is hereby rescinded.

B. Environment Act Licence No. 2218 is hereby rescinded.
C. 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.

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

Client File: 3487.00