



*Your file - Votre référence*  
**1BH-PSC1516**

June 9, 2015

*Our file - Notre référence*  
**IQALUIT-#921024**

Phyllis Beaulieu  
Manager of Licensing  
Nunavut Water Board  
GJOA HAVEN, NU X0E 1J0

**Re: Aboriginal Affairs and Northern Development Canada Review of Application for  
Type 'B' Water Licence No. 2 Amendment, No. 1BH-PSC1516**

Dear Ms. Beaulieu:

Thank you for your email of May 8, 2015, concerning the above mentioned application. A memorandum is provided for the Board's consideration. Comments and recommendations have been provided pursuant to Aboriginal Affairs and Northern Development Canada'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 867-975-4550 or email at [Andrew.Keim@aandc-aadnc.gc.ca](mailto:Andrew.Keim@aandc-aadnc.gc.ca) for further information.

Sincerely,

Andrew Keim  
A/Manager, Water Resources Division  
Resource Management Directorate  
Aboriginal Affairs and Northern Development Canada  
IQALUIT, NU X0A 0H0

Encl.

c.c.: Erik Allain, Manager of Field Operations, AANDC Nunavut  
Robin Ikkutisluk, Administrative Assistant, NWB



## Memorandum

To: Phyllis Beaulieu, Nunavut Water Board

From: Courtney Cox, Aboriginal Affairs and Northern Development Canada

CC: Andrew Keim (AANDC), Erik Allain (AANDC), Courtney Cox (AANDC), and Robin Ikkutisluk (NWB)

Date: 2015

Re: **Application for Type 'B' Water Licence No. 2 Amendment, No. 1BH-PSC1516**

Applicant: Inukshuk Construction Ltd.  
Project: Coral Harbour Petroleum Systems Upgrade Project (Hydrostatic Testing)  
Region: Kivalliq

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### A. Background

On May 8, 2015 the Board provided notification of Inukshuk Construction Ltd.'s application to amend Water Licence 1BH-PSC1516, in support of their Coral Harbour Petroleum System Upgrade Project. In 2014, a Type 'B' water licence was issued. Currently, the water licence allows hydrostatic testing to be completed in Tank No. 9. Inukshuk Construction Limited would like to amend the current licence to include additional hydrostatic testing to be done on Tank No. 3. A total of 3250m<sup>3</sup> of water is predicted to be used to complete the testing on both tanks.

Interested parties were asked to review this application and provide comments by June 8, 2015. A deadline extension was granted for June 12, 2015.

### B. Results of review

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

#### Issue No. 1: **Annual Reports**

Comment: AANDC notes annual reports have yet to be submitted to the Board by the licensee.

Recomm: It is recommended that the licensee submit annual reports to the Board as required by the licence. Failure to produce Annual Reports is an offence under



*the Nunavut Waters and Nunavut Surface Rights Tribunal Act and the  
Department of Indian Affairs and Northern Development Act.*

**Issue No. 2: Discharging Effluent onto the Land**

**Comment:** Without adequate control measures, effluent released after hydrostatic testing can destroy vegetation and erode soil when discharged onto the land. Direct discharge to the ocean should be considered.

**Recomm:** When discharging water onto the land sediment, erosion control measures should be implemented to prevent vegetation damage, soil erosion, and the entry of sediment into the ocean. AANDC recommends that the licensee provide to the Board, an update on erosion mitigation plans. It is also recommended that effluent discharge criteria be included in the licence.

Prepared by Courtney Cox