

LICENCE

Licence No. / Licence n° 2623RR

Issue Date / Date de délivrance October 15, 2003

Revised: May 31, 2004

Revised: April 1, 2009

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 11(1) / Conformément au Paragraphe 11(1)

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

TIGER HILLS PIPELINE INC.; "the Licencee"

for the construction and operation of the Development being two irrigation systems in the Rural Municipalities of South Norfolk and Victoria (Tiger Hills and Jackson/Delf Irrigation Projects), in accordance with the Proposal filed under The Environment Act dated March 31, 2003 and the alteration requests dated April 23, 2004 and June 6, 2008, 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 legislation requirements.
2. 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.
3. The Licencee shall:
 - a) prepare "As Constructed" drawings for the Development and shall label the drawings "As Constructed"; and

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

- b) provide to the Director, within three months of the completion of construction of the Development, two sets of "As Constructed" drawings.

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 and irrigate the lands as described on Figures 1 and 2, attached to this Licence. The following fields or portions of fields are excluded from the project unless specifically approved by the Director in writing:
 - (a) Tiger Hills Project: the portion of Field J33 in SW 15-9-10W, and all of Field M31 in NW 33-7-10W; and
 - (b) Jackson/Delf Project: the southern portion of Field 5 in SE 3-9-9W and all of Field 10 in SW 14-9-9W.

Proposed amendments to these projects 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; 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*, or any future amendment thereof.
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 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.

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

9. The Licencee shall not harm, remove, destroy or disturb migratory birds, their nests or their eggs pursuant to the requirements of the federal Migratory Birds Convention Act.
10. The Licencee shall, during construction of the Development, take all appropriate measures to prevent erosion and the deposition of sediment into any waterways.
11. The Licencee shall not undertake instream construction activities in connection with the Development between April 1 and June 30 of any year.
12. The Licencee shall not undertake instream construction activities in connection with the Development during periods of high streamflow.
13. The Licencee shall, during construction of water intake works in connection with the Development, minimize the extent of clearing of riparian vegetation adjacent to the Assiniboine River.
14. The Licencee shall, during construction of the pipelines of the Development, construct the crossings of any waterways by augering, tunneling or boring. An open cut crossing shall not be made unless prior consultation with the Department of Fisheries and Oceans staff has occurred and the prior written approvals of the Conservation District and the Director have been obtained.
15. 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.
16. 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.
17. The Licencee shall not alter local drainage patterns by the construction of the Development.
18. The Licencee shall install buried pipelines on cultivated land or land in its natural state in accordance with the methodology illustrated in Figures 3 to 5, attached to this Licence. These procedures do not apply when a plough or a continuous trencher is used to install a pipeline.

Operation – Matters Respecting Water Management and Water Quality Protection

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

19. The Licencee shall install and maintain instream water diversion works associated with the Development in accordance with the requirements of the Department of Fisheries and Oceans and the Canadian Coast Guard.
20. The Licencee shall screen pump intakes associated with the Development in accordance with the Department of Fisheries and Oceans publication "Freshwater Intake End-of-Pipe Fish Screen Guideline" (March, 1995). Final screen designs shall be approved by the Department of Fisheries and Oceans prior to the operation of the Development. Alterations in screen design required by any future changes in the pumping period shall also be approved by the Department of Fisheries and Oceans prior to any changes in the operation of the Development.
21. The Licencee shall maintain a minimum instream flow below all diversion points of the Development at all times while water is being diverted into the Development. The minimum instream flow at each diversion point shall be as determined by Manitoba Water Stewardship and in accordance with the provisions of a Water Rights Licence issued for the Development.
22. The Licencee shall immediately cease diverting water from the Assiniboine River or reduce the diversion rate if the minimum instream flow provided for in Clause 21 of this Licence is not equalled or exceeded.
23. The Licencee shall limit pumping rates at the water diversion points of the Development as follows:
 - (a) Pumpsite A1 (SW 8-9-10W): 90 litres per second;
 - (b) Pumpsite A2: (NE 16-8-10W): 29 litres per second;
 - (c) Pumpsite A3 (NE 16-8-10W): 163 litres per second;
 - (d) Pumpsite A4 (NE 16-8-10W): 41 litres per second;
 - (e) Pumpsite A5 (NE 14-8-10W): 41 litres per second;
 - (f) Pumpsite B (SW 15-9-10W): 505 litres per second;
 - (g) Pumpsite C (W 14-9-9W): 82 litres per second; and
 - (h) Pumpsite D (SW 22-9-10W): 25 litres per second.
24. 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.
25. 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.

