

File: 3AM-IQA1626

October 15, 2021

By Courier, E-mail and Regular Mail

Honourable Daniel Vandal, PC, MP Minister of Northern Affairs The Valour Building, Suite 550 House of Commons

Email: aadnc.ministrean-ministerna.aandc@canada.ca

Subject:

City of Iqaluit, Application to Amend Type "A" Water Licence No: 3AM-IQA1626 – Request for the Minister's Consent to Process the Application on an Emergency Basis and Attached Reasons for Decision and Recommended Text of Amendment No. 6 to Water Licence No: 3AM-IQA1626 for the Minister's Consideration

Dear Honourable Minister Vandal:

This correspondence is in relation to the October 13, 2021 application to the Nunavut Water Board (NWB or Board) from the City of Iqaluit (City or Applicant) to amend Type "A" Water Licence No: 3AM-IQA1626 (the Water Licence) for a "Municipal Undertaking" (including the City's potable water treatment and distribution system) on an emergency basis (the Application). The Application requests authorization for the City to withdraw water from an alternate water source, the Sylvia Grinnell River, while the City investigates possible hydrocarbon contamination of the currently approved water source, the Geraldine Lake Reservoir. The City stated in the Application that the situation constitutes an emergency as follows:

The Government of Nunavut's Department of Public Health issued a "Do Not Drink Water Quality Advisory" on October 12, 2021, as there are concerns of possible water contamination due to petroleum hydrocarbons. The City of Iqaluit subsequently declared a local state of emergency, given the concerns identified.

¹ As defined under Schedule 1 of the *Nunavut Waters Regulations*, SOR/2013-69.

The Applicant's requested amendment would authorize the withdrawal of up to three hundred and fifty (350) cubic metres of water daily from the Sylvia Grinnell River for a maximum duration of thirty (30) days (Amendment No. 6). The Applicant has advised the NWB that it has already commenced water withdrawal from the Sylvia Grinnell River in order to supply the City's population with drinking water while the "Do Not Drink Water Quality Advisory" is in effect for the water from the Geraldine Lake Reservoir.

The Applicant requested that Amendment No. 6 be dealt with on an emergency basis under the applicable provisions of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Agreement), the provisions of the Nunavut Planning and Project Assessment, S.C. 2013, c. 14, s. 2 (NuPPAA), and the Nunavut Waters and the Nunavut Surface Rights Tribunal Act, S.C. 2002, c. 10 (NWNSRTA).

Recognizing the emergency circumstances that exist in this case, the Application may be exempted from the normal pre-licensing land use plan conformity assessment and impact assessment requirements of the *Nunavut Agreement* and *NuPPAA* if the circumstances constitute an "emergency", as set out in ss. 152(1)(b) or (c) of the *NuPPAA* ². On October 14, 2021, the Board received the Declaration of a State of Emergency in the City of Iqaluit by the territorial Minister of Community and Government Services. The Declaration of a State of Emergency was made under the *Emergency Management Act* resulting in the Application being exempt from the conformity and impact assessment requirements as provided for under s. 152(1)(b) of *NuPPAA*.

In terms of the NWB's processing of the Application on an emergency basis, as provided for under ss. 52(2)(c) and 55(5), of the *NWNSTRA*³ with your consent, the Board may declare the amendment to be required on an emergency basis, with the effect that the normal notice, public hearing and comment requirements typically associated with the Board's consideration of an application to amend a Type "A" Water Licence are waived.

Therefore, by way of Panel Motion No: 2021-09-P6-03, Panel P6 determined that it is appropriate that the City of Iqaluit's requested Amendment No. 6 to Water Licence No: 3AM-IQA1626, as received by the Board on October 13, 2021, should be considered by the Board on an emergency

A public hearing need not be held ...(c) in the case of an application for the amendment of a licence where the Board, with the consent of the Minister, declares the amendment to be required on an emergency basis.

