June 12, 2015

Charlotte Unrau, Administrator
Agassiz Resource Management Ltd.
Box 750
Winkler MB R6W 4A8

Dear Ms. Unrau:


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 Tyler Kneeshaw, Environment Officer, at 204-239-3608.

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 and Water Stewardship within 30 days of the date of the Licence.

Yours truly,

Tracey Braun, M.Sc.
Director
Environment Act

On behalf of Agassiz Irrigation Association Inc.  Date

NOTE: Confirmation of Receipt of this Licence No. 2093 R (by the Licencee only) is required by the Director of Environmental Approvals. Please acknowledge receipt by signing in the space provided below and faxing a copy (letter only) to the Department by June 26, 2015.

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**A COPY OF THE LICENCE MUST BE KEPT ON SITE AT THE DEVELOPMENT AT ALL TIMES**
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 Sections 11(1) and 14(2) / Conformément au Paragraphes 11(1) et 14(2)

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

AGASSIZ IRRIGATION ASSOCIATION INC.;
"the Licencee"

for the construction and operation of the Development being irrigation systems including water storage reservoirs and related intake and water distribution works on the Hespler, North Rosenheim, South Rosenheim and Buffalo drains and Buffalo Creek in the rural municipalities of Rhineland and Stanley, in accordance with the Environment Act Proposal dated May 17, 1995 and additional information dated July 27, 1995, May 28, 2014, March 25, 2015 and June 4, 2015, and subject to the following specifications, limits, terms and conditions:

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 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 Water Stewardship and legislation requirements.

2. 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, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.
3. The Licencee shall revegetate areas disturbed by the construction of the Development with a mixture of native or introduced grasses or legumes. These areas shall be revegetated as quickly as possible following construction to prevent soil erosion and the establishment of noxious weeds. Native species shall be used to revegetate areas where native species existed prior to construction.

SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS

Project Scope

4. The Licencee shall, unless otherwise approved by the Director in writing, construct the water diversion and management works described in Table 1 and Figure 1, attached to this Licence. Proposed amendments to this project must be submitted to the Director for approval with an accompanying discussion of the nature and purpose of the amendments.

Construction

5. The Licencee shall, not less than two weeks prior to beginning construction of the Development, provide notification to the Environment Officer responsible for the administration of this Licence of the intended starting date of construction and the name of the contractor responsible for the construction.

6. 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 unless double containment is provided; 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.

7. The Licencee shall, during construction of the Development, operate, maintain, and store all materials and equipment in a manner that prevents any deleterious substances (fuel, oil, grease, hydraulic fluids, coolant, etc.) from entering any waterbodies, and have an emergency spill kit for in-water use available on site during construction.

8. The Licencee shall, in the case of physical or mechanical equipment breakdown or process upset where such breakdown or process upset results or may result in the release of a pollutant in an amount or concentration, or at a level or rate of release, that causes or may cause a significant adverse effect, immediately report the event by calling 204-944-4888 (toll-free 1-855-944-4888). The report shall indicate the nature of the event, the time and estimated duration of the event and the reason for the event.

9. The Licencee shall, following the reporting of an event pursuant to Clause 8:
   a) identify the repairs required to the mechanical equipment;
   b) undertake all repairs to minimize unauthorized discharges of a pollutant;
   c) complete the repairs in accordance with any written instructions of the Director; and
d) submit a report to the Director about the causes of breakdown and measures taken, within one week of the repairs being done.

10. The Licencee shall dispose of non-reusable construction debris and solid waste from the construction and maintenance of the Development 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 not 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 respecting Threatened, Endangered and Extirpated Species* or any future amendment thereof, and in the federal Species at Risk Act.

12. The Licencee shall, during construction of the Development, take all appropriate measures to prevent erosion and the deposition of sediment into waterbodies and waterways.

13. The Licencee shall not undertake instream construction activities in connection with the Development between April 1 and June 15 of any year.

14. The Licencee shall not undertake instream construction activities in connection with the Development during periods of high streamflow.

15. The Licencee shall install buried pipelines on cultivated land or land in its natural state in accordance with the methodology illustrated in Figures 2 to 4, attached to this Licence. These procedures do not apply when a plough, continuous trencher or directional drill is used to install a pipeline.

16. The Licencee shall obtain authorization from Manitoba Infrastructure and Transportation for works undertaken on Provincial Waterways.

