

Province of British Columbia

Water Act

CONDITIONAL WATER LICENCE

The owner of the land to which this licence is appurtenant is hereby authorized to divert, use & store water as follows:

- a) The streams on which the rights are granted are Kitsault River and Homestake Creek and the reservoir is Kitsault Lake.
- b) The storage site and points of diversion on Kitsault River, denoted by PD62886, and Homestake Creek, denoted by PD77141 are located as shown on the attached plan.
- c) The date from which this licence shall have precedence is August 13, 2001.
- d) The purpose for which this licence is issued is power (general). The power is to be generated at the Kitsault River Generating Station.
- e) The maximum quantity of water which may be stored in the reservoir is 12.7 million cubic metres per year and the maximum quantity of water which may be diverted and used for power (general) purpose under this licence is 2.72 cubic metres per second from Kitsault River and 3.86 cubic metres per second from Homestake Creek.
- f) The period of the year during which the water may be stored, diverted and used is throughout the whole year.
- g) The land upon which the water is to be used and to which the licence is appurtenant is the land on which the powerhouse of the Kitsault River Generating System is situated, described as unsurveyed Crown Land, lying south of District Lot 6322, Cassiar District, tenured under the Land Act, held under Lands File No. 6407387.
- h) The works authorized for the Kitsault River Generating System are:
 1. intakes;
 2. a dam;
 2. a penstocks;
 3. access roads;
 4. a powerhouse, tailrace and switch yard; and
 5. transmission line,which shall be located approximately as shown on the attached plan.
- i) The construction of the said works shall be completed and the water shall be beneficially used prior to December 31, 2014. Thereafter, the licensee shall continue to make regular beneficial use of the water in the manner authorized herein.

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- j) The licensee must:
- 1) prepare an assessment suitable to determine the nature of any impacts on fish and fish habitat in Homestake Creek to the satisfaction of the Engineer under the Water Act (the "Engineer").
 - 2) at the completion of the assessment, prepare a report that identifies the nature of any impacts on fish and fish habitat and implement the appropriate mitigation and/or compensation to the satisfaction of the Engineer.
- k) To construct the works authorized under clause (h) of this licence, the licensee must:
- (1) ensure that the plans for the works to be constructed are signed and sealed by a professional engineer registered in the province of British Columbia (referred to as the Design Engineer);
 - (2) ensure that a professional engineer in the province of British Columbia (referred to as the Construction Engineer) supervises the construction of works;
 - (3) submit to an Engineer under the following:
 - a. plans that show the general arrangement of works to be constructed,
 - b. criteria for the design of the works to be constructed,
 - c. criteria for the operation of the works to be constructed, and
 - d. a schedule for the construction of works;
 - (4) prepare an Environmental Management Plan (refer to as the EMP) for the management and mitigation of construction impacts, which plan is to be to the satisfaction of an Engineer under the Water Act; and
 - (5) obtain leave to commence construction, in writing, from an Engineer under the Water Act.
- l) Before submitting the information required under clause (k), the licensee must retain, to the satisfaction of the Regional Water Manager:
- 1) a qualified person, (the 'Environmental Monitor'), who will provide services to the Regional Water Manager and other agencies, to monitor the environmental impacts from the construction of the works in accordance with the EMP.
- m) Before commencing operation of these works authorized under clause (h), the licensee must:
- 1) submit a report for acceptance by the Regional Water Manager on the parameters and procedures for the operation of the works authorized under clause (h). These parameters and procedures shall be based on the information on the generation of electricity and the social and environmental values considered in the issuance of this license;
 - 2) receive leave to commence operation of these works in writing, from the Regional Water Manager.
 - 3) prepare an environmental monitoring program, to the satisfaction of the Engineer, suitable to determine and monitor the nature of any impacts on the environment;
 - 4) one operational, implement the program to the satisfaction of the Engineer.
- n) The term of this licence expires July 15, 2043.
- o) This Licence is issued in substitution of Conditional Water Licence 116502.



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A handwritten signature in black ink, appearing to read "Robert M Piccini".

Robert M Piccini
Assistant Regional Water Manager