Operation – Matters Respecting Land Management and Soil Quality Protection

26. The Licencee shall not, with water diverted by the Development, irrigate any land parcel other than a land parcel identified in Figures 1 and 2 attached to this Licence. The area irrigated in any year by the Development shall not exceed approximately 1210 hectares (1052 ha for Tiger Hills and 158 ha for Jackson/Delf). Deviations

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

from these limits by more than 10% shall not occur without the previous written authorization of the Director.

27. The Licencee shall not use water diverted by the Development to irrigate land in the project area more frequently than one year in three. In particular, the use of water diverted by the Development to irrigate land in the project areas more frequently than one year in three with lesser amounts of water shall not occur.
28. The Licencee shall manage phosphorus as well as nitrogen in all nutrient management plans developed pursuant to Clause 29 of this Licence.
29. The Licencee shall implement agronomic practices described in the following documents:
 - (a) Sections 3.3.2 and 3.4.1 of the Environment Act Proposal report concerning soil conservation, and nutrient and pesticide management, respectively; and
 - (b) Sections 3.4 and 3.5 of the report "Tiger Hills Irrigation Project Addenda to Environment Act Licence No. 2623" concerning soil management, and crop input management and groundwater protection, respectively. This includes Veris and/or EM38 mapping on fields M26, M33, M36, S61 and S64.
 - (c) "Son Valley Spuds Irrigation Project Land-Use and Agronomic Assessment" and "Marginet Potato Growers Inc. Irrigation Project Land-Use and Agronomic Assessment", both prepared by Tone Ag Consulting and dated November 2003. This includes mapping on fields labelled M01, M02, M40, M42, and J78 in the "Request for Minor Alteration to EAL No. 2623R".
 - (d) "Manual of Best Management Practices for Irrigated Crop Production in Manitoba, 2nd Draft" by the Association of Irrigators of Manitoba, concerning general agronomic practices, or future versions thereof.

Monitoring

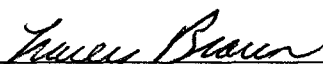
30. The Licencee shall, on a daily basis while irrigation is occurring from the Development, record volumes of water pumped, and durations of pumping for each intake location. A report on this information shall be provided, by February 1 of the following year, to the Environment Officer responsible for the administration of this Licence, the Environmental Assessment and Licensing Branch. The report shall be provided in the format shown in Table 1, attached to this Licence.
31. 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; and
 - (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, and such other information as may from time to time be requested.

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

33. The Licencee shall, prior to the commencement of operation of the Development, meet with the Environment Officer responsible for the administration of this Licence and the contact person for the Environmental Assessment and Licensing Branch of Manitoba Conservation to review the monitoring and reporting requirements of this Licence.

REVIEW AND REVOCATION

- A. Environment Act Licence No. 2623R 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 construction of the development has not commenced within three years of the date of this Licence, the Licence is revoked.
- 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.