Section 55(5) states:

Subsections 55(1) and (4) [notice of Hearing, communication of information and timelines prior to the Board acting on do not apply in respect of an application for the amendment of a licence where then respect of an application for the amendment of a licence where the Board, with the consent of the Minister, declares the amendment to be required on an emergency basis"

² See specifically s. 152(1)(b) and (c), which state that the conformity and impact assessment requirements do not apply in respect of any project that is carried out in response to

⁽b) an emergency if a federal or territorial minister who is authorized under any other Act of Parliament or any territorial law to declare a state of emergency, to take measures to prevent an emergency or to remedy or minimize its effects is of the opinion that an emergency exists; or

⁽c) an emergency if the federal Minister certifies that an emergency exists and that it is in the interest of ensuring the health or safety of an individual or the general public, or of protecting property or the environment that the project be carried out without delay.

³ Section 52(2)(c) states:

basis. In making this declaration, the Panel noted the Applicant expressed significant concerns about the health and safety of its residents if the Application is not granted, due to the possible contamination of the Geraldine Lake Reservoir. The Board is, therefore, requesting the Minister's confirmation that an emergency exists and consent to the Board's processing of Amendment No 6 in emergency circumstances as permitted by s. 152 of the *NuPPAA* and ss. 52(2)(c) and 55(5), of the *NWNSTRA*, as explained above.

Also reflecting the urgent circumstances, by way of Panel Motion No: 2021-09-P6-05, Panel P6 also decided that if the Minister consents to the NWB's processing of the Application on an emergency basis, the Board recommends the issuance of the attached Amendment No. 6 to Water Licence No: 3AM-IQA1626 for the reasons set out in the attached Reasons for Decision. Consequently, the Panel attaches the recommended wording of Amendment No. 6 for your consideration.

Conclusion

The Board recommends that Amendment No. 6 to Water Licence No: 3AM-IQA1626 be considered by the Minister for approval under s. 56(1) of the *NWNSRTA*. Given the urgent nature of this matter, the Board would appreciate receiving, as soon as possible, the Minister's decisions regarding whether the Minister consents to the NWB's processing of Amendment No. 6 under emergency circumstances and, if so, the Minister's decision as to whether to approve the issuance of Amendment No. 6.

If the Minister has any questions or concerns regarding this matter, please contact Stephanie Autut, the NWB's Executive Director at Stephanie.Autut@nwb-oen.ca

Sincerely,

Lootie Toomasie Nunavut Water Board, Chair

LT/ak/rqd

Enclosure: Licence No: 3AM-IQA1626 – Emergency Amendment Decision and Licence

Amendment No. 6

cc. Amy Elgersma, City of Iqaluit

Igaluit Distribution List

DECISION

WATER LICENCE 3AM-IQA1626 - EMERGENCY AMENDMENT

Licensee: The City of Iqaluit
Licence No: 3AM-IQA1626 Type "A"

Licence Issued: June 17, 2016

Emergency Amendment for 1 year:
Amendment No. 6 Effective:
October 15, 2021

Amendment No. 6 Expiry: Resolution of State of Emergency

Licence Expiry: June 16, 2026

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 Agreement) and the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA or Act), with respect to the Application for an emergency amendment to the Licence noted above, dated October 13, 2021, provided by the City of Iqaluit, the Nunavut Water Board (NWB or Board) hereby grants the following licence amendments (Amendment No. 6).

The Licence issued June 17, 2016, with an expiry date of June 16, 2026, shall be amended to include the following terms and conditions, with respect to the use of Waters and the deposit of Waste, to allow for the temporary withdrawal of up to 350 m3 per day of Water from the Sylvia Grinnell River.

Procedural History

On October 13, 2021, the Nunavut Water Board (NWB or Board) received the Application for Water Licence Amendment (Application) from the City of Iqaluit (the City or Applicant) for Water Licence No: 3AM-IQA1626. The Application requested that, due to potential contamination of the Lake Geraldine Reservoir - the City's water source - with petroleum hydrocarbons, the amendment be dealt with on an emergency basis under the provisions of Article 13 of the Agreement between the Inuit of the Nunavut Settlement Area and Her Majesty the Queen in Right of Canada (Nunavut Agreement) and the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA). As provided under s. 52(2)(c) and s. 55(5), of the NWNSTRA with the consent of the Minister, the Board may declare the amendment to be required on an emergency basis. With the consent of the Minister, this declaration allows the Board to waive the normal notice, public hearing and comment requirements typically associated with the Board's consideration of an application to amend a Type "A" Water Licence and to process the amendment application on an expedited basis. In addition, the Minister's consent exempts the Application from meeting the prelicensing conformity determination and impact assessment requirements (as outlined under ss. 152(1)(b) and (c) of the Nunavut Project and Planning Assessment Act, S.C. 2013, c. 14, s. 2 (NuPPAA).

