May 2, 2013

Our reference IQALUIT-#655780

Your reference 1BR-DPI1217

Phyllis Beaulieu Manager of Licensing Nunavut Water Board Gjoa Haven, NU X0E 1J0

Re: Licence Number 1BR-DPI1217 – Durban Island and Padloping Island Remediation Project – Department of Indian Affairs and Northern Development Canada (Contaminated Sites Division) – 2013 Licence Amendment Application – Kitikmeot Region

Dear Ms. Beaulieu,

Thank you for your email of April 4 2013 regarding the above referenced amendment 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 867-975-4555 or email at David.Abernethy@aandc-aadnc.gc.ca for further information.

Yours very truly,

David Abernethy
Regional Coordinator
Water Resources Division
Resource Management Directorate
Aboriginal Affairs and Northern Development Canada Iqaluit, NU X0A 0H0

Encl.

c.c.: Murray Ball, Manager of Water Resources



Memorandum

TO Phyllis Beaulieu OUR REFERENCE

Manager of Licensing IQALUIT-#655780
Nunavut Water Board

YOUR REFERENCE

1BR-DPI1217

FROM David Abernethy

Water Resources Regional Coordinator DATE

Aboriginal Affairs and Northern May 2, 2013

Development Canada

SUBJECT Licence Number 1BR-DPI1217 – Durban Island and Padloping Island

Remediation Project – Department of Indian Affairs and Northern Development Canada (Contaminated Sites Division) – 2013 Licence

Amendment Application – Kitikmeot Region

A. Background

On April 4, 2013, the Nunavut Water Board (NWB or Board) provided notification of the Department of Indian Affairs and Northern Development Canada application to amend the Durban Island and Padloping Island Remediation Project's Type 'B' industrial water licence. More specifically, the Licensee is requesting the removal of conditions that require the sampling and analysis of borrow material for acid rock drainage and metal leachate potential (Part D, Item 16) and the analysis of groundwater quality in the vicinity of landfarm treatment facilities (Part K, Item 2: Surveillance Network Program station numbers DPI-5, DPI-6, DPI-8, and DPI-9). A summary of the rational that has been provided is presented below.

 Sampling and analysis of borrow materials for acid rock drainage and leachate potential

The Licensee considers that the identified borrow sources are highly unlikely to contain unstable minerals in surface conditions. There will be no quarrying of bedrock and there are no plans to crush aggregate removed from the borrow sources. A memo prepared by AECOM Canada Ltd., specific to this issue is included in the submitted application.

2. Monitoring groundwater at the landfarm treatment facilities

The Licensee considers that it is not necessary to monitor the quality of groundwater upstream and downstream of the Durban Island and Padloping Island landfarm treatment facility due to their scale and period of operation. As a mitigation measure, the Licensee will conduct baseline and confirmatory soil testing programs (sampling and analyses) at stockpile and treatment areas.

B. RESULTS OF REVIEW

On behalf of the Aboriginal Affairs and Northern Development Canada (AANDC) Water Resources Division, the following comments are submitted for the Board's consideration,

1. <u>Sampling and analysis of borrow materials for acid rock drainage and leachate</u> potential

The Licensee's request to remove Part D, Item 16 from the licence, pertaining to the sampling and analysis of acid rock drainage and metal leachate characteristics from potential borrow sources prior to use as construction material, is reasonable based on the clarification included in the submitted application. The submitted AECOM Canada Ltd. memo provides adequate assurances that the development of project borrow sources should not have any significant impact on receiving water bodies.

2. Monitoring groundwater at the landfarm treatment facilities

The removal of groundwater monitoring requirements for the landfarm treatment facilities (Part K, Item 2: Surveillance Network Program station numbers DPI-5, DPI-6, DPI-8, and DPI-9) is reasonable given that the facilities will not be operational for a long period of time and that a soil sampling and analysis program will be used to verify baseline and post-treatment conditions at stockpile and treatment areas.

Prepared by David Abernethy