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NUNAVUT WATER BOARD
NUNAVUT IMALIRIYIN KATIMAYINGI
OFFICE DES EAUX DU NUNAVUT

File: 3BM-KUG0914/
Amendment/ Renewal

August 27, 2014

Mr. Don Le Blanc
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Community and Government
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Subject: Water Licence 3BM-KUG0914 - Application for Renewal and Amendment

Dear Mr. LeBlanc and Mr. Alam:

The Nunavut Water Board (NWB or Board) acknowledges receipt of your application for the renewal and amendment (Application) of water licence 3BM-KUG0914 (Licence) dated March 19, 2014. The Application included the following documents:

- Amendment/Renewal Application with,
 - Cover Letters (2);
 - Executive Summary;
 - Translation of Executive Summary in Inuinnaqtun;
 - Community Background;
 - Description of the Undertaking;
 - Renewal & Amendment Application Form;
 - Proof of fee payment;
 - Annual Report 2013;
 - Appendix A: Environmental Sample Results – Summary;
 - Water Supply Improvements Phase1, New Intake and Pumphouse, Kugluktuk, Nu, Intake Plan and Profile, dwg no. C-02-5-0 dated 2010-05-04, issued for tender;
 - Water Supply Improvements Phase1, New Intake and Pumphouse, Kugluktuk, Nu, Process Diagram dwg no. P-01-1-0 dated 2010-05-04, issued for tender;
 - Water Supply Improvements Phase1, New Intake and Pumphouse, Kugluktuk, Nu, dwg no. C-04-5-B dated 2010-04-16, intake conceptual sketch;
 - Appendix B, Sewage and Waste Sample Results – Taiga Lab;
 - Appendix C: Water Sample Bacterial Test Results – Taiga Lab & Cam Bay Lab;

Also included as a part of the Application package:

- Annual Reports 2005-2008;
- Design Development Report for Water System Improvement, includes Attachment A, Site Plan Pipe and Profile, dwg no. 13655-SK1-A, preliminary only;
- Process Selection Report Final for Phase 2 – Water Treatment; includes Appendix A: Layout Sketches and Appendix B: Cost Estimate Tables.

Furthermore, on May 9, 2014 the NWB received the Sewage Treatment Facility Operation and Maintenance Plan for the Hamlet of Kugluktuk, dated May 2014. The submitted Plan includes a body report and appendices.

- The Sewage Treatment Facility Operation and Maintenance Plan with:
 - Introduction;
 - Sewage Collection and Delivery;
 - Operation and Maintenance of the Sewage Treatment Facility (and between others, Facility Monitoring Program and Abandonment and Restoration);
 - Emergency Response and Contingencies;
 - Reporting.
- Attached to the Plan are:
 - Appendix A Drawings (As-built Sewage Lagoon Drawings, Thermistor Location in Dyke, Effluent Pipe Discharge Location, Underside Liner Drainage System)
 - Appendix B NWB Licence
 - Appendix C Climate Data
 - Appendix D Projected Water Requirements and Sewage Generation Rates
 - Appendix E Site Forms
 - Appendix F Annual Monitoring Report Format
 - Appendix G Dyke Temperature Recording Form / Portable Diesel Driven Sewage Pump Discharge Calculation.

All documents related to the Application can be obtained from the NWB ftp site, using the username of *public* and the password of *registry*, at the following link:

<ftp://nunavutwaterboard.org/1%20PRUC%20PUBLIC%20REGISTRY/3%20MUNICIPAL/3B/3BM%20-%20Municipality/3BM-KUG0914/1%20APPLICATION/2014%20Renewal/>

The NWB has conducted a preliminary technical review of all materials received to date to determine completeness of the Application. Based on this review, the NWB has identified several issues that the Licensee will need to address before the Application will be considered technically complete and can proceed through the regulatory process.

1) Modifications to the Water Supply Facility carried out without Board Authorization:

Modifications to the Water Supply Facility comprehend two phases: phase 1 construction of the new intake line and intake pumphouse and phase 2, improvements for the water treatment system. Based on the Application, it is evident that the Licensee had carried out modifications to the Water Treatment System without Board authorization.

According to the Application Executive Summary and the 2013 Annual Report, it appears that the intake pumphouse and intake lines had been recently constructed i.e.

- “*new intake pumphouse and intake lines are in operation since completed in 2012*” (Executive Summary); and
- “*water intake from Coppermine River at the new location using new twin intake system and screen at a point close near to the existing intake point has already updated with the Board. As built drawing of new pump house and intake line also submitted to the Board*”._(viii, 2013 Annual Report.

These constructions are neither within the scope of the 3BM-KUG0914 Water Licence, nor have previous authorization by the Board.

The current Water Licence submits to Water Supply Facility drawings dated on 2002. Associated 3BM-KUG0914 Licence procedural history shows that the 2008 Application documents contained documents related to a proposed Water Supply Facility upgrade and redevelopment. Because these were preliminary reports, the Board considered that they were not between the scope of the 3BM-KUG0914 Renewal Application. Rather than that, the Hamlet was recommended to submit, within an application for amendment, a final design report, complete with for construction drawings stamped by an engineer for review and approval of the Board prior to proceeding with the proposed changes. Up to date no Amendment Application was submitted in order to include these modifications under the scope of the Water Licence.

