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NUNAVUT WATER BOARD  
NUNAVUT IMALIRIYIN KATIMAYINGI  
OFFICE DES EAUX DU NUNAVUT

File No.: **1BH-PSC1414**

September 17, 2014

Marc Losier  
Inukshuk Construction Ltd.  
P.O. Box 654  
Rankin Inlet, Nunavut  
X0G 0G0  
Email: marc@mosher.ca

**RE: NWB Licence No. 1BH-PSC414**

Dear Mr. Losier,

Please find attached Licence No. **1BH-PSC1414** issued to Inukshuk Construction Ltd. by the Nunavut Water Board (NWB) pursuant to its authority under Article 13 of the *Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Land Claims Agreement or NLCA)*. The terms and conditions of the attached Licence related to water use and waste disposal are an integral part of this approval.

If the Licensee contemplates the renewal of this Licence, it is the responsibility of the Licensee to apply to the NWB for its renewal. The past performance of the Licensee, new documentation and information, and issues raised during a public hearing, if the NWB is required to hold one, will be used to determine the terms and conditions of the Licence renewal. Note that if the Licence expires before the NWB issues a new one, then water use and waste disposal must cease, or the Licensee may be in contravention of the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*. However, the expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence. The NWB recommends that an application for the renewal of this Licence be filed at least three months prior to the Licence expiry date.

If the Licensee contemplates or requires an amendment to this licence, the NWB may decide, in the public interest, to hold a public hearing. The Licensee should submit applications for amendment as soon as possible to give the NWB sufficient time to go through the amendment process. The process and timing may vary depending on the scope of the amendment; however a minimum of sixty (60) days is required from time of acceptance by the NWB. It is the responsibility of the Licensee to ensure that all application materials have been received and are acknowledged by the Manager of Licensing.

The NWB strongly recommends that the Licensee consult the comments received by interested persons on issues identified. This information is attached for your consideration<sup>1</sup>

Sincerely,

A handwritten signature in dark ink, appearing to read 'T. Kabloona', is written over a horizontal line.

Thomas Kabloona  
Nunavut Water Board  
Chair

TK/sa/mp

Enclosure: Licence No. **1BH-PSC1414**  
Comments - AANDC

Cc: Kivalliq Distribution List

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<sup>1</sup> Aboriginal Affairs and Northern Development Canada (AANDC), February 20, 2014.

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## DECISION

### LICENCE NUMBER: 1BH-PSC1414

This is the decision of the Nunavut Water Board (NWB) with respect to an application dated January 22, 2014 for a new Water Licence made by:

#### INUKSHUK CONSTRUCTION LTD.

to allow for the use of water and disposal of waste during hydrostatic testing activities at the Petroleum System Upgrades Project located in the community of Coral Harbour within the Kivalliq Region of Nunavut, generally located at the geographical coordinates as follows:

Project Extents:	NW:	Latitude: 64° 07' 58.64" N	Longitude: 83° 10' 14.83" W
	NE:	Latitude: 64° 07' 59.92" N	Longitude: 83° 10' 10.67" W
	SE:	Latitude: 64° 07' 58.78" N	Longitude: 83° 10' 08.64" W
	SW:	Latitude: 64° 07' 57.47" N	Longitude: 83° 10' 12.57" W

## DECISION

After having been satisfied that the application was for a location that is in conformity with the Keewatin Regional Land Use Plan (KRLUP)<sup>2</sup> and subject to a 12.4.4(a) Screening Decision by the Nunavut Impact Review Board<sup>3</sup> in accordance with Article 12 of the Nunavut Land Claim Agreement (NLCA), the NWB decided that the application could proceed through the regulatory process. In accordance with S.55.1 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act (Act)* and Article 13 of the *NLCA*, public notice of the application was given and interested persons were invited to make representations to the NWB.

After reviewing the submission of the Applicant and considering the representations made by Aboriginal Affairs and Northern Development Canada (AANDC), the NWB, having given due regard to the facts and circumstances, the merits of the submissions made to it and to the purpose, scope and intent of the *NLCA* and of the *Act*, waived the requirement to hold a public hearing, and determined that:

**Licence No. 1BH-PSC1414 be issued subject to the terms and conditions contained therein. (Motion #: 2014-B1-029)**

Signed this 17<sup>th</sup> day of September 2014 at Gjoa Haven, NU.



Thomas Kabloona  
Nunavut Water Board Chair

<sup>2</sup> Nunavut Planning Commission (NPC) Conformity Determination, dated July 7, 2014.