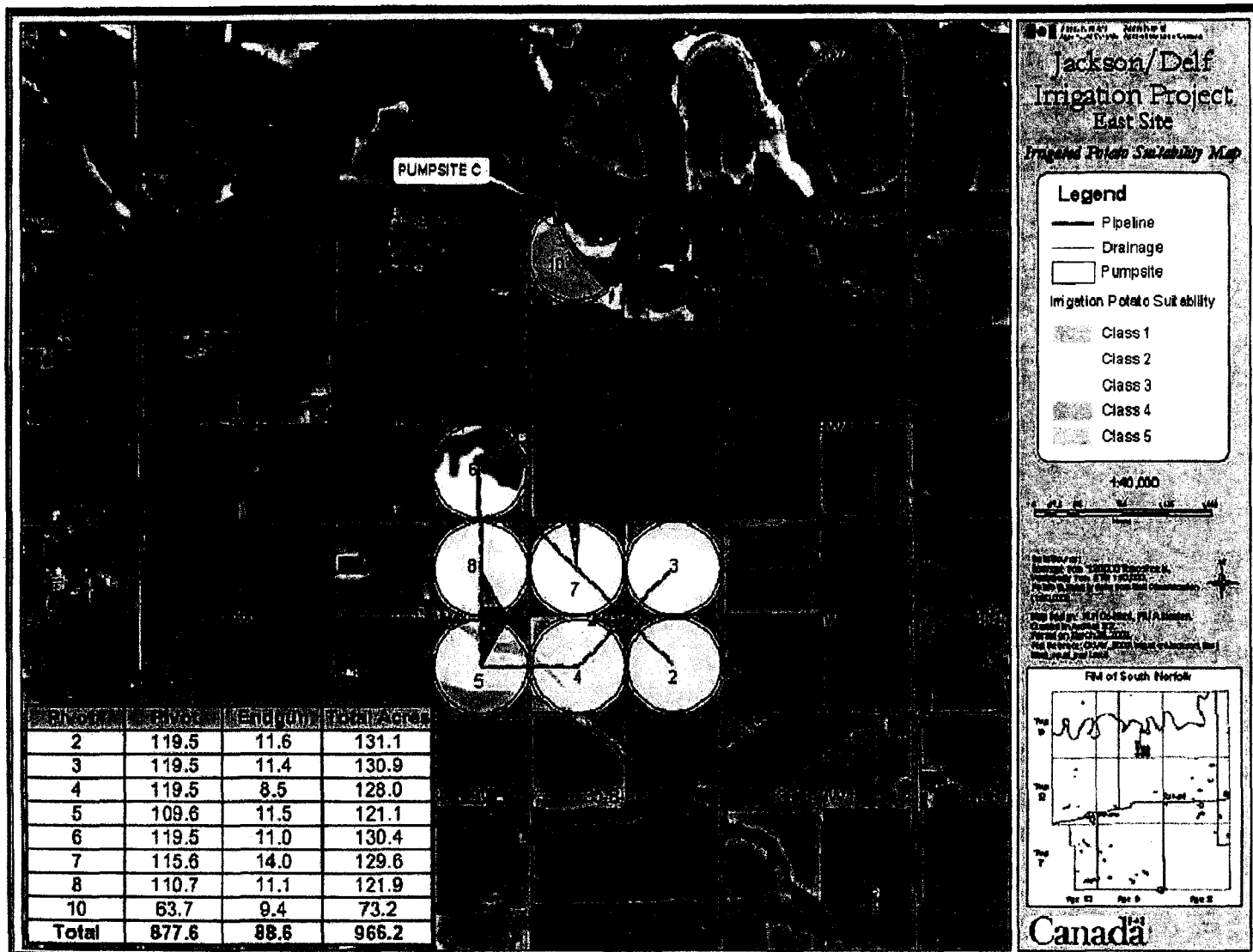
Tracey Braun, M.Sc.
Director
Environment Act

