

**NIRB File No.: 14UN029**  
NWB File No.: 1BH-PSC1516

May 28, 2015

Thomas Kabloona, Chairperson  
Nunavut Water Board  
c/o Phyllis Beaulieu, Manager of Licencing  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0

*Sent via email:* [phyllis.beaulieu@nwb-oen.ca](mailto:phyllis.beaulieu@nwb-oen.ca); [licencing@nwb-oen.ca](mailto:licencing@nwb-oen.ca)

**Re: Application Exempt from the Requirement for Screening pursuant to Section 12.4.3 of the NLCA: Inukshuk Construction Ltd.'s "Petroleum Systems Upgrade-Coral Harbour" project, Kivalliq Region**

Dear Phyllis Beaulieu:

On March 31, 2015 the Nunavut Impact Review Board (NIRB or Board) received an application from Government of Nunavut, Department of Community and Government Services (GN-CGS) for an amendment to Inukshuk Construction Ltd.'s their Type B Water Licence No 1BH-PSC1516<sup>1</sup> with the Nunavut Water Board (NWB) for GN-CGS' "Petroleum Systems Upgrade-Coral Harbour" project proposal. On May 8, 2015 the NIRB received a referral from the Nunavut Water Board (NWB) to screen the proposed Type B water licence amendment.

Please be advised that the original project proposal (NIRB File No.: 14UN029) was received by the NIRB from the NWB on February 6, 2014. On July 7, 2014 the NIRB received a positive conformity determination (Keewatin Regional Land Use Plan) from the Nunavut Planning Commission in accordance with Part 4, Article 12 of the Nunavut Land Claims Agreement (NLCA). On July 22, 2014 the GN-CGS also referred the proposal to the NIRB for screening. On August 18, 2014 the NIRB issued the enclosed NLCA 12.4.4(a) screening decision to the Minister of Aboriginal Affairs and Northern Development, the Chairperson of the NWB, and the Minister of Community and Government Services which indicated that the proposed project could proceed subject to the NIRB's recommended project-specific terms and conditions.

On January 27, 2015 the NIRB received an application for an extension request from the NWB to the Type B water licence for the above mentioned project. After a thorough assessment of the extension request, the NIRB determined that the application was exempt from the requirement

<sup>1</sup> *Formerly* 1BH-PSC1414

for further screening pursuant to Section 12.4.3 of the NLCA, and reissued the enclosed screening decision report on February 10, 2015.

The current NWB application, the original NIRB Screening Decision Report (File No. 14UN029) and related file information are available from the NIRB's online public registry at the following location:

<http://ftp.nirb.ca/01-SCREENINGS/COMPLETED%20SCREENINGS/2014/14UN029-Inukshuk%20Construction-Petroleum%20Upgrade-Coral/>

#### PREVIOUSLY-SCREENED PROJECT PROPOSAL:

As previously screened by the NIRB (File No. 14UN029), the "Petroleum Systems Upgrade-Coral Harbour" project was located within the Kivalliq region, within the municipal boundaries of Coral Harbour. The Proponent proposed to install a bulk fuel tank, which would have been used to store and distribute petroleum to the municipality. The proposal also involved conducting hydrostatic testing of the fuel tank once constructed and to carry out various installations and repairs on the existing fuel tank farm. It was expected that the construction period will last from August to September 2014.

The activities and components associated with the previously screened proposal included:

- Construction of a 1,900 cubic metre (m<sup>3</sup>) fuel storage tank
  - Crew of eight personnel;
  - Use of various construction vehicles and equipment;
- Hydrostatic testing of the proposed fuel storage tank to check the integrity of the weld joints:
  - Water to be pumped from the water lake north of the tank farm by a centrifugal water pump and four inch diameter hose;
  - Fuel tank to be filled with water at a rate of 300 m<sup>3</sup> per day and once filled, it would sit for 24 hours;
  - Water to be discharged through a solid particle collector into the field at the south end of the tank farm;
    - Water to be tested before and after it is added to the fuel tank;
    - Solids collected in the solid particle collector to be dumped at the municipal landfill;
- Maintenance and repairs of existing facilities at the fuel tank farm and airport fuel depot facility including liner materials, fencing, signage, piping upgrades, and valves/fittings;
- Installation of electrical materials and systems, electronic tank gauging, overflow prevention equipment, outdoor alarm system and new jet fuel system at airport fuel depot;
- Repair of containment berms as required;
- Emptying, cleaning and gas-freeing all horizontal tanks;
- Transfer of jet fuel, gasoline and distillate products out of and into existing and new tanks; and
- Temporary storage of any gasoline waste products for eventual transportation via sealift to Montreal for proper disposal.

On February 10, 2015 Inukshuk Construction Ltd. proposed to extend the NWB Type B water licence No. 1BH-PSC1414 for an additional year to complete previously screened activities as construction was delayed.

CURRENT APPLICATION:

Inukshuk Construction Ltd. is currently proposing to amend its Type B water licence (1BH-PSC1516) with the NWB to include hydrostatic testing of fuel storage tanks # 3 and # 9 for a total of 3250 cubic metres (m<sup>3</sup>) of water from the previous total amount of 1900 (m<sup>3</sup>). In addition, Inukshuk Construction Ltd. is proposing the following additional components/activities:

- Repair of fuel storage tank #3 to be completed by October 2015;
  - Replace bottom and roof support
  - Soil backfill, grading and compaction, as required; and.
  - Hydrostatic testing of tank.

Please note that Section 12.4.3 of the NLCA states that:

*“Any application for a component or activity of a project proposal that has been permitted to proceed in accordance with these provisions shall be exempt from the requirement for screening by NIRB unless:*

*(a) such component or activity was not part of the original project proposal; or*

*(b) its inclusion would significantly modify the project.”*

After completing a review of the information provided in support of the current application, the NIRB is of the understanding that the proposed amendment does not change the general scope of the original project activities, and the exceptions noted in NLCA 12.4.3(a) and (b) do not apply. Therefore, this application is exempt from the requirement for screening pursuant to Section 12.4.3 of the NLCA and the activities therein remain subject to the terms and conditions recommended in the original August 18, 2014 Screening Decision Report (enclosed).

The NIRB noted that the Proponent’s annual report, as outlined in the enclosed Screening Decision Report, was due on or before March 31, 2015. On May 12, 2015 the NIRB sent correspondence noting that the annual report was still outstanding and requested the Proponent submit it by June 1, 2015. The NIRB anticipates receiving the annual report shortly.

If you have any questions or require additional clarification, please contact Kelli Gillard, Technical Advisor, at (867) 983-4619 or [kgillard@nirb.ca](mailto:kgillard@nirb.ca).

Sincerely,

A handwritten signature in black ink that reads "Ryan Barry". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Ryan Barry  
Executive Director  
Nunavut Impact Review Board

cc: Marc Losier, Inukshuk Construction Limited  
Luis Manzo, Kivalliq Inuit Association  
Ralph Ruediger, Government of Nunavut-Community and Government Services  
Darren Flynn, Government of Nunavut-Community and Government Services  
Tracey McCaie, Aboriginal Affairs and Northern Development Canada

Enclosure: NIRB Screening Decision Report, File No.: 14UN029 (August 18, 2014)