<sup>3</sup> Nunavut Impact Review Board (NIRB) Screening Decision, dated August 18, 2014.



## NUNAVUT WATER BOARD WATER LICENCE

Licence No. 1BH-PSC1414

Pursuant to the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* and the *Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada*, the Nunavut Water Board, hereinafter referred to as the Board, hereby grants to

INUKSHUK CONSTRUCTION LTD.

(Licensee)

P.O.BOX 654 RANKIN INLET, NUNAVUT, X0G 0G0

(Mailing Address)

herein after called the Licensee, the right to alter, divert or otherwise use water or dispose of waste for a period subject to restrictions and conditions contained within this Licence:

Licence Number/Type: 1BH-PSC1414 TYPE "B"

Water Management Area: HUDSON BAY ISLANDS WATERSHED - 16

Location: PETROLEUM SYSTEMS UPGRADE – CORAL HARBOUR  
KIVALLIQ REGION, NUNAVUT

Classification: INDUSTRIAL UNDERTAKING

Purpose: DIRECT WATER USE AND DEPOSIT OF WASTE

Quantity of Water use not  
to Exceed: TOTAL WATER USE OF 1,900 CUBIC METRES (AT RATE  
OF LESS THAN 300 CUBIC METRES PER DAY)

Date of Licence Issuance: SEPTEMBER 17, 2014

Expiry of Licence: DECEMBER 31, 2014

This Licence issued and recorded at Gjoa Haven, Nunavut, includes and is subject to the annexed conditions.

**Thomas Kabloona,**  
**Nunavut Water Board**  
**Chair**

## **PART A: SCOPE, DEFINITIONS AND ENFORCEMENT**

### **1. Scope**

This Licence allows for the use of water and the disposal of waste for an industrial undertaking classified as per Schedule 1 of the Regulations at the Petroleum Systems Upgrade Project for Coal Harbour, located within the community boundaries of the Coal Harbour, within the Kivalliq Region, Nunavut.

- a. this Licence is issued subject to the conditions contained herein with respect to the taking of water and the depositing of waste of any type in any waters or in any place under any conditions where such waste or any other waste that results from the deposits of such waste may enter any waters. Whenever new Regulations are made or existing *Regulations* are amended by the Governor in Council under the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, or other statutes imposing more stringent conditions relating to the quantity or type of waste that may be so deposited or under which any such waste may be so deposited, this Licence shall be deemed, upon promulgation of such Regulations, to be subject to such requirements; and
- b. compliance with the terms and conditions of this Licence does not absolve the Licensee from responsibility for compliance with the requirements of all applicable Federal, Territorial and Municipal legislation.

### **2. Definitions**

**“Act”** means the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

**“Addendum”** means the supplemental text that is added to a full plan or report usually included at the end of the document and is not intended to require a full resubmission of the revised report;

**“Amendment”** means a change to original terms and conditions of this Licence requiring correction, addition or deletion of specific terms and conditions of the Licence; modifications inconsistent with the terms of the set terms and conditions of the Licence;

**“Appurtenant Undertaking”** means an undertaking in relation to which a use of water or a deposit of waste is permitted by a licence issued by the Board;

**“Board”** means the Nunavut Water Board established under the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*;

**“Effluent”** means treated or untreated liquid waste material that is discharged into the environment from a structure such as a settling pond, landfarm or a treatment plant;

**“Engineer”** means a professional engineer registered to practice in Nunavut in accordance with the *Consolidation of Engineers and Geoscientists Act S. Nu 2008, c.2* and the *Engineering and Geoscience Professions Act S.N.W.T. 2006, c.16 Amended by S.N.W.T. 2009, c.12*;

**“Greywater”** means all liquid wastes from showers, baths, sinks, kitchens and domestic washing facilities, but does not include toilet wastes;

**“Hazardous Waste”** means waste classified as “hazardous” by Nunavut Territorial or Federal Legislation, or as “dangerous goods” under the Transportation of Dangerous Goods Act;

**“High Water Mark”** means the usual or average level to which a body of water rises at its highest point and remains for sufficient time so as to change the characteristics of the land (ref. Department of Fisheries and Oceans Canada, Operational Statement: Mineral Exploration Activities);

**“Inspector”** means an Inspector designated by the Minister under Section 85 (1) of the *Act*;

**“Licensee”** means the holder of this Licence;

**“Modification”** means an alteration to a physical work that introduces a new structure or eliminates an existing structure and does not alter the purpose or function of the work, but does not include an expansion;

**“Nunavut Land Claims Agreement (NLCA)”** means the “*Agreement Between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in right of Canada*”, including its preamble and schedules, and any amendments to that agreement made pursuant to it;