Client File: 4959.00

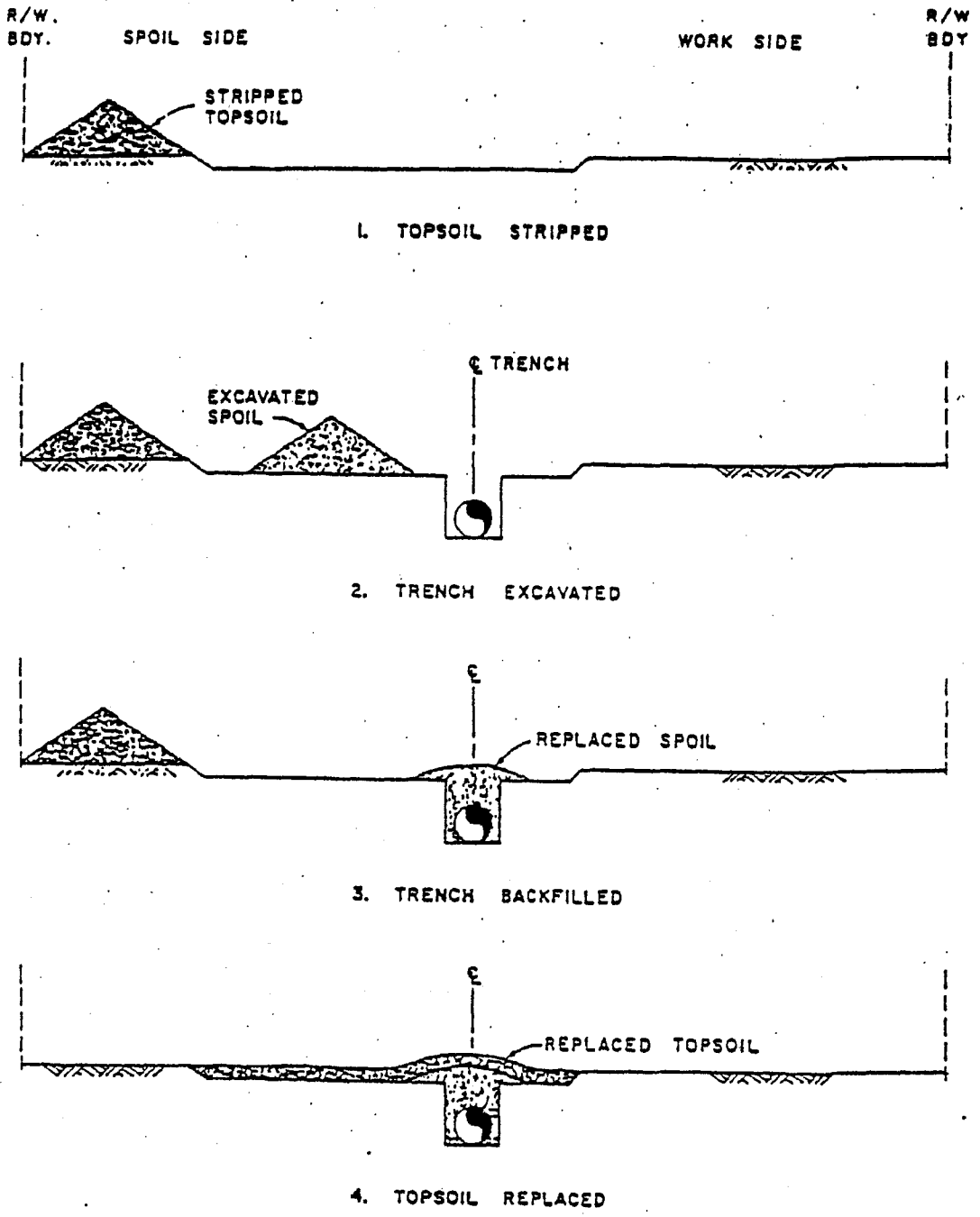
Figure 1 to Environment Act Licence No. 2623RR