In order to include the improved Water System under the scope of the new Water Licence, the Board requests that the Hamlet provide the following information regarding the Water Supply Improvements, Phase 1 &2

- “as built drawings” as constructed for the new pump house and intake line features of the Water Supply Facility, Water Treatment System Improvement Phase 1 (the drawings submitted within the Application are for tender).
- an Abandonment and Restoration Plan for the old water supply facilities (as per Part G Item 1 of the Water Licence);
- “issued for construction drawings” for the Water Treatment System Improvement Phase2.

2) Application Inconsistencies and deficiencies

The following are deemed as inconsistencies in the Application and need to be addressed

- Existing Licence Number on the application form indicates 3BM-CAM0914, this is the 3BM-KUG0914.

- Block #13, the Licensee states that there is only one source of water, the Coopermine River, but provides two different quantities of water to be used, i.e.
 - overall estimated quantity of water to be used: 65,700 m³;
 - estimate quantity of water to be used for each source: 77,000 m³;
 - the overall estimated quantity of water to be used as stated in the current Water Licence is 77,015 m³; this inconsistency needs to be addressed and only one number shall be provided.

Application deficiencies are related to Operation & Maintenance Manuals not submitted. The NWB notes that the Application did not include the updated consolidated Operation and Maintenance (O&M) Manual and the following Plans:

- Solid Waste Management Facility O & M Plan, Hamlet of Kugluktuk;
- Monitoring Program and the Quality Assurance / Quality Control Plan , Hamlet of Kugluktuk; and
- Environmental Emergency Contingency Plan.

The Board is aware of the email on August 18, 2014 in which the Applicant mentioned that on May 10, 2014 the Solid Waste Facility O&M Plan was submitted. The Board does not have record of such a submission, and to date only the Sewage Treatment Facility O&M Plan has been received.

3) Municipal Compliance Plan

On January 30, 2012 AANDC wrote to the GN-CGS requesting individual compliance plans for each municipality¹. These plans are to include a timetable with firm implementation dates and detailed corrective measures that will be undertaken to address the identified non-compliance issues. The NWB is requesting the submission of a Plan for Compliance that clearly details the status of the Licensee's progress in meeting terms and conditions specified under the current Licence.

4) Other Issues

In addition of those mentioned, the Board has identified a number of other issues that also need to be addressed:

- Annual Reports for 2009 and 2010 were not submitted to the Board;
- Abandonment, Restoration and Closure Plan for the old sewage lagoon; during the term of previous Licence (3BM-KUG0608). An amendment was issued by the NWB for the construction and operation of a new sewage lagoon which replaced an older sewage lagoon. As a requirement of Part G Item 2 of the Licence, an Abandonment and Restoration Plan for the decommissioned sewage disposal facilities was to be submitted. To date this Plan has not been received.
- Amendment Application for Kugluktuk Water Crossings

¹ Letter from Robin Aitken, AANDC to Don La Blanc, Hamlet of Kugluktuk dated February 22, 2012.

- on September 14, 2011 the NWB received an application package from Diavik Diamond Mines Inc. (DDMI) for the construction of water crossings located in the 4 Mile Bay Area, northwest of the Hamlet of Kugluktuk Project;
- on October 31, 2011 the NWB received notification that DDMI would not be acting on behalf of the Hamlet, instead the Hamlet will be submitting the application for an amendment themselves;
- on November 20, 2012 the NWB notified the Hamlet of submission deficiencies and invited the Hamlet to submit a complete application in order to proceed with the processing of the amendment application;
- to date the Board has not received a response from the Hamlet and its intentions with respect to this Application, the Board respectfully requests the Hamlet provide an update regarding this issue.

Once the items in this letter are deemed satisfactorily addressed and the Licensee presents a Plan of Compliance that is approved by the Board, the Board will proceed to issue a notice of the application pursuant to subsection 55(1) of the Nunavut Waters and Nunavut Surface Right Tribunal Act.

The NWB notes that the current Licence expired on April 30, 2014. The NWB reminds the Licensee of its responsibility, pursuant to section 46 of the Nunavut Waters and Nunavut Surface Rights Tribunal Act, respecting that the expiry or cancellation of a licence does not relieve the holder from any obligations imposed by the licence.

Should you have any questions regarding the above, please do not hesitate to contact the undersigned at Sonia.Aredes@nwb-oen.ca or David Hohnstein, Director of Technical Services, at (780) 443-4406 or by email to David.Hohnstein@nwb-oen.ca for any technical related questions. For procedural related inquiries and/or request for information, please contact Phyllis Beaulieu, Manager of Licensing, at 867-360-6338 or by email to Phyllis.Beaulieu@nwb-oen.ca.

Sincerely,

Original signed by:

Sonia Aredes, Technical Advisor
Nunavut Water Board

sa/pb