**“Regulations”** means the *Nunavut Waters Regulations* SOR/2013-69 18th April, 2013;

**“Secondary Containment”** means an impermeable structure, external to and separate from primary containment, which prevents unplanned spills of hazardous materials and provides a minimum capacity of 110% of the original vessel. Where multiple vessels are stored within the containment, it must provide a minimum capacity equal to the sum of the largest vessel and 10% of the aggregate volume of all other vessels located in the containment. This structure shall also provide containment and control of hoses and nozzles;

**“Sewage”** means all toilet wastes and greywater;

**“Spill Contingency Plan”** means a Plan developed to deal with unforeseen petroleum and hazardous materials events that may occur during the operations conducted under the Licence;

**“Sump”** means an excavation in impermeable soil for the purpose of catching or storing water or waste;

**“Toilet Wastes”** means all human excreta and associated products, but does not include greywater;

**“Waste”** means, as defined in S.4 of the *Act*, any substance that, by itself or in combination with other substances found in water, would have the effect of altering the quality of any water to which the substance is added to an extent that is detrimental to its use by people or by any animal, fish or plant, or any water that would have that effect because of the quantity or concentration of the substances contained in it or because it has been treated or changed, by heat or other means; and

**“Water” or “Waters”** means waters as defined in section 4 of the *Act*.

### 3. **Enforcement**

- a. Failure to comply with this Licence will be a violation of the *Act*, subjecting the Licensee to the enforcement measures and the penalties provided for in the *Act*;
- b. All inspection and enforcement services regarding this Licence will be provided by Inspectors appointed under the *Act*; and
- c. For the purpose of enforcing this Licence and with respect to the use of water and deposit or discharge of waste by the Licensee, Inspectors appointed under the *Act*, hold all powers, privileges and protections that are conferred upon them by the *Act* or by other applicable law.

## **PART B: GENERAL CONDITIONS**

1. The water use fees, payable to the Receiver General for Canada, shall be sent to the Board annually for the right to the use of water in accordance with Section 12 of the *Regulations*.
2. The Licensee shall file an Annual Report on the Appurtenant Undertaking with the Board by December 31<sup>st</sup>, 2014, containing the following information:
  - a. a summary report of water use and waste disposal activities;
  - b. a list of unauthorized discharges and a summary of follow-up actions taken;
  - c. a description of all progressive and or final reclamation work undertaken, including photographic records of site conditions before, during and after completion of operations;
  - d. a map showing the location of water intake and discharge;
  - e. a summary of all information requested and results of the Monitoring Program;and



- f. any other details on water use or waste disposal requested by the Board by November 1 of the year being reported.
3. The Licensee shall notify the NWB of any changes in operating plans or conditions associated with this project at least thirty (30) days prior to any such change.
4. The Licensee shall install flow meters or other such devices, or implement suitable methods required for the measuring of water volumes as required under Part J, Item 1.
5. The Licensee shall ensure a copy of this Licence is maintained at the site of operations at all times. Any communication with respect to this Licence shall be made in writing to the attention of:
  - (a) **Manager of Licensing:**  
Nunavut Water Board  
P.O. Box 119  
Gjoa Haven, NU X0B 1J0  
Telephone: (867) 360-6338  
Fax: (867) 360-6369  
Email: [licensing@nwb-oen.ca](mailto:licensing@nwb-oen.ca)
  - (b) **Inspector Contact:**  
Manager of Field Operations, AANDC  
Nunavut District, Nunavut Region  
P.O. Box 100  
Iqaluit, NU X0A 0H0  
Telephone: (867) 975-4295  
Fax: (867) 979-6445
6. The Licensee shall submit one paper copy and one electronic copy of all reports, studies, and plans to the Board. Reports or studies submitted to the Board by the Licensee shall include a detailed executive summary in Inuktitut.
7. The Licensee shall ensure that any document(s) or correspondence submitted by the Licensee to the NWB is received and acknowledged by the Manager of Licensing.
8. This Licence is assignable as provided for in Section 44 of the *Act*.

## **PART C: CONDITIONS APPLYING TO WATER USE**

1. The Licensee shall obtain all water for hydrostatic testing activities from the unnamed Lake located close to the undertaking as indicated in the Application. The volume of water for the purposes of this Licence shall be less than three-hundred (300) cubic metres per day, for a cumulative total not exceeding three-thousand four-hundred (3,400) cubic metres per duration of this Licence.

