

NWB File No. 3BM-SAN1214

April 25, 2014

Bhabesh Roy Municipal Planning Engineer Community and Government Services Baffin Region, Government of Nunavut P.O. Box 379, Pond Inlet, XOA 0S0

Via e-mail: broy@gov.nu.ca

RE: Licence 3BM-SAN1214, Hamlet of Sanikiluaq – Renewal Application Submission – Licence Compliance Status Update

Dear Mr. Roy:

On November 29, 2013, the Nunavut Water Board ("NWB" or "Board") acknowledged receipt of Community and Government Services' (CGS) application for the renewal of the Hamlet of Sanikiluaq's Water Licence 3BM-SAN1214 (Application). Acting on behalf of the Hamlet of Sanikiluaq (the Licensee), CGS has provided the following materials in support of the Application that was submitted to the Board:

- Administrative Fee (\$30.00)
- Application Cover Letter
- Water Licence Renewal Application
- A Plan for Compliance
- Design Brief Sanikiluaq Truck Fill Station
- As-Built Drawings for the Sanikiluaq Truck Fill Station
- Sanikiluaq Truck Fill Station Facility Assessment Report
- Operation and Maintenance Manual (Vol. 1 & 2) Water Truck Fill Station
- Spill Contingency Plan Existing and Proposed Municipal Quarry Sites
- Sanikiluaq Water Use and Waste Management Infrastructure Site Plan
- Memo Improvement of the Existing Wastewater Treatment Facility (Arktis)
- Hamlet motion supporting the site selection of the new sewage lagoon
- Technical Summary of the Environmental Facilities (English, Inuktitut)
- Authorization Letter (Hamlet of Sanikiluag)
- Water Quality Test Results (2012)
- 2012 Annual Report

On January 17, 2014, the 2013 Annual Report was provided to the Board, along with relevant water quality testing results for municipal infrastructure.

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 CGS will need to address before the Application will be considered technically complete and can proceed through the regulatory process. In addition, as per Part B, Item 6 of Licence 3BM-SAN1214 and section III of the accompanying Decision, a Board approved Plan for Compliance is required and is an essential compliance component prior to proceeding with the licensing process. These issues identified include the following:

1. Scope

Based on the Application, it is evident that the Licensee is contemplating the construction of a new sewage lagoon. The Licensee is notified that the addition of a new sewage lagoon is beyond the scope of the current Licence that the Licensee is currently applying to renew. At this time, the Licensee has not provided sufficient information to include this activity and process an amendment to the Licence. Information to support the addition of a new sewage lagoon should include, among other aspects, details that support the assessment of a wastewater facility that is appropriate for the area, such as a siting study including geotechnical investigations, the coordinates for the proposed site, tender or for construction drawings, the new facility's overall capacity and lifespan based on population statistics and, an abandonment and restoration plan for the closure of the existing sewage lagoon.

As such, the Licensee is notified that 1) the proposed new sewage lagoon cannot be included within the scope of the renewal application currently before the Board and 2) the Board will require a <u>revised Application</u> that does not reference the new sewage lagoon (e.g. Block 10 of the Licensee's Renewal Application Form).

With respect to the proposed amendment for the new lagoon, the Licensee will be required to submit an amendment Application to the Board for approval at a subsequent date, should the Licensee seek to expand the Licence scope to include a new sewage lagoon. Please note that a change to the Licence's scope may also require the submission of further application documents (e.g. updated Municipal Questionnaire, updated O&M Manuals).

2. Revised Plan for Compliance

It is the Board's understanding that the most recent Water Use Inspection Report for the Hamlet of Sanikiluaq was conducted on September 8, 2011, prior to the issuance of the current Licence. Accordingly, this indicates that it has been approximately 2.5 years since the Hamlet of Sanikiluaq has undergone an on-site inspection for compliance with the terms and conditions of its water licence.

As such, until an official inspection can be conducted and the required compliance information provided to the Board, the Board has provided comments on the Plan for Compliance (attached) and is requesting the submission of a revised Plan for Compliance that clearly details the status of the Licensee's progress in meeting terms and conditions specified under the current Licence (please see last column in the plan). These comments primarily pertain to licence conditions for which there is currently insufficient information provided in the Application and/or the Licensee appears to be in non-compliance. The Board requests that CGS provide responses to the information requested in this letter and attached Plan for Compliance at its earliest convenience. In addition to the response to comments, the submitted plan for compliance should be revised/edited to reflect the Licence and Licensee's information for which the plan applies (i.e. remove unnecessary sheets, fill in cover page, name the file appropriately, etc.)

Once the Application is deemed to be fully complete and a revised Plan for Compliance that addresses the items in this letter has been received and 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 Rights Tribunal Act*.

If you have any questions or require clarification on the contents and technical requirements of this letter, please contact Cory Zyla, Technical Advisor at 867-360-6338 (x36) or by e-mail to cory.zyla@nwb-oen.ca or David Hohnstein, Director of Technical Services at 780-443-4406 or by e-mail to david.hohnstein@nwb-oen.ca. For any procedural matters, please contact Phyllis Beaulieu, Manager of Licensing at 867-360-6338 or by e-mail at licensing@nwb-oen.ca.

Yours truly,

Original Signed By

Cory Zyla

Technical Advisor Nunavut Water Board

Cc SAO – Hamlet of Sanikiluaq
GN Community and Government Services
AANDC Water Resources
AANDC Inspections

Attachment: Plan for Compliance – NWB Comments