



# Province of British Columbia

## *Water Act*

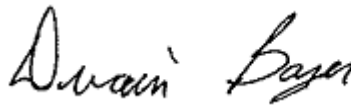
### CONDITIONAL WATER LICENCE

The licensee is hereby authorized to divert and use water as follows:

- a) The stream on which the rights are granted is Eight Mile (McKay) Creek.
- b) The point of diversion on Eight Mile (McKay) Creek is denoted by PD186113 and is located as shown on the attached plan.
- c) The date from which this licence shall have precedence is November 4, 2009.
- d) The purpose for which this licence is issued is power (general).
- e) The maximum quantity of water which may be diverted is 2.240 cubic metres per second.
- f) Water may be diverted and used throughout the whole year subject to the licensee maintaining a minimum flow immediately downstream of the point of diversion of 0.090 cubic metres per second; or a minimum flow as ordered under clause (l) by the Engineer under the Water Act (the "Engineer") or the Regional Water Manager.
- 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 Eight Mile (McKay) Creek Generating System is situated, described as the parcel or tract of land within Lot A, Section 31, Township 22, Range 1 West of the 6th Meridian, Kootenay District, Plan 12314.
- h) The works authorized for the Eight Mile (McKay) Creek Generating System are:
  1. diversion structure and intake
  2. penstock
  3. powerhouse, switchyard, and tailrace
  4. transmission line for the Generating System under Land File 4404983 tenured as a Licence of Occupation.
- i) The construction of the said works shall be completed and the water shall be beneficially used prior to December 31, 2017. Thereafter, the licensee shall continue to make regular beneficial use of the water in the manner authorized herein.
- j) Before commencing construction of the works authorized under clause (h) of this licence, the licensee must to the satisfaction of the Engineer under the Water Act (the "Engineer"):

- 1) Retain a professional engineer registered in the province of British Columbia (the "Independent Engineer") who will provide services to the Engineer for the regulation of construction of the works;
  - 2) Retain a person with professional qualifications (the "Environmental Monitor") who will monitor environmental impacts from the construction of works;
  - 3) Submit, the following:
    - a. plans that show the general arrangement of the works;
    - b. criteria for the design of the works;
    - c. criteria for the operation of the works;
    - d. a schedule for the construction of the works; and
    - e. an environmental management plan (EMP) for the management and mitigation of construction impacts.
  - 4) Obtain Leave to Commence Construction (LCC) in writing from the Engineer.
- k) Before undertaking construction of any component of works for which LCC, issued under (j) (4), the licensee must:
- 1) Ensure that the design drawings for the works to be constructed are signed and sealed by a professional engineer registered in the province of British Columbia (the "Design Engineer");
  - 2) Ensure that a professional engineer registered in the province of British Columbia (the "Construction Engineer") supervises the construction of the works; and
  - 3) Obtain letter from the Independent Engineer that the actual construction of that component work may proceed.
- l) Before commencing operation of the 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;
  - 2) Submit and implement a plan to the satisfaction of the Regional Water Manager for the measurement of in-stream flows and of the flow of water diverted from the stream under this licence; and
  - 3) Obtain leave to commence the diversion and use of water authorized in this licence in writing from the Engineer.
- m) The licensee must operate the works authorized under clause (h) above in accordance with procedures ordered by the Engineer or the Regional Water Manager, including any order for the regulation of the diversion, rate of diversion, and use of water as may be required for the preservation of fish and wildlife.
- n) Submit to the Engineer, and as directed by the Engineer, within six months of receiving the leave to commence the diversion and use of water, the drawings of record that show the works as they were constructed.
- o) Within two years of commissioning the power plant, an Operation, Maintenance and Surveillance Plan and an Operating Parameters and Procedure Report must be submitted to an Engineer under the Water Act.

- p) This licence is issued under the Water Act (the Act). The exercise of rights under the licence is subject to the Act and its regulations, the terms and conditions of the licence, orders under the Act and the rights of licensees whose rights have precedence on the stream. The licensee must comply with all such requirements, as well as the provisions of all other applicable enactments. In exercising rights under the licence, the licensee must exercise reasonable care to avoid damaging land, works, trees or other property, and must make full compensation to the owners for damage or loss resulting from construction, maintenance, use, operation or failure of the works.
- q) The term of this licence is 40 years from the date of issuance of this licence.

A handwritten signature in black ink, reading "Dwain Boyer". The signature is written in a cursive style with a large initial 'D' and 'B'.

Dwain Boyer, P.Eng.  
Assistant Regional Water Manager