2. The Licensee shall provide, at least ten (10) days prior to the withdrawal of water from any source, a notice in writing to the Inspector and to the Board that shall detail the following:
  - a. the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all water source locations where water will be withdrawn for all purposes within a topographic map showing source location and surrounding area; and lake surface area data;
  - b. a general assessment on how the planned water withdrawal will impact the water source volume and water source surface area;
  - c. a copy of the Spill Contingency Plan as required under Part H, Item 1;
3. Streams cannot be used as a water source unless authorized and approved by the Board in writing.
4. The Licensee shall submit to the Board for approval in writing, at least thirty (30) days prior to the use of water of a sufficient volume that the source water body may be drawn down, the following: volume required hydrological overview of the water body, details of impacts, and proposed mitigation measures.
5. The Licensee shall equip all water intake hoses with a screen of an appropriate mesh size to ensure that fish are not entrained and shall withdraw water at a rate such that fish do not become impinged on the screen.
6. The Licensee shall not remove any material from below the ordinary high water mark of any water body unless authorized.
7. The Licensee shall not cause erosion to the banks of any body of water and shall provide necessary controls to prevent such erosion.
8. Sediment and erosion control measures shall be implemented prior to and maintained during the undertaking to prevent entry of sediment into water.

**PART D: CONDITIONS APPLYING TO WASTE DISPOSAL**

1. The Licensee shall not deposit any type of waste other than the treated effluent originated from the new tanks hydrostatic testing operations unless authorized and approved by the Board..
2. The Licensee shall locate areas designated for waste disposal at a minimum distance of thirty one (31) metres from the ordinary high water mark of any water body such that the quality, quantity or flow of water is not impaired, unless otherwise approved by the Board in writing.

3. Any waters utilized in hydrostatic testing operations shall be treated using a hydrophobic sorbent filter system and solid particle collector prior to discharge.
4. All Effluent being discharged should be managed to control flow rate, ensure energy dissipation, and avoid erosion.
5. The Licensee shall backhaul all hydrocarbon contaminated water and soil to an approved disposal site for treatment.
6. The Licensee shall not practice on-site land filling of domestic waste, unless otherwise approved by the Board in writing.
7. The Licensee shall not open burn plastics, wood treated with preservatives, electric wire, Styrofoam, asbestos or painted wood to prevent the deposition of waste materials of incomplete combustion and/or leachate from contaminated ash residual, from impacting any surrounding waters, unless otherwise approved by the Board in writing.
8. The Licensee shall provide to the Board, documented authorization from the Community of Coral Harbour prior to the backhauling and disposal of any waste.
9. The Licensee shall backhaul and dispose of all hazardous wastes, waste oil and non-combustible waste generated through the course of the operation to a licensed waste disposal site.
10. The Licensee shall ensure that an export manifest or the appropriate transportation of dangerous good (TDG) documentation accompany all potential hazardous samples and/or materials that are transported off site.
11. The Licensee shall maintain records of all waste backhauled and records of confirmation of proper disposal of backhauled waste. These records shall be made available to an Inspector upon request.

**PART E: CONDITIONS FOR CAMPS, ACCESS INFRASTRUCTURES AND OPERATIONS**

1. No camp activities are authorized under the provisions of this Licence.

**PART F: CONDITIONS APPLYING TO DRILLING OPERATIONS**

1. The Licensee is not authorized to drill under the provisions of this Licence.

**PART G: CONDITIONS APPLYING TO MODIFICATIONS**

1. The Licensee may, without written consent from the Board, carry out Modifications to the Water Supply Facilities and Waste Disposal Facilities provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:

- a. the Licensee has notified the Board in writing of such proposed Modifications at least sixty (60) days prior to beginning the Modifications;
  - b. such Modifications do not place the Licensee in contravention of the Licence or the *Act*;
  - c. such Modifications are consistent with the NIRB Screening Decision;
  - d. the Board has not, during the sixty (60) days following notification of the proposed Modifications, informed the Licensee that review of the proposal will require more than sixty (60) days; and
  - e. the Board has not rejected the proposed Modifications.
2. Modifications for which all of the conditions referred to in Part G, Item 1 have not been met can be carried out only with written approval from the Board.
3. The Licensee shall provide as-built plans and drawings of the Modifications referred to in this Licence within ninety (90) days of completion of the Modification. These plans and drawings shall be stamped by an Engineer.

