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NUNAVUT IMALIRIYIN KATIMAYINGI
NUNAVUT WATER BOARD
OFFICE DES EAUX DU NUNAVUT

File No: 3BM-CAP0810

March 7, 2008

Honorable Chuck Strahl, P.C., M.P.
Minister of Indian Affairs & Northern Development
and Federal Interlocutor for Metis and Non-Status Indians
21st Floor, 10 Wellington
Gatineau, Quebec K1A 0H4

By Courier, Email and Regular Mail

Subject: Licence 3BM-CAP0810 – Cape Dorset, Nunavut

Dear Minister:

Please find enclosed an amended Licence 3BM-CAP0810 duly issued by the Nunavut Water Board (NWB).

The amendment to this Licence authorizes the Hamlet of Cape Dorset, to dispose of waste in relation the disposal, treatment and discharge of sewage effluent for municipal operations at Cape Dorset. This Type B Licence is being sent to you for your approval in accordance with Section 56(1) of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act* (Act) as the Board determined pursuant to subsection 51(2) of the Act that it is in the public interest to hold a public hearing on the amendment application.

As set out in the Board's Reasons for Decision, attached for your information, this decision was particularly difficult for the Board. The Board has concluded that the current sewage lagoon system has failed. At the same time, construction of the new sewage lagoon was completed prior to the Public Hearing. The new sewage lagoon appears to have been built without environmental assessment, and certainly without this Board's regulatory review and approval.

Without the benefit of environmental assessment or regulatory direction, the evidence supports that the new sewage lagoon, has been built in a location with unfavourable geological characteristics; the integrity of the design is seriously questioned by technical reviewers; and the facility has not been constructed in accordance with construction drawings, omitting design elements essential to mitigating the design risks (i.e. thermistors installations). Furthermore, the new lagoon is accessible only by

a road that the Board believes is likely to prove unusable during winter months, forcing continued reliance on the existing lagoon.

While the new lagoon system poses serious risks, the Board is satisfied that with appropriate conditions these risks can be mitigated. Moreover, this is likely the only mechanism for the Hamlet to come into compliance with the Act and the terms of the Licence. Accordingly, the Board has decided that the optimum benefit for the residents of Nunavut is derived from a decision to issue the amendment to the Licence.

The Board's decision relies heavily on the need for mitigating risks posed by the new lagoon system and has set out corresponding conditions in the amended Licence, including specified responsibilities of the Her Majesty in right of Canada pursuant to 70(2) of the Act. The Board believes these conditions are essential to achieving optimum benefit for the residents of Nunavut and asks that the Minister approve this Licence only if INAC inspectors are committed to comply with the responsibilities specified in the Licence and pursuant to the Act.

Through the conditions set out in the Licence, the Board will carefully monitor the Hamlet's efforts to come into compliance with the Licence. If at any point the Board determines that future failure to comply with key conditions set out in the Licence such that the balance of the benefit to the residents of Nunavut changes, the Board is prepared to exercise its authority pursuant to clause 43(1)(c)(iii) of the Act to recommend cancellation of the licence if the Board determines it is in the public interest to do so.

If your office wishes to receive a full Records of Proceedings please contact our head office. The Licence is in your hands to be considered in accordance with section 56 of the *Nunavut Waters and Nunavut Surface Rights Tribunal Act*.

Please contact the undersigned in writing should you have any questions regarding this matter.

Sincerely,



Thomas Kabloona
A/Chair

Attachment: Licence No: 3BM-CAP0810 and Decision

c.c. Cape Dorset Distribution List
NWB Public Registry