Director of Operations Box 100 Iqaluit, NU X0A 0H0

July 20, 2007

Via email exec@nunavutwaterboard.org

Dionne Filiatrault, P.Eng. A/Executive Director Nunavut Water Board P.O. Box 119 Gjoa Haven, NU X0B 1J0

Dear Dionne:

Water Licence applications 1BR-TAL, 3BM-REP0409 and 3BM-WHA0207

I am writing in response to your May 28, 2007 letter to Jim Rogers, Manager of Water Resources for Indian and Northern Affairs Canada, regarding the three above-noted water licence applications.

The Hamlets of Repulse Bay and Whale Cove are currently operating under valid water licences, though your letter of May 28th raises the possibility that both municipalities have conducted or are conducting activities that are not authorized by the terms of their respective water licences. In addition, the Hamlet of Taloyoak does not have a valid water licence. However, all of the Hamlets have applied for water licenses or amendments that, if granted, might extend to the activities that you have drawn to the attention of the department.

As you indicated in your letter, the above-noted water licence applications were submitted to the Nunavut Water Board (NWB) for processing in June 2006 or prior. We agree that that the NWB delay in processing an application does not authorize the applicant to use water or dispose of waste in contravention of the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA). An applicant must diligently pursue its application for a licence, and must not engage in activities prohibited by sections 11 and 12 of the NWNSRTA until it has an approved water licence.

Water Resource Officers from Indian and Northern Affairs Canada will be inspecting all Nunavut communities in the coming months for compliance with sections 11 and 12 of the NWNSRTA, in accordance with sections 86 and 87 of that Act. The Manager of Field Operations will instruct the Water Resource Officers to determine the status of the



infrastructure identified in your letter during the applicable hamlet inspections; following inspection, we can determine whether further compliance and enforcement action is warranted.

You also requested our comments on options for proceeding with these three applications. While INAC does not condone violations of the NWNSRTA, it is clear that the possibility of past violations must not forestall the NWB from reviewing a pending application. We encourage the NWB to continue its review of these applications. Further, we would be willing to recommend to the applicants that they submit information on the current status of the activities or infrastructure referenced in their original amendment applications. This may be of use to the NWB in its review.

The task of raising awareness and educating our clients, including municipalities, on the regulatory requirements in Nunavut demands a consolidated effort from all of the involved parties. Our office would be pleased to discuss with the NWB, the Nunavut Association of Municipalities, the individual municipalities, and the Government of Nunavut, options on how we can work collectively to improve awareness and education, and in turn improve compliance. In addition, we need to discuss how we can better fit the regulatory process to the needs of capital planning for water and waste infrastructure. We are interested to hear suggestions you may have on making steps to cooperatively move forward on this issue.

Finally, I encourage you to give me a call to discuss how we may be able to assist the NWB and address the above mentioned issues and any other matters as they arise.

Sincerely,

Originally Signed by

Spencer Dewar A/Director of Operations

cc. SAO, Taloyak

SAO, Whale Cove SAO, Repulse Bay

GN Community and Government Services Manager of Field Operations - INAC Manager of Water Resources - INAC