#### **PART H: CONDITIONS APPLYING TO SPILL CONTINGENCY PLANNING**

1. The Licensee shall submit to the Board, at least fifteen (15) days prior to the water use, a Spill Contingency Plan, prepared in the format set out by the Consolidation of Spill Contingency Planning and Reporting Regulations R-068-93, that addresses or includes the following:
  - a. a table of contents (index);
  - b. name, address and title of person in charge of the undertaking;
  - c. name, title and 24hr contact information of person responsible;
  - d. date of plan preparation and the effective period of the Plan;
  - e. description of the location, facility and capacity (storage capacity of any tank containing oil and/or fuel at the facility and waste fuel and/or waste oil);
  - f. under sec. 1.7, a response flow chart to indicate responsibility, contact information of site personnel and initial reporting requirements;
  - g. a map of the project area showing all components of the undertaking, of suitable scale to indicate any sensitive Waters subject potential impacts from the undertaking;
  - h. a detailed description of the secondary containment systems that will be employed to prevent any spills of petroleum hydrocarbons;
  - i. contact information, Nunavut Water Board (867) 360-6338;
  - j. a copy of the NT/NU Spill Report Form and Reporting Guide as referenced;
  - k. the transport of contaminated materials (hydrocarbon impacted water and soil) to port for shipment to an approved hazardous waste management facility.
2. All fuel storage containers, including generators, shall be equipped with secondary containment. All refueling procedures shall be conducted using secondary containment (such as drip pans etc.).

3. The Licensee shall prevent any chemicals, petroleum products or wastes associated with the project from entering water. All sumps and fuel caches shall be located at a distance of at least thirty one (31) metres from the ordinary high water mark of any adjacent water body and inspected on a regular basis.
4. The Licensee shall conduct any equipment maintenance and servicing in designated areas and shall implement special procedures (such as the use of drip pans) to manage motor fluids and other waste and contain potential spills.
5. If during the term of this Licence, an unauthorized discharge of waste occurs, or if such a discharge is foreseeable, the Licensee shall:
  - a. employ the approved Spill Contingency Plan;
  - b. report the spill immediately to the 24-Hour Spill Line at (867) 920-8130 and to the Inspector at (867) 975-4295; and
  - c. for each spill occurrence, submit to the Inspector, no later than thirty (30) days after initially reporting the event, a detailed report that will include the amount and type of spilled product, the GPS location of the spill, and the measures taken to contain and clean up the spill site.
6. The Licensee shall, in addition to Part H, Item 5, regardless of the quantity of releases of harmful substances, report to the NWT/NU Spill Line if the release is near or into a Water body.

**PART I: CONDITIONS APPLYING TO ABANDONMENT AND RESTORATION OR TEMPORARY CLOSING**

1. The Licensee shall complete all restoration work prior to the expiry of this Licence.
2. The Licensee shall carry out progressive reclamation of any components of the project no longer required for the Licensee's operations.
3. The Licensee shall backfill and restore all sumps to the pre-existing natural contours of the land.
4. The Licensee shall remove from the site, all infrastructure and site materials, including all fuel caches, drums, barrels, buildings and contents, docks, water pumps and lines, material and equipment prior to the expiry of this Licence.
5. The Licensee shall remove any culverts and restore the drainage to match the natural channel. Measures shall be implemented to minimize erosion and sedimentation.
6. In order to promote growth of vegetation and the needed microclimate for seed deposition, all disturbed surfaces shall be prepared by ripping, grading, or scarifying the surface to conform to the natural topography.

7. Areas that have been contaminated by hydrocarbons from normal fuel transfer procedures shall be reclaimed to meet objectives as outlined in the Government of Nunavut's Environmental Guideline for Site Remediation, 2010. The use of reclaimed soils for the purpose of back fill or general site grading may be carried out only upon consultation and approval by the Government of Nunavut, Department of Environment and an Inspector.
8. The Licensee shall contour and stabilize all disturbed areas to a pre-disturbed state upon completion of work.

**PART J: CONDITIONS APPLYING TO THE MONITORING PROGRAM**

1. The Licensee shall measure and record, in cubic metres, the daily quantities of water utilized hydrostatic testing and other purposes.
2. The Licensee shall provide the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where sources of water are utilized for all purposes.
3. The Licensee shall determine the GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) of all locations where wastes associated with hydrostatic testing operations are deposited.
4. All sampling, sample preservation and analyses shall be conducted in accordance with methods prescribed in the current edition of *Standard Methods for the Examination of Water and Wastewater*, or by such other methods approved by the Board in writing.
5. All analyses shall be performed in a laboratory accredited according to ISO/IEC Standard 17025. The accreditation shall be current and in good standing.
6. The Licensee shall include in the Annual Report required under Part B, Item 2 all data, monitoring results and information required by this Part.