



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

Our File/CIDM's #: 351340

September 8, 2009

Richard Dwyer
Licensing Administrator
Nunavut Water Board
P.O. Box 119
Gjoa Haven, NU X0A 1J0

Re: Type "B" Water Licence Renewals, Department of National Defence (DND): 3BC-BAF0409 – Brevoort Island Project (BAF-3), 3BC-FOD0409 – Dewar Lakes Project (FOX-3), 3BC-SHE0409 – Shepherd Bay Project (CAM-3), 3BC-DYE0409 – Cape Dyer Project (DYE-M), 3BC-CAM0409 – Cambridge Bay Project (CAM-M), 3BC-FOH0409 – Hall Beach Project (FOX-H)

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of six (6) Type "B" Water Licence Renewal applications for the Department of National Defence (DND), including Water Licence #3BC-BAF0409 - Brevoort Island Project (BAF-3); #3BC-FOD0409 - Dewar Lakes Project (FOX-3); #3BC-SHE0409 - Shepherd Bay Project (CAM-3); #3BC-DYE0409 - Cape Dyer Project (DYE-M); #3BC-CAM0409 - Cambridge Bay Project (CAM-M); #3BC-FOH0409 - Hall Beach Project (FOX-H).

All associated documents related to this licence posted on the NWB ftp site under 3BC-BAF, 3BC-FOD, 3BC-SHE, 3BC-DYE, 3BC-CAM and 3BC-FOH were included in my review (see attached Technical Review Memo).

Should you have any questions or comments, please do not hesitate to contact me at (867) 975-4738 or by email at Andrea.Cull@ainc-ianc.gc.ca

Yours truly,

Original Signed By

Andrea Cull
Water Management Specialist

Cc: Kevin Buck – Manager of Water Resources, INAC
Peter Kusugak – Manager of Field Operations, INAC
Andrew Keim – Water Resources Officer, INAC



Technical Review Memo

To: Richard Dwyer – Licensing Administrator, Nunavut Water Board

From: Andrea Cull – Water Management Specialist, Indian & Northern Affairs Canada

Re: Type “B” Water Licence Renewals, Department of National Defence (DND): 3BC-BAF0409 – Brevoort Island Project (BAF-3), 3BC-FOD0409 – Dewar Lakes Project (FOX-3), 3BC-SHE0409 – Shepherd Bay Project (CAM-3), 3BC-DYE0409 – Cape Dyer Project