Figure 2 to Environment Act Licence No. 2623RR



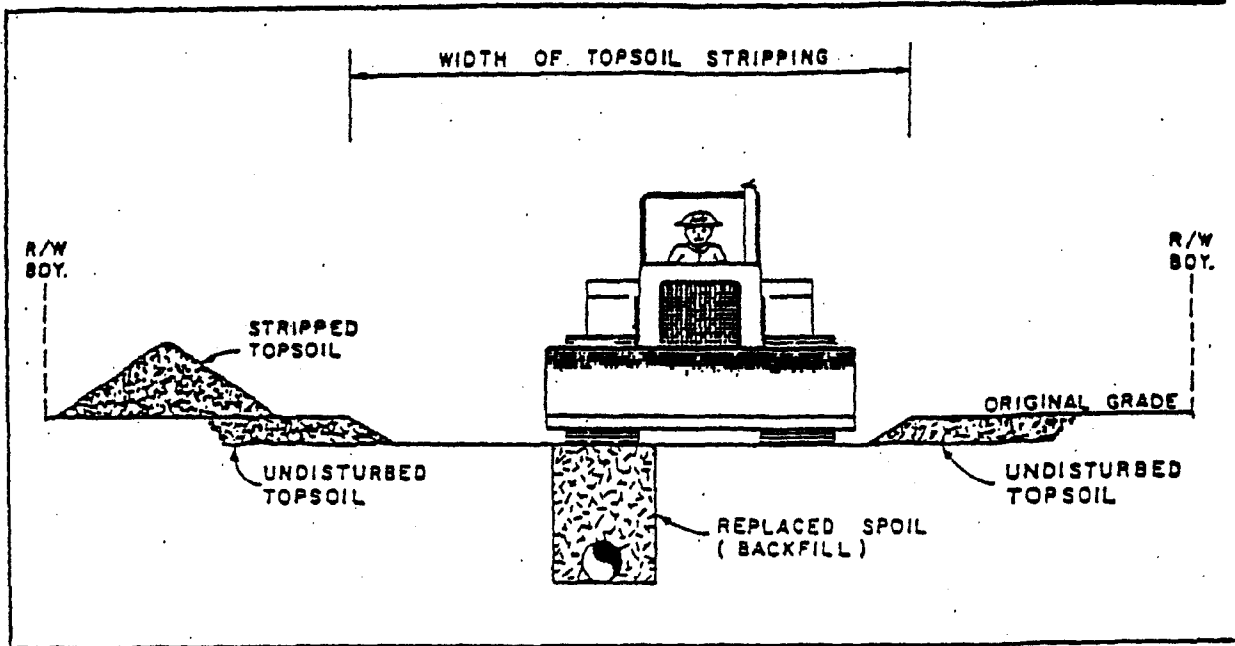
The southern portion of Field 5 in SE 3-9-9W and all of Field 10 in SW 14-9-9W are excluded from the project unless specifically approved by the Director in writing.



SEQUENCE OF TOPSOIL HANDLING

Figure 3

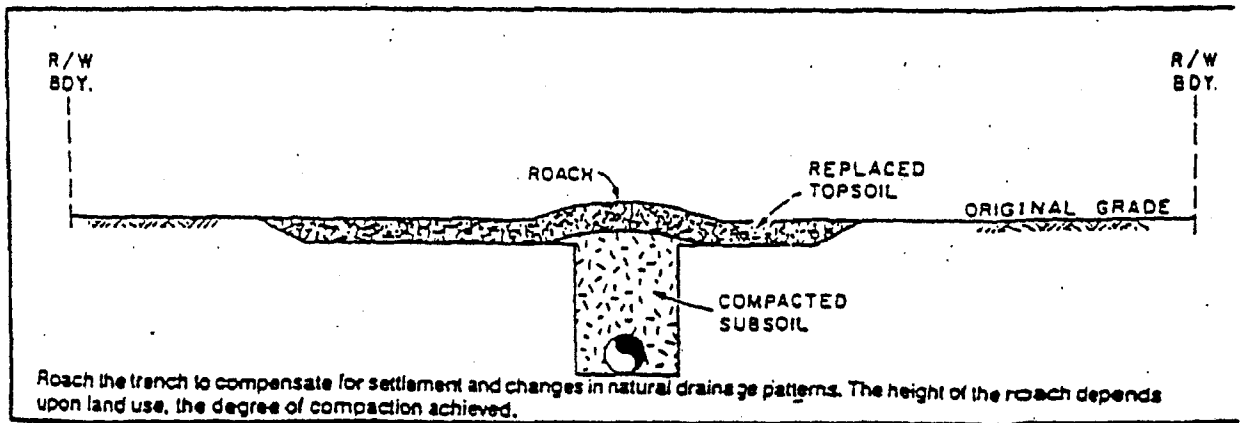
Figure 3 to Environment Act Licence No. 2623RR



