



June 18, 2015

IC# 2015-06RS
WL# 3BM-KUG0914

Don Leblanc
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Dear Mr. Leblanc:

On May 19, 2015, Aboriginal Affairs and Northern Development Canada (AANDC) Water Resource Officers, Field Operations met with you and Mr. Shah Alam of CGS to discuss compliance objectives for the water licence 3BM-KUG0914. As a result of this meeting it was determined that many of the requirements included in the 'multi-year municipal compliance summary' provided by AANDC in 2012 had been met. It was also noted during the meeting that many of the requirements from recent inspections had also been met.

Determination

It has been determined by AANDC that any relevant items not mentioned in this document as 'outstanding items' that were not submitted as required in a water licence, compliance requirements from previous inspections reports, or items mentioned in the 'multi-year municipal compliance summary' have either been fulfilled or are being fulfilled through your active participation in the Municipal Water Licence Compliance Working Group initiative which includes Municipal, Government of Nunavut and Federal Government representative involvement. AANDC further recognizes that additional outstanding items will be addressed through your current water licence renewal/amendment with the Nunavut Water Board (NWB).

To this end, AANDC has determined that it is not in the public interest to pursue further action beyond the items initiated through the Municipal Water Licence Compliance Working Group and the items listed below or items that may be detected in future inspections.

Outstanding Items

AANDC requests that the following requirements are met and will be verified during the 2015 municipal inspection season:

1. It is recommended that the licensee remove barrels that are currently being stored in the land farm. It is also recommended that the licensee contact the Government of Nunavut (GN), Department of Environment for further guidance on the process of 'farming' soil within a land so that soils can be actively managed and discharged when they meet GN guidelines. This will ensure that the land farm will be able to



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meet any future capacity requirements and also minimize any potential environmental liability.

2. It was noted during the inspection that the liner appears to be floating with bubbles like deformities in the liner parts that were above the water line. There also appeared to be one crack on each side on area of the berm that was lower than the rest of the berm. This depression was approximately 1.5 meters wide and there appeared to be discoloured snow below this depression. The location of this depression was approximately 10 meters to the right of the truck discharge location Mr. Shah Alam advised the inspectors that GN-CGS were contracting a consultant to come to Kugluktuk in mid June, 2015 to provide additional information on the cause of the floating liner and the apparent slumping on the lagoon wall.

A follow-up inspection will be conducted by the regional AANDC Inspector to ensure any potential risk is addressed.

3. A second follow-up inspection will be conducted by the regional inspector as the seasonal conditions change.

Sincerely,

Robert Savard
Water Resources Officer
Aboriginal Affairs and Northern Development Canada
Iqaluit, Nunavut.

- cc. Erik Allain, Manager, Field Operations, AANDC Iqaluit.
Baba Pedersen, Field Operations, AANDC Kugluktuk.
Ralph Rudiger, Director of Community Development, CGS
Shah Alam, Municipal Planning Engineer, CGS
Phyllis Beaulieu, Nunavut Water Board