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March 31, 2007

Project Number: FOX-M (3.6)

Phyllis Beaulieu
Licensing Manager
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0B 1J0

Dear Ms. Beaulieu:

Re: 2006 Annual Report: Water Use License #1BR-HAL0308

UMA Engineering Ltd. is pleased to submit this annual report as per the requirements of Part B.1 of water use license 1BR-HAL0308. The report was prepared on behalf of Defence Construction Canada and the Department of National Defence.

Water Usage

At the FOX-M site, there is no on-site sewage disposal facility. Both water supply and sewage disposal were provided by the Hamlet of Hall Beach. No samples of the sewage effluent were collected as it was being treated by the Hamlet's Municipal services. The following table provides a summary of the quantity of water supplied by the Hamlet, as well as the quantity of effluent that was collected and treated by the Hamlet.

Month	Quantity of Water Extracted (cubic metres)	Quantity of Effluent (cubic metres)
July	554	388
August	304	213
September	102	72

Summary of Completed Work in 2006

The majority of the work at the FOX-M site was completed in 2006, and focused on granular material extraction, debris and contaminated soil removal, barrel processing and landfill remediation. The work plan for 2007 is to complete the clean up of the buried debris at the West Communications Area.

Demolition: Demolition of site facilities was essentially completed, including the destruction of tank W20G and the pier. Because the FOX-M site is still operational, most of the buildings and facilities are to remain. In addition, some buildings have been designated as heritage sites and will therefore not be demolished.

Landfarm: The landfarm was wetted and tilled throughout the season. Any hydrocarbon impacted soils encountered during the excavation of the buried debris at the West Communications Area will be placed in the landfarm for remediation.

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Tier II Soil Disposal Facilities: Cell 1 of the Tier II facility was closed, including placement of the liner and cover materials. Cell 2 was winterized in 2006 and is ready to accept any Tier II contaminated soils that may be encountered from the West Communications Area. Cell 2 will be closed in 2007.

Non-Hazardous Waste Landfill: Landfill construction was completed and the facility received Tier I soil and debris from the clean up operations. A cover of granular materials was placed on the facility for winterization at the end of the 2006 season. The facility will be closed after the completion of the 2007 season.

Contaminated Soil Removal: Contaminated soil excavated is complete and all areas were backfilled with clean granular material.

Landfill Remediation: Excavation, assessment and backfilling of all site landfills was completed.

Debris Removal: Completed debris removal at the Retrograde Storage Area, East Beach Landfill and West Beach Landfill and all submerged debris.

Barrel Processing: Barrel processing was completed.

Community Meetings

No community meetings were held in 2006.

Spill Incidences

No spill incidences were reported to the Spill Report Line at FOX-M in 2006.

We trust the information provided is consistent with the requirements of Water Use License #1BR-HAL0308. Please feel free to contact the undersigned if you have any questions or comments.

Sincerely,

UMA Engineering Ltd.



Eva Schulz, P.Ag.
Environmental Scientist
eva.schulz@uma.aecom.com

cc: Douglas Craig, DCC

PHOTOGRAPHIC RECORDS



Photo 1: Landfarm



Photo 2: Cell 2 of the Tier II Soil Disposal Facility

PHOTOGRAPHIC RECORDS



Photo 3: Material Processing Area



Photo 4: East Beach Landfill (Area 8) – backfill completion