CLIENT FILE NO.: 5678.00

Morley Nagle January 21, 2014
Manitoba Aboriginal and Northern Affairs
27 Second Avenue SW
Dauphin MB R7N 3E5

Dear Mr. Nagle:

Enclosed is Environment Act Licence No. 3087 dated January 21, 2014 issued to Manitoba Aboriginal and Northern Affairs for the construction and operation of the Development being a water supply and treatment system for municipal purposes for the community of Crane River, with the following components:

a) an existing raw water intake on Lake Manitoba at the mouth of the Crane River;
b) two raw water storage ponds;
c) pipelines connecting the intake, the storage ponds and the water treatment plant;
d) a 1.3 litre per second (40,000 litre per day) slow sand filtration and nanofiltration water treatment plant with ultraviolet and chlorine disinfection;
e) a pipeline conveying filter backwash and nanofiltration reject water to Lake Manitoba; and
f) a treated water tank system at the water treatment plant and a municipal water distribution system;

in accordance with the proposal filed under The Environment Act dated September 24, 2013.

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 Tim Prawdzik, Environment Officer at 204-622-2123.

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, Director, Environmental Compliance and Enforcement
    Kevin Esau, E.I.T., Arnason Industries Ltd. – (via email); Public Registries

NOTE: Confirmation of Receipt of this Licence No. 3087 (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 February 4, 2014.

On behalf of Manitoba Aboriginal and Northern Affairs

Date

**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 Section 10(1) / Conformément au Paragraphe 10(1)

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

MANITOBA ABORIGINAL AND NORTHERN AFFAIRS:
"the Licencee"

for the construction and operation of the Development being a water supply and treatment system for municipal purposes for the community of Crane River, with the following components:

a) an existing raw water intake on Lake Manitoba at the mouth of the Crane River;
b) two raw water storage ponds;
c) pipelines connecting the intake, the storage ponds and the water treatment plant;
d) a 1.3 litre per second (40,000 litre per day) slow sand filtration and nanofiltration water treatment plant with ultraviolet and chlorine disinfection;
e) a pipeline conveying filter backwash and nanofiltration reject water to Lake Manitoba; and
f) a treated water tank system at the water treatment plant and a municipal water distribution system;

in accordance with the proposal filed under The Environment Act dated September 24, 2013, 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 and Water Stewardship 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;

"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; 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.

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 and treatment 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 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.

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

**SPECIFICATIONS, LIMITS, TERMS AND CONDITIONS**

**Respecting Construction**

7. The Licencee shall notify the Environmental Compliance and Enforcement Branch of Manitoba Conservation and Water Stewardship not less than two weeks prior to construction of the Development. The notification shall include the intended starting date of the construction.

8. The Licencee shall, prior to the construction of new water treatment, treated water storage, and water distribution components 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, 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, 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.

11. The Licencee shall, following the reporting of an event pursuant to Clause 10:
   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.
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 the construction site.

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

14. 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.

15. The Licencee shall screen the pump intake associated with the Development in accordance with the Department of Fisheries and Oceans publication "Freshwater Intake End-of-Pipe Fish Screen Guideline" (March, 1995).

16. 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 respecting Threatened, Endangered and Extirpated Species* or any future amendment thereof, and in the federal Species at Risk Act.

17. 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 waterbodies shall not occur before August 15 of any year.

**Respecting Operation**

18. 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.

19. 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.

20. The Licencee shall not release chlorinated water from the Development to a surface water body until 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 chlorine level
concentrations have decayed to 0.02 milligrams per litre or less before the released water reaches any body of surface water.

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

Respecting Monitoring

22. The Licencee shall conduct an effluent monitoring program as described in Clauses 23 to 26 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.

23. The Licencee shall, in May, July and October of each year for the duration of the effluent monitoring program, collect grab samples at locations approved by the Environment Officer:
   a) in the wastewater lift station within the water treatment plant;
   b) in the Crane River upstream of the effluent discharge point; and
   c) in Lake Manitoba downstream of the effluent discharge point.

24. The Licencee shall transport the grab samples collected pursuant to Clause 23 of this Licence, to an accredited laboratory for analysis. The samples shall be stored and transported in accordance with procedures specified by Manitoba Conservation and Water Stewardship to ensure that the samples are suitable for analysis.

25. The Licencee shall, at an accredited laboratory, have the samples collected pursuant to Clause 23 of this Licence, analysed for the following parameters:
   a) total dissolved solids;
   b) chloride;
   c) total organic carbon; and
   d) turbidity.

26. The Licencee shall, not more than 30 days after the results of each analysis are available, submit the results to the Environment Officer responsible for the administration of this Licence.

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*.

“original signed by”

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Tracey Braun, M.Sc.
Director
Environment Act

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