**Operation – Matters Respecting Water Management and Water Quality Protection**


18. The Licencee shall limit the capacities of pumps used to divert water into the reservoirs of the Development:
   a) to pump capacities not exceeding 0.75 m³/s at sites with storage capacities less than 125 cubic decameters;
   b) to pump capacities not exceeding 1.5 m³/s at sites with storage capacities between 125 and 313 cubic decameters; and
   c) to pump capacities not exceeding 2.25 m³/s at sites with storage capacities greater than 313 cubic decameters.
19. The Licencee shall, while diverting water into the reservoirs of the Development, maintain minimum instream flows on waterways below the diversion points of the Development:
   a) Hespeler Drain: 0.36 m³/s below the S15a site in SW 32-2-3W;
   b) Rosenheim Drain: 0.18 m³/s below the S9 site in SW 9-2-3W;
   c) Buffalo Drain: 0.09 m³/s below the S14 site in SE 2-2-3W;
   d) Buffalo Creek: 0.40 m³/s below the S11f site in SE 29-1-2W.

   These criteria apply during spring filling of the reservoir of the Development, and may be reviewed and revised by the Director upon request from the Licencee and/or upon new information obtained through monitoring of the Development.

20. The Licencee shall, on a daily basis while diverting water into the reservoirs of the Development, record volumes and rates of water pumped, durations of pumping, and instream flows at the monitoring points listed in Clause 19 of this Licence.

21. The Licencee shall, on a daily basis while irrigation from the reservoirs of the Development is occurring, record volumes and rates of water pumped, durations of pumping and fields irrigated.

22. The Licencee shall install backflow prevention devices and maintain them in operational condition at all times if fertilizer or crop protection products are applied through the irrigation systems of the Development.

23. The Licencee shall, if fertilizer or crop protection products are applied through the irrigation systems of the Development, not allow irrigation water containing these materials to be applied to or drain to surface water bodies.

24. The Licencee shall comply with the requirements of *Manitoba Regulation 62/2008*, respecting *Nutrient Management* or any future amendment thereof.

25. The Licencee shall not apply nutrients within eight metres of Nutrient Buffer Zones, including roadside ditches and drains.

**Operation – Matters Respecting Land Management and Soil Quality Protection**

26. The Licencee shall manage phosphorus as well as nitrogen in all nutrient management plans developed pursuant to Clause 27 of this Licence.

27. The Licencee shall implement agronomic practices described in the proposal and additional information, as well as in the report “Draft Best Management Practices Manual 1999” or future versions thereof, by the Central Manitoba Irrigators Association and Central Manitoba Resource Management Ltd., concerning general agronomic practices.
Monitoring

28. The Licencee shall, upon the request of the Director:
   a) sample, monitor, analyze or investigate specific areas of concern regarding groundwater, surface water and soil for such duration and at such frequencies as may be specified;
   b) determine the environmental impact associated with the specific areas of concern;
   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, descriptions of sampling and analytical procedures being used, and such other information as may from time to time be requested.

29. The Licencee shall provide an annual report on monitoring for the Development, including the information required in Clauses 20 and 21 of this Licence, as well as soil test results, nutrient application information, tile drainage quantity and quality information, and proposed seepage and land impact monitoring. The annual report shall be provided, by March 1 of the following year, to the Environment Officer responsible for the administration of this Licence and the Environmental Approvals Branch. The report shall be provided in electronic form in a format satisfactory to the Environment Officer.

REVIEW AND REVOCATION

A. Environment Act Licence No. 2093 is hereby rescinded.

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.


Tracey Braun, M.Sc.
Director
Environment Act

Client File: 3636.20
Table 1 to Environment Act Licence No. 2093 R

Project Components

1995 Proposal

<table>
<thead>
<tr>
<th>Reservoir</th>
<th>Location</th>
<th>Size (dam$^3$)</th>
<th>Water Source</th>
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<td>E8a</td>
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<td>S1</td>
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<td>Hespler Drain</td>
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<td>S11d</td>
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<td>S11e</td>
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<td>S8b</td>
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2014 Alteration

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<td>SW 31-2-3W</td>
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<td>Hespler Drain</td>
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</tbody>
</table>
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Figure 2 to Environment Act Licence No. 2093 R

Sequence of Topsoil Handling

1. Topsoil Stripped

2. Trench Excavated

3. Trench Backfilled

4. Topsoil Replaced
Compaction of Backfill

Roaching the Trench

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.