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EC File: 4703 001 062
NWB File: 2BB-MEL0914

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Via email: licensing@nunavutwaterboard.org

RE: 111025 2BB-MEL0914 Amendment 4

Environment Canada (EC) has reviewed the information submitted with the above-mentioned amendment application to the Nunavut Water Board (NWB). The following specialist advice has been provided pursuant to the *Canadian Environmental Protection Act*, Section 36(3) of the *Fisheries Act*, the *Migratory Birds Convention Act*, and the *Species at Risk Act*.

Agnico-Eagle Mines Ltd. (AEM) is applying for an amendment to water license 2BB-MEL0914 to allow for an expansion of the on-site fuel storage facilities associated with advanced exploration activities at the Meliadine Project site. The current on-site fuel storage capacity is 1 685 000 L, comprising of ten 113 500 L fuel bladders and eleven 50 000 L double-walled tanks. The proposed expansion would increase the on-site fuel storage capacity by 1 708 000 L to a total volume of 3 393 000 L through the addition of eight 113 500 L fuel bladders and eight 100 000 L rigid double-walled tanks. A new berm area will be situated beside the ten existing fuel bladders which were installed in 2010 and construction of the new fuel storage facilities is proposed to occur between March and April 2012.

After a review of the amendment application, EC provides the following comments and recommendations for the NWB's consideration:

- The proponent shall not deposit, nor permit the deposit of chemicals, sediment, wastes, or fuels associated with the project into any water body. According to the *Fisheries Act*, Section 36 (3), the deposition of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any deleterious substance that results from the deposit of the deleterious substance, may enter any such water, is prohibited.
- EC recommends that AEM update the Fuel Spill Contingency Plan and the Abandonment and Restoration Plan for the Meliadine Project to reflect these proposed changes to on-site facilities.
- EC notes that the proponent has attached EC's Technical Guidance Document (TGD), *Technical Requirements for Collapsible Fabric Storage Tanks (Bladders)*, December 2009 to their document Temporary Fuel Storage Installations – Technical Specifications

of Construction Materials, and states that the fuel bladders will conform to the TGD. EC recommends that the proponent ensure that conformity is met throughout the life of the bladders.

- Please note the new *CEPA Storage Tank System for Petroleum Products and Allied Petroleum Products Regulations* that came into force on June 12, 2008. These regulations apply to both outside, aboveground and underground storage tank systems (including the piping and other tank associated equipment) under federal jurisdiction containing petroleum and allied petroleum products that have a capacity greater than 230 litres. This includes tanks located on federal or Aboriginal lands. Exceptions are pressurized tanks, mobile tanks, tanks regulated by the National Energy Board, and outdoor, aboveground storage tank systems that have a total combined capacity of 2500 litres or less and are connected to a heating appliance or emergency generator. All storage tank system owners must identify their tank systems to EC and installation of new systems must comply with the regulation's design requirements. Further information on these regulations can be found at www.ec.gc.ca/st-rs.
- The proponent is encouraged to consult and implement the recommendations found in the 2003 CCME Guidance Document PN 1326 *Environmental Code of Practice for Above Ground and Underground Storage Tank Systems containing Petroleum Product and Allied Petroleum Products*. This document provides up to date information regarding best practices for the storage of petroleum products and allied petroleum products. The proponent states that the secondary containment volume meets the CCME guidelines but also states that the double-walled steel tanks do not require such an area. EC recommends that both the double-wall storage tanks and fuel bladders be placed entirely within a dyked area, with an impermeable barrier in the floor of the containment area.
- EC recommends that on-site fuel storage should not exceed the quantities estimated by the proponent. The amount of fuel stored on site should only be that which is required for exploration activities and the bulk sample program. The proponent shall ensure that mobilization activities in support of potential future stages of the Meliadine Project are not undertaken as these future projects have not yet undergone the approvals process.

If there are any additional changes in the project EC should be notified as further review may be necessary. Comments previously submitted on behalf of EC regarding water license 2BB-MEL would still apply to this project. Please do not hesitate to contact the undersigned with any questions or comments with regards to the foregoing at (867) 975-4631 or by email at Paula.C.Smith@ec.gc.ca

Yours truly,



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