

Engineering, Scientific, Planning and Management

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Our File No.: 1003383

February 14, 2006

VIA EMAIL:

Mr. Joe Murdoch Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Dear Mr. Murdoch:

Re: NWB3COR0207 - Annual Report 2004

Our Client, the Hamlet of Coral Harbour (the Hamlet) has asked us to respond to your letter to the Hamlet, dated October 27, 2005 in which you raised some concerns you would like the Hamlet to address within the 2005 Annual Report. We have summarised the details of measures being taken to address your concerns below:

a) INAC Inspection Report of August 12th 2004

The INAC Water Licence Inspection Report of August 12th, 2004 raised the following issues concerning the sewage treatment facility of the Hamlet:

- insufficient treatment of sewage effluent;
- leakage from the berms of the new sewage detention cell;
- absence of containment of leachate at the solid waste site; and
- inadequate segregation of wastes at the solid waste site.

To address the insufficient effluent treatment and the leaking sewage detention cell, Jacques Whitford Limited (Jacques Whitford) is currently developing a preliminary design of the Coral Harbour wetland to provide sufficient sewage treatment that will meet applicable regulations. Treatment will be mainly provided by the wetland. Effluent quality will be monitored at the last control point of the wetland system, which is the point of discharge to the sea to ascertain compliance with the Hamlet's future Water Licence requirements, the Canadian Water Quality Guidelines for Freshwater Aquatic Life, the new proposed Environment Canada's guidelines and the requirements of subsection 36 (3) of the *Fisheries Act*. The preliminary design report will be made available to NWB on completion.

The Department of Community and Government Services (CGS), Government of Nunavut (GN), through Mr. Brian Purdy, P. Eng., informed us that they constructed berms around the site in the summer of 2004 to contain leachate. CGS believes that the berms are containing the leachate. CGS will also work with the Hamlet to improve waste segregation at the site.



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b) Leakage of the Sewage Detention Cell and Solid Waste Site Issues

The leakage of the sewage detention cell and the proper management of waste (i.e. segregation, hazardous waste handling and leachate containment) at the solid waste site have been addressed under the INAC concerns (a) above.

c) Analysis and Monitoring at COR-2 & COR-3

Part H, Item 2 & Part H Item 3 of the Hamlet's current Water Licence, NWB3COR0207, require samples to be taken and analyzed, monthly, at the Monitoring Station Numbers COR-2 and COR-3 for waste constituents. CGS collected some samples and analyzed them at these locations in 2005. CGS promised to provide Jacques Whitford with the results of these analyses, which will be submitted with our preliminary design report to the NWB. CGS also informed us that their personnel will continue to assist the Hamlet to collect and analyze samples at the monitoring locations.

d) Measurement and Recording of annual quantities of sewage sludge

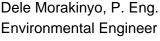
Part H, Item 9 of the current Water Licence NWB3COR0207 requires that annual quantities of sewage sludge removed from the sewage treatment facility be measured and recorded. CGS, through Mr. Bryan Purdy, P. Eng., informed us that the amount of sludge generated at the treatment facility to date is very minimal. CGS will assess the sludge situation in the summer of 2006 to determine quantity generated and will assist the Hamlet, should sludge removal be required; NWB will be appropriately advised on the quantity of sludge removed.

As mentioned earlier on in this letter, the preliminary design report, currently being prepared by Jacques Whitford will be made available to NWB as part of the 2005 Annual report (due on March 31, 2006) to support the Hamlet's current Water Licence and the application for a new Water Licence for the Hamlet.

If you require further information at this stage, please do not hesitate to contact the undersigned. Information specific to the assistance roles the CGS will be providing to the Hamlet should be directed to Mr. Bryan Purdy, P.Eng, of the CGS.

Yours truly,

JACQUES WHITFORD LIMITED



DM/dm

