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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYIT
OFFICE DES EAUX DU NUNAVUT

File: 3BM-ARC0810 Amend #1

November 27, 2012

Mr. Bhabesh Roy
Municipal Planning Engineer
Community Government Services
Baffin Region, Government of Nunavut
P.O. Box 379, Pond Inlet
X0A 0S0
Email: broy@gov.nu.ca;

Joeli Qamanirq
Senior Administrative Officer
Hamlet of Arctic Bay
Box 144
Arctic Bay
X0A 0A0
sao_ab@qiniq.com

Subject: Hamlet of Arctic Bay Water Licence 3BM-ARC0810 Amendment No. 1:
(a) Request to Commission New Sewage Lagoon; and
(b) Geothermal Analysis for Abandoned Sewage Lagoon.

Dear Mr. Roy and Mr. Qamanirq

The Nunavut Water Board ("NWB" or "Board") acknowledges receipt of the Government of Nunavut Community Government Services' ("GN-CGS") request for approval to proceed with commissioning of the Hamlet of Arctic Bay's ("Hamlet") new sewage lagoon dated August 21, 2012.

In addition the NWB acknowledges receipt on October 1, 2012 of the document entitled "Geothermal Analysis of Abandoned Sewage Lagoon, Arctic Bay, NU" prepared for exp Services Inc. by Naviq Consulting Inc., dated September 2012, including cover letter from exp Services Inc. to GN-CGS, dated October 1, 2012 (Geothermal Analysis). This submission also included the document entitled "Arctic Bay Sewage Lagoon Decommissioning" prepared for GN-CGS by Trow Associates Inc., dated April 2008 (2008 A&R Plan).

In response to the first item, GN-CGS's request to proceed with commissioning of the Hamlet's new sewage lagoon, the Board refers GN-CGS to water licence 3BM-ARC0810 Amendment No. 1 ("Licence") effective April 16, 2009 allowing the following activities to be carried out:

- Construction and operation of a new Wastewater Treatment Facility comprised of a single cell sewage lagoon and wetland treatment area;
- Construction of a new gravel access road from the existing lagoon to the new lagoon;
- Effluent release from the new lagoon to a 11.2 hectare Vegetated Filter Strip Wetland area that is approximately 700 metres long, 86-202 metres wide and flows northwest into Victor Bay;
- Decommissioning of the existing Sewage Disposal Facility once the new Wastewater Treatment Facility is commissioned; and
- Quarrying from the Arctic Bay quarry.

Although the Licence allows for operation of the new Wastewater Treatment Facility as noted in the first bullet listed above, the Licence has been expired since March 31, 2010. As such, all further water use and waste disposal activities are in contravention of the *Nunavut Land Claims Agreement* and the *Nunavut Waters and Nunavut Surface Waters Tribunal Act*.

On March 22, 2010 the NWB received GN-CGS's application for renewal of the Licence including Plan for Compliance and has been corresponding with GN-CGS to resolve deficiencies in the application for the past two and half years as follows.

On June 24, 2010, the NWB identified the importance of the condition, Item 10 of Part B, of the Licence requiring approval by the Board in writing of a complete Plan for Compliance before proceeding with processing of the renewal application. In its correspondence, the NWB further identified a number of deficiencies in GN-CGS's Plan for Compliance that needed to be addressed before the renewal application could be deemed complete. On December 2, 2010 the NWB received a revised Plan for Compliance from GN-CGS. This document was distributed for review to interested parties on December 7, 2010. By January 7, 2011, the NWB was in receipt of comments from Indian and Northern Affairs Canada (INAC) Water Resources, INAC Field Operations, and Environment Canada (EC). Taking into consideration the information submitted and the comments received by interested parties, the NWB accepted and approved the Plan for Compliance on May 6, 2011 subject to nine (9) conditions.

Although the Board approved the Plan for Compliance, the Board also noted in its May 6, 2011 decision that it remained reluctant to proceed with the renewal application due to the Licensee's failure to fulfill its commitment as outlined in the Plan for Compliance, to submit a detailed Final Abandonment and Restoration Plan for the existing Sewage Disposal Facility by December 31, 2010, in accordance with Part G Item 2 of the Licence which states:

The Licensee shall submit to the Board for approval in writing, within ninety (90) days of Licence issuance, a detailed Final Abandonment and Restoration Plan for the existing Sewage Disposal Facility. The Plan shall incorporate, where applicable, the appropriate sections as described in Part G Item 1 and address intervenor comments raised during the review process, including specifications and purpose of cover materials over sludge remaining following decommissioning of the Sewage Disposal Facility.

