

P.O. Box 119 GJOA HAVEN, NU XOB 1JO TEL: (867) 360-6338 FAX: (867) 360-6369

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June 19, 2007

Art Stewart
Senior Administrative Officer
Hamlet of Cape Dorset
P.O. Box 30
Cape Dorset, NU X0A 0C0

File No. 3BM-CAP0207

Bhabesh Roy, M.A.Sc., P.Eng., Municipal Planning Engineer Community Government and Services Baffin Region, Government of Nunavut P.O. Box 379,

Pond Inlet, NU X0A 0S0 E-mail: broy@gov.nu.ca

Sent via e-mail.

Dear Mr. Stewart and M. Roy,

Subject: Cape Dorset Type B Water License Application

The Nunavut Water Board (NWB or the Board) has completed its final review of the Application documents and associated comments received as a part of the public review process which ended June 12, 2007. The most recent comments received from INAC, GN, EC and Associated Engineering for this application are available from the Board's FTP site at the following link: http://nunavutwaterboard.org/ftp/ 3BM-MUNICIPAL / 3BM-CAP.

The Board has indeed found this to be an unusual application with an unfortunate history as is evident in the repeated submissions and reviews that have taken place. The file has accumulated an incredible history, with the key findings summarized briefly as follows:

- i. since the original submission of an application for amendment on July 2005, there have been numerous exchanges of correspondence, meetings and site visits with no resolution;
- ii. almost two years have lapsed since the application was received and the review began;
- iii. the receipt of continual differences in opinion from professional engineers and their difficult conclusions;
- iv. it is unfortunate to have placed the Government of Nunavut, the Hamlet and Community and Government Services in a position to now, under the circumstances, face a hearing. What could be worse though, would be to approve an application for construction, that the Board is not confident will meet the design objectives and have it fail; and

v. on top of all this, due to the time that has elapsed since initial application, the current License for the Community of Cape Dorset is set to expire on August 31, 2007.

In summary, accepting the application as presented will, in the words of two independent consultants, result in a failed or leaky facility unable to meet its design objective to hold water and treat sewage which could be a problem for the next 20 years. The Board is now in a position to move forward and is ordering a public hearing at the earliest possible date to resolve the issues at hand. The Board is however, restricted on the timing in that a minimum of 60 (sixty) days notice is required by law prior to holding the hearing [Act s. 55(2)]. A tentative date under consideration for the Public Hearing is August 22nd and 23rd, 2007.

The Board does note Section 55(5) of the Act, which states: "Subsections [2 - Notice of Hearings does] not apply in respect of an application for the amendment of a license where the Board, with the consent of the Minister declares the amendment to be required on an emergency basis." Should the Minister deem it proper for the Board to move more quickly per this section and notify the Board accordingly, the Board will contact all parties and move the date forward.

The NWB Staff has been directed to contact you to provide further details and prepare a formal notice of hearing. The NWB will retain the services of the third party consultant(s) and the parties are strongly encouraged to cooperate in the interim in an effort to resolve the issues and provide their 'FINAL' proposals for the Board's consideration prior to the hearing. This, in the view of the Board, is necessary given the inconclusive geotechnical information and the evidence in the file.

Realizing that the current license will expire August 31, 2007 the Board proposes to extend the current license and a prior amendment issued September 22, 2004 until such time as this application can be resolved.

It is imperative that a definitive and proper solution is achieved, so that the long term health of the Hamlet of Cape Dorset may benefit from the services provided and ensure that a facility will be available to provide the needed sewage treatment for the planned design of 20 years.

Sincerely,

Original signed by:

Thomas Kabloona A/Chairman

cc. Distribution list
Holger Hartmaier, BGC Engineering
John Grainger, Associated Engineering