March 7, 2016

Phil Kalyta, P. Eng.
City of Steinbach
225 Reimer Avenue
Steinbach MB R5G 2J1

Dear Mr. Kalyta:

Enclosed is Environment Act Licence No. 2885 R dated March 7, 2016 issued to the City of Steinbach for the construction and operation of the Development being a groundwater supply and treatment system for municipal purposes in accordance with proposals filed under The Environment Act dated March 20, 2009 and December 8, 2015.

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 Diane Oertel Environment Officer, at 204-345-1486.

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,

"original signed by"

Tracey Braun, M.Sc.
Director
Environment Act

c: Don Labossiere, Donna Smiley, Diane Oertel, Environmental Compliance and Enforcement Branch
   Jeff Bell, Friesen Drillers Ltd.
   Public Registries

NOTE: Confirmation of Receipt of this Licence No. 2885 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 March 21, 2016.

**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(3) / Conformément au Paragraphes 11(1) et 14(3)

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

CITY OF STEINBACH;
"the Licencee"

for the construction and operation of the Development being a groundwater supply and treatment system for municipal purposes with the following components:

a) three existing wells within the City of Steinbach at 515 Main Street (K. R. Barkman Park) in the Carbonate Aquifer;
b) two wells at 316 Park Road West (NW 3-7-6E) in the Carbonate Aquifer;
c) raw water pipelines connecting the wells to water treatment facilities;
d) water treatment facilities and reservoirs; and
e) treated water distribution pipelines within the City of Steinbach.

in accordance with proposals filed under The Environment Act dated March 20, 2009 and December 8, 2015, and subject to the following specifications, limits, terms and conditions:

DEFINITIONS

In this Licence,

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

"Environment Officer" 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. In addition to any of the limits, terms and conditions specified in this Licence, the Licencee 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 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;
   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, bioassay data, flow rate measurements and such other information as may from time to time be requested.

2. The Licencee shall submit all information required to be provided to the Director or Environment Officer under this Licence, in writing, in such form (including number of copies) and of such content as may be required by the Director or Environment Officer, and each submission shall be clearly labeled with the Licence Number and Client File Number associated with this Licence.

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

4. 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.

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

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

**Construction - General**

7. The Licencee shall, in any year in which construction of the Development occurs, notify the Environmental Compliance and Enforcement Branch of Manitoba Conservation and Water Stewardship not less than two weeks prior to construction. The notification shall include the intended starting date of construction and the name of the contractor responsible for the construction.

8. The Licencee shall, prior to the construction of the Development, obtain a Permit to Construct or Alter a Public Water System from the Office of Drinking Water of Manitoba Conservation and Water Stewardship.

9. 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, paint, uncured concrete and concrete wash water, etc.) from entering watercourses, and have an emergency spill kit for in-water use available on site during construction.

10. 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.

11. 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.

12. The Licencee shall, following the reporting of an event pursuant to Clause 11:
    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/or the Environment Officer; and
d) submit a report to the Director about the causes of breakdown and measures taken, within one week of the repairs being done.

Construction – Pipelines

13. The Licencee shall, during construction and maintenance of the Development, prevent the introduction and spread of foreign aquatic and terrestrial biota by cleaning equipment prior to its delivery to the site of the Development.

14. The Licencee shall not release chlorinated water from pipeline testing and startup activities associated with the Development to a surface water body until total residual chlorine level concentrations are equal to or less than 0.02 milligrams per litre. Releases of chlorinated water at higher concentrations may be made to vegetated land or dry waterways, provided that total residual chlorine level concentrations have decayed to 0.02 milligrams per litre or less before the released water reaches any body of surface water.

Operation

15. 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.

16. 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.

17. The Licencee shall operate the Development with respect to the volume and rate of water diverted in accordance with Water Rights licences issued pursuant to The Water Rights Act.

18. The Licencee shall develop, maintain and implement a wellhead protection plan for the wells of the Development that addresses disruption and contamination due to natural disasters, spills of contaminants and vandalism.

19. The Licencee shall decommission private wells made redundant by the Development in accordance with Manitoba water well industry standards.

REVIEW AND REVOCATION

A. Environment Act Licence No. 2885 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.

“original signed by”

Tracey Braun, M.Sc.
Director
Environment Act

Client File: 5403.10