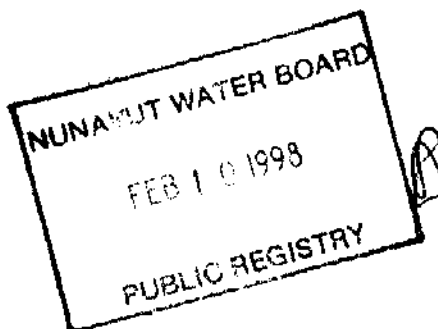


DIAND Nunavut District
Box 100
Iqaluit, NT
XOA 0H0

February 2, 1998

Mr. Boris Mihov
Project Engineer
Highways and Engineering Division
GNWT, Transportation
Yellowknife, NT
X1A 2L9



Your file
Our file Notre dossier
B9546-7-N4L8-1665

Dear Mr. Mihov;

Re: Review of 1996 Annual Report and 1996 Compliance Report

1. Please accept this letter as notification that the 1996 Annual Report submitted by GNWT Transportation for the Coral Harbour Project and as required by water licence N4L8-1665 has been reviewed and found to be complete.

2. Compliance Reports are prepared annually in order to judge the Licensee's compliance with the terms and conditions of their licence.

3. There are a number of non-compliance issues that must be addressed. These issues relate not to the actual work that was being carried out, but rather the lack of communication/notification to ensure that this office was advised per licence requirements. Please ensure that all required reporting is made by the dates specified within the licence.

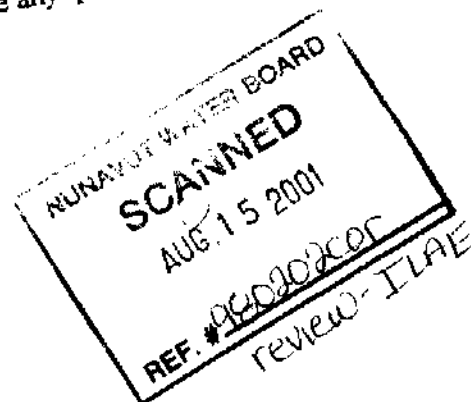
4. Please do not hesitate to contact this office if you have any questions or comments with this report.

Sincerely,

Paul Smith

Paul Smith
Water Resources Officer
Nunavut District

- cc. - Nunavut Water Board, Gjoa Haven -
- DIAND Water Resources, YK
- RMO, DIAND, Rankin Inlet



Canada

1996 COMPLIANCE REPORT

ON

CONDITIONS OF LICENCE NUMBER N4L8-1665

HELD BY: GNWT DEPARTMENT OF TRANSPORTATION

PREPARED BY

PAUL SMITH

INSPECTOR UNDER THE NORTHWEST TERRITORIES WATERS ACT

DIAND NWT REGION

NUNAVUT DISTRICT

IQALUIT, NT

DATE: FEBRUARY 2, 1998
WATER REGISTER: N4L8-1665

COMPLIANCE REPORT - 1996
GNWT DOT CORAL HARBOUR PROJECT
WATER LICENCE N4L8-1665

Introduction

1. The NWT Water Board issued this licence on June 1, 1996. It is valid until December 31, 1998. This report covers the time period from January 1, 1996 to December 31, 1996 and is the first such report to be prepared. This Licence has been issued to allow the disposal of marine dredgings into inland waters and to allow redirection of drainage flow back to the ocean.

Compliance

Part B - General Conditions

2. (B, Item 1). The Licensee has failed to meet this requirement as the Annual Report was not submitted by the March 31, 1997 deadline as specified in the licence. It was submitted on October 8, 1997, some 7 months late.
3. (B, Items 1a-d). The Licensee provided all the required information within the Annual Report per licence requirements.
4. (B, Item 2). The Licensee reported that no unauthorized discharges occurred during 1996 activities.
5. (B, Item 3). The Surveillance Network Program sampling requirements did not come into effect as the Licensee made the decision not to dispose of dredged material into any of the inland lakes as had originally been planned. As all sampling requirements were based upon the deposition of dredged materials into these inland water bodies, this clause is not applicable.
6. (B, Item 4). As noted above, the Licensee decided not to dispose of dredged materials into inland lakes. This constitutes a modification. The Licensee did not advise the Inspector of their intentions in this matter. For this, the Licensee did not comply with this section. When the Licensee submitted the Annual Report on October 8, 1997, a statement was made is that a phone call was made to the NWTB to advise the Inspector. The NWTB does not have an inspection role in this matter.

Part C - Conditions Applying to Waste Disposal

7. (C, Item 1). This section outlines the discharge quality that must be met at SNP Station 1665-1. As the Licensee did not deposit dredged materials that would have required samples to be collected per SNP sampling requirements.

Part D - Conditions Applying to the Undertaking

8. (D, Item 1). Unknown as the Licensee never advised the Inspector of dredging and deposition activities prior to this work being done.
9. (D, Item 2). The Licensee did not report any spills during the time when any of this work was being undertaken.
10. (D, Item 3). Not applicable as the Licensee did not deposit any dredged material into any inland waters.
11. (D, Items 4a-b). The Licensee has failed to comply with the notification aspects of this licence.
12. (D, Item 5). Not applicable as no dredged material was placed in Lake 1.
13. (D, Item 6). Unknown at this time as this aspect has not been inspected. However, the Hamlet Foreman reported that he had no concerns with the placement of the dredged material.
14. (D, Item 8). Not applicable at this time as the project is expected to be completed in full in 1998.

Part E - Conditions Applying to Modifications

15. (E, Items 1a-d). There is no indication on file that the Licensee provided any written notification that modifications were made. As noted above, the Licensee altered their plans such that it constituted a modification to the licence. The Licensee may not have complied with this section.
16. (E, Item 2). May not be applicable.
17. (E, Item 3). Not applicable as the modifications relate to not placing dredged material in inland waters.

Surveillance Network Program

Part B - Sampling and Analysis Requirements

18. (SNP B, Items 1-2). Although the requirements are for an initial sample (baseline) to be collected prior to initiating dredging are required, the fact that the disposal plans were altered such that no dredged material was to be placed in Lake 1, negates the purpose of conducting this sampling in the first place.