Aboriginal Affairs and Northern Development Canada
Affaires autochtones et Développement du Nord Canada

AANDC Reference
796783

NWB Reference
1BH-BLT----

April 28, 2014

Megan Porter
Licensing Administrator Assistant
Nunavut Water Board
Gjoa Haven, NU X0E 1J0

Re: Aboriginal Affairs and Northern Development Canada review of Inukshuk Corporation Ltd.'s Application for a Type 'B' Industrial Water Licence to support their Baker Lake Petroleum Systems Upgrade Project (Hydrostatic Testing)

Dear Ms. Porter:

Thank you for your email of April 4, 2014, concerning the above mentioned application.
A memorandum is provided for the Board's consideration. Comments have been provided pursuant to the Department's mandated responsibilities under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Department of Indian Affairs and Northern Development Act*.

Please do not hesitate to contact me by telephone at 867-975-4282 or email at ian.parsons@aandc-aadnc.gc.ca for further information.

Regards,

Ian Parsons
Regional Coordinator
Aboriginal Affairs and Northern Development Canada
P.O. Box 100
Iqaluit, NU, X0A 0H0

c.c.: Murray Ball, Manager of Water Resources, AANDC
Erik Allain, Manager of Field Operations, AANDC

Canada

Memorandum

To: Megan Porter, Nunavut Water Board

From: Ian Parsons, Aboriginal Affairs and Northern Development Canada

Date: April 28, 2014

Re: **New Water Licence Application, #1BH-BLT----**

Proponent: **Inukshuk Corporation Ltd.**
Project: **Baker Lake Petroleum Systems Upgrade Project (Hydrostatic Testing)**

A. Background

On April 4, 2014, the Nunavut Water Board (NWB or Board) provided notification of Inukshuk Construction Ltd.'s application for a new water licence in support of their Baker Lake Petroleum Systems Upgrade Project. A Type 'B' Industrial water licence for hydrostatic testing purposes has been requested with a five month term (June to November 2014).

The proponent requires the use of freshwater to test the retention capacity of a newly constructed 3,400 m^3 steel fuel tank. This tank is situated within a bermed fuel storage facility. A total of 3,400 m^3 of water is required and will be acquired from Baker Lake. A diagram titled, "Test Water Solid Particle Collector" is included in the application, it is understood that this pertains to a treatment system for the removal of suspended sediments/solids only.

The submitted information is as follows:

- Arial Photos and Drawings
- New Application
- Project Summary English
- Project Summary Inuktitut
- Test Water Solid Particle Collector

Interested parties were asked to review this application and provide comments by April 4, 2014.

B. Results of review

On behalf of Aboriginal Affairs and Northern Development Canada, the following comments and recommendations are provided:

1. Withdrawal of Water from Baker Lake

Comment: The proponent has indicated that they will be withdrawing 300m^3 of water per day to fill the new fuel tank for hydrostatic testing.

Recommendation: The proponent should note that the threshold for water use for a Type B water license is less than 300m^3 per day. Water use of 300m3 and above will require a type A water license application. Therefore AANDC advises the proponent that in order to avoid non-compliance of their water license once approved by the NWB they should ensure that they are withdrawing at a rate less than 300m^3 per day.

2. Fuel Management and Spill Contingency Provisions

Comment: No spill contingency plan attached. If not managed properly fuel used to power the water pump's generator can contaminate soil and water if spilled.

Recommendation: As a minimum, the licence should include the following fuel management and spill contingency provisions:

- All fuel storage containers, including the generator, should be equipped with secondary containment;
- All refueling procedures should also be conducted using secondary containment (i.e drip pans, etc) and
- The proponent must immediately report any spills where the spill is of an amount equal to or greater than the amount set out in Schedule B of Nunavut's Spill Contingency Planning and Reporting Regulations (http://env.gov.nu.ca/sites/default/files/Spill%20Planning%20and%20Reporting%20Regs.pdf)

3. Discharging of Water onto the Land and back into Baker Lake

Comment: The proponent has indicated in their general water license application Block 13 that all water will be returned to the source at a rate of 300m3 per day. However in the project description it states that the water will be discharged to a field adjacent to Baker Lake

Recommendation: The proponent should be clear in stating that the return of water to the source will be through an indirect pathway as the water first will be discharged to a field adjacent to Baker Lake and through subsequent gravity flow will eventually enter back into Baker Lake.

Comment: Without adequate control measures water released from the newly constructed fuel tank can potentially impact vegetation, erode soil and introduce sediment into surface water when discharged onto the land. Effluent discharge should be managed to control flow rate, ensure energy dissipation, and avoid erosion.

Recommendation: The licence should allow for the discharge of water from the newly constructed fuel storage tank onto the land and back into Baker Lake, provided that, when discharging water onto the land, sediment and erosion control measures are implemented to prevent vegetation damage, soil erosion, and the entry of sediment into Baker Lake.

4. Other

Comment: The proponent has indicated in blocks 7 and 8 of the General Water license application that both the Nunavut Planning Commission (NPC) and Nunavut Impact Review Board (NIRB) must give their approvals for the application; however no approvals have been attached with the application. Likewise in block 27 of the application the proponent has again indicated that the approvals have not been attached but have also stated that they have received written confirmation from both NPC and NIRB that the requirements have been addressed.

Recommendation: AANDC recommends that the proponent submit to the NWB these written confirmations from both NPC and NIRB.

Prepared by Ian Parsons