COMPACTION OF BACKFILL

Figure 4

Figure 4 to Environment Act Licence No. 2623RR



ROACHING THE TRENCH

Figure 5

Figure 5 to Environment Act Licence No. 2623RR

Annual Water Use Report for 20_____

Manitoba Conservation
 Environmental Assessment & Licensing Branch
 160-123 Main Street
 Winnipeg MB R3C 1A5



Pursuant to *The Environmental Act*

Report Type		PUMPING FROM A STREAM, WELL OR RESERVOIR <input type="checkbox"/> OR FILLING A RESERVOIR FROM A STREAM <input type="checkbox"/>		
Project Name				
Contact:	Name			
	Address			
	Phone No.			
Licence Numbers:		LICENSEE MUST COMPLETE ONE "ANNUAL WATER USE REPORT" FOR EACH PUMP (AND ONE FOR FILLING OF EACH RESERVOIR IF APPLICABLE) FOR EACH CALENDAR YEAR AND FORWARD THE REPORT TO THE ENVIRONMENTAL ASSESSMENT & LICENSING BRANCH AT THE ABOVE ADDRESS NOT LATER THAN THE DUE DATE INDICATED IN THE ENVIRONMENT ACT LICENCE		
Env. Act				
Water Rights				
		Reservoir	Pump (Water Source)	
Location				
Capacity	dam ³ <input type="checkbox"/> or acre-feet <input type="checkbox"/>		m ³ /s <input type="checkbox"/> or cfs <input type="checkbox"/>	
Minimum instream flow (MIF):				
	MIF	m ³ /s		
	Monitor Location			

NOTES

1. d/s Q - Flow measured at downstream point of interest or downstream of pump intake
2. Elevation - reservoir elevation (Geodetic - metres)
3. Volume Pumped - as measured by change in reservoir elevation or pumping rate x time pumped

DAY OF MONTH	APRIL				MAY			
	d/s Q (1)	Elevation (2)	Hours Pumped	Vol Pumped (3)	d/s Q (1)	Elevation (2)	Hours Pumped	Vol Pumped (3)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
TOTAL			0	0			0	0

DAY OF MONTH	JUNE				JULY			
	d/s Q (1)	Elevation (2)	Hours Pumped	Vol Pumped (3)	d/s Q (1)	Elevation (2)	Hours Pumped	Vol Pumped (3)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
TOTAL			0	0			0	0

DAY OF MONTH	AUGUST				SEPTEMBER			
	d/s Q (1)	Elevation (2)	Hours Pumped	Vol Pumped (3)	d/s Q (1)	Elevation (2)	Hours Pumped	Vol Pumped (3)
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								
12								
13								
14								
15								
16								
17								
18								
19								
20								
21								
22								
23								
24								
25								
26								
27								
28								
29								
30								
31								
TOTAL			0	0			0	0

TOTAL VOLUME PUMPED FOR YEAR:					0	(insert unit measurement)		
--------------------------------------	--	--	--	--	---	---------------------------	--	--