On October 13, 2021, the NWB issued correspondence acknowledging receipt of the City of Iqaluit's application to amend Type "A" Water Licence No: 3AM-IQA1626 on an emergency basis (Amendment No. 6).

On October 14, 2021, the Board received the Declaration of a State of Emergency in the City of Iqaluit by the territorial Minister of Community and Government Services. The Declaration of a State of Emergency was made under the *Emergency Management Act* resulting in the Application being exempt from the conformity and impact assessment requirements as provided for under s. 152(1)(b) of *NuPPAA*.

On October 15, 2021, the NWB's duly appointed panel responsible for decision-making for the file, the Iqaluit Panel (Panel P6) met via teleconference and concluded that emergency circumstances had been established by the City of Iqaluit and directing that the Board seek the Minister's consent for the Board to process the Application on an emergency basis. The Panel also decided to recommend that Amendment No. 6 be granted on the following basis.

General Considerations

The City of Iqaluit views the situation as an emergency because there are

... concerns of possible water contamination [of the City's drinking water source, the Lake Geraldine Reservoir] due to petroleum hydrocarbons. The City of Iqaluit subsequently declared a local state of emergency, given the concerns identified... the City of Iqaluit... continues its investigation in order to confirm possible contamination and source...

The City requests an authorization to withdraw water from the Sylvia Grinnell River as an alternative to the approved water source, the Geraldine Lake Reservoir, because the Sylvia Grinnell River is the closest water source and is accessible via an existing access road. The Applicant noted in the Application that water withdrawals from this alternate water source had already commenced to ensure the health and safety of residents who have been advised not to drink the water coming from the Geraldine Lake Reservoir while the investigation of potential contamination continues.

Recognizing that the emergency situation means that there has been a very limited opportunity for the Board and any interested parties to review and comment on the Application, the NWB has recommended the term of Amendment No. 6 should be limited to the works and activities required for the City to complete the investigation in respect of the possible contamination of the Geraldine Lake Reservoir, including time required to identify and eliminate the source of contamination.

In the Application, the City indicated that the pumping of fresh Water from the Sylvia Grinnell River is expected to be required for a term of approximately 30 days, to ensure that the population of the City of Iqaluit is supplied with drinking water from the alternate source for the duration of the investigation and application of any required corrective measures. The Sylvia Grinnell River will be the only additional source of water accessed by the City during this time. Water would be trucked from the Sylvia Grinnell River and treated chemically. Amendment No. 6 is limited to the withdrawals from the Sylvia Grinnell River, and no other alternate sources of water may be accessed under this amendment.

On this basis, Panel P6, by way of Motion No: 2021-09-P6-03 has approved the processing of the

Water Licence Amendment Application to Type "A" Water Licence No: 3AM-IQA1626 under emergency circumstances as requested by the City of Iqaluit. Further, if the Minister consents to processing the Application on an emergency basis, Panel P6 has, by way of Motion No: 2021-09-P6-04, approved the issuance of these Reasons for Decision and the specified amendments to Water Licence No: 3AM-IQA1626 (Amendment No. 6) to authorize the activities as follows upon approval by Minister.

EMERGENCY AMENDMENT

Amend Page 3 Quantity of Water not to be exceeded to read:

2,000,000 CUBIC METERS ANNUALLY FROM LAKE GERALDINE RESERVOIR, 500,000 CUBIC METERS ANNUALLY FROM NIAQUNGUK RIVER (APEX RIVER) FOR TRANSFER TO LAKE GERALDINE RESERVOIR, 2,500 CUBIC METRES ANNUALLY FROM IMIQTARVIVINIQ (DEAD DOG LAKE) AND 350 CUBIC METRES DAILY FROM SYLVIA GRINNELL RIVER DURING STATE OF EMERGENCY.