The Board further noted:

"Given the importance to the Licence renewal of demonstrating commitment to implementation of the Plan for Compliance by the Licensee, as well as the importance of Board approval of the Final Abandonment and Restoration Plan as a requirement of the previous Licence, the Board will not proceed with processing the Renewal Application until the Final Abandonment and Restoration Plan for the existing Sewage Disposal Facility is received."

To date, the Board has not received the required Final Abandonment and Restoration Plan and the renewal application remains pending. Further, in acknowledgement of a recent statement made by GN-CGS in correspondence dated April 27, 2012 regarding the Hamlet's new Waste Water Facility Operations and Maintenance Manual, the GN-CGS stated that the design report for the abandonment and restoration of the old wastewater facility has been submitted to the NWB. The Board refers the GN-CGS to email correspondence dated April 22, 2012 (see attachment) sent to the GN-CGS from the NWB following receipt of the report entitled "*Arctic Bay Sewage Lagoon Decommissioning*" dated April 2008 (2008 A&R Plan). The NWB noted that it reviewed this same Plan as part of the 2008 water licence amendment application, and as such, maintains that it does not satisfy the Board's requirements of Part G, Item 2, in order to proceed with the 2010 renewal application. In summary, the report submitted contains



analysis and recommendations for the decommissioning of the old wastewater facility, however it does not provide the details of the closure and reclamation that will be committed to by the GN-CGS and related information as to the supporting studies (eg. Geothermal analysis of the cover materials/design).

With respect to the October 1, 2012 Geothermal Analysis submission, the Board takes this opportunity to inform GN-CGS that **the submission does NOT satisfy the requirements of Part G Item 2 of the Licence.** The Board awaits correspondence from GN-CGS outlining its intention (as noted above) with respect to the Geothermal Analysis as well as a cohesive A&R Plan to incorporate the results of the Analysis. Upon receipt, the Board will then consider how to proceed.

In anticipation of proceeding with the renewal application, the NWB conducted a review of the Licensee's approved Plan for Compliance. The results of this review indicate that the validity of the Plan is significantly compromised due to the Licensee's failure to fulfill a number of additional commitments and conditions of its approval, including:

- Submission to the Board for review a revised Plan for Compliance in accordance with Part B Item 1 (x) and the Board's May 6, 2011 decision to conditionally approve the Plan for Compliance;
- Submission to the Board for review by June 10, 2011, the 2008 annual report in accordance with Part B Item 1;
- Submission to the Board for review by June 10, 2011, clarification regarding the availability of data required under Licence NWB3ARC0307 and subsequent renewal 3BM-ARC0810 in accordance with Part B Item 15;
- Submission to the Board for approval, a Hazardous Waste Management Plan as part of the Operations and Maintenance Manual by August 31, 2011, in accordance with Part D Item 8;
- Submission to the Board for review, a report identifying each Final Discharge Point of the existing Sewage Disposal Facility by August 31, 2011, in accordance with Part D Item 10. The report shall be prepared in consultation with the Inspector in accordance with the Board's May 6, 2011 decision to conditionally approve the Plan for Compliance;
- Submission to the Board for approval, a Spill Contingency Plan that specifically addresses the quarry site operations and existing facilities by August 31, 2011, in accordance with Part E Item 10;
- Submission to the Board for approval an Operations and Maintenance Manual for existing and new facilities by August 31, 2011, in accordance with Part F, Item 1 (also refer to correspondence from the Board dated August 10, 2012 regarding this requirement);
- Submission to the Board for review a Geotechnical Engineer's report in July 2011 including covering letter from the Licensee outlining an implementation plan addressing each of the Engineers recommendations in accordance with Part F Item 3; and
- Submission to the Board as part of the 2011 annual report by March 31, 2012, the results of sampling analyses conducted in accordance with Part H.

The Licensee is reminded that maintaining compliance¹ with a licence is important for the Board's administrative purposes and is a significant factor considered by the Board in its review of any licence renewal or amendment application. The Licensee is advised to address the above compliance issues as part of any forthcoming submission.

Finally, the NWB also reminds the Licensee of its responsibility, pursuant to section 46 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*, that the expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence.

¹ Sec.57 NWNSRTA



Should you have any questions, please do not hesitate to contact myself at dts@nunavutwaterboard.org or by phone at (780)-443-4406, or for licensing and administrative concerns, Phyllis Beaulieu, Manager of Licensing at licensing@nunavutwaterboard.org or via phone at the NWB office, (867) 360-6338.

Sincerely,

Original signed by:

David Hohnstein, C.E.T.
Director Technical Services

DH/kt/

Attachments: Email from K.Tunaley, NWB consultant, to B. Westwell, GN-CGS, Subject: Hamlet of Arctic Bay Water Licence 3BM-ARC dated April 22, 2012

cc. Roy Green, Director Community Infrastructure, GN-CGS
Bill Westwell, Senior Planning Engineer, GN-CGS