PART A: SCOPE, DEFINITIONS, AND ENFORCEMENT

Insert Item 1.1.:

Construction, operation, and removal of temporary facilities to provide for trucking water from the Sylvia Grinnell River.

PART D: CONDITIONS APPLYING TO THE USE OF WATER AND WATER MANAGEMENT PLANS

Amend Item 1 to Read:

The Licensee is authorized to withdraw, from the Lake Geraldine Reservoir at Monitoring Station No. IQA-01, up to 2,000,000 cubic metres of Water annually for the relevant activities, works, and undertakings authorized under the scope of this Licence.

The Licensee is authorized to withdraw, from the Niaqunguk River (Apex River) at Monitoring Station No. IQA-10, up to a total of 500,000 cubic metres of Water annually for the supplementation of Water levels in the Lake Geraldine Reservoir.

The Licensee is authorized to withdraw, from Imiqtarviviniq (Dead Dog Lake) at Monitoring Station No. IQA-14, up to a total of 2,500 cubic metres of Water annually for dust suppression and general municipal purposes.

The Licensee is authorized to withdraw, from the Sylvia Grinnell River, at Monitoring Station No. IQA-17, up to 350 cubic metres of Water daily during the investigation of possible contamination of the Lake Geraldine Reservoir and application of any corrective actions resulting from the investigation.

Insert Item 13:

The Licensee shall cease all withdrawals from the Sylvia Grinnell River (Monitoring Station No. IQA-17) when the Licensee has confirmed the water quality in the Lake Geraldine Reservoir is no longer considered contaminated with petroleum hydrocarbons and the "Do Not Drink" Water Advisory has been lifted. The Licensee shall remove any infrastructure set up for water withdrawals at Monitoring Station No. IQA-17.

PART I: CONDITIONS APPLYING TO MONITORING

Insert Item 16:

The Licensee shall monitor withdrawals from the Sylvia Grinnell River in accordance with requirements included under Schedule I.

PART J: CONDITIONS APPLYING TO CLOSURE AND RECLAMATION

Insert Item 6:

The Licensee shall, within three (3) months of terminating temporary withdrawal of Water from Sylvia Grinnell River or with the 2021 Annual Report, whichever comes first, submit to the Board for review, the final closure report of temporary infrastructure established for Water withdrawals at Monitoring Station No. IQA-17.

SCHEDULE B: ANNUAL REPORT REQUIREMENTS

Insert Item v:

The 2021 Annual Report referred to in Part B, Item 1, shall provide the following information:

- 1. A summary of the investigation of the petroleum hydrocarbon contamination in the City's water supply system, including lessons learned, based on monitoring and mitigation efforts.
- 2. GPS co-ordinates (in degrees, minutes and seconds of latitude and longitude) and datum for the locations of all water withdrawals.
- 3. The daily and monthly quantities in cubic metres of fresh Water withdrawn from the Sylvia Grinnell River at Monitoring Station IQA-17.
- 4. Discussion of any observed trends, exceedances, or unanticipated impacts.

SCHEDULE I: CONDITIONS APPLYING TO MONITORING

Amend Table 2 to include:

| Station ID | Description | Status | Parameter | Testing/ Measurement Frequency | Reporting Frequency |
|---------------|--|--------|-----------|---|------------------------|
| IQA-17 | Withdrawal from Sylvia Grinnell River. | New | F | Daily when withdrawals occurring at this station. | 2021 Annual Report |

All remaining terms and conditions of Type "A" Water Licence 3AM-IQA1626 dated June 17, 2016, still apply.

| Γhis Licence Amendment No. 6 issued a | and recorded at Gjoa H | aven, NU on <u>October 15, 2021</u> . |
|--|------------------------|--|
| Lootie Toomasie Chairperson, Nunavut Water Board | APPROVED BY: | Daniel Vandal Minister of Northern Affairs |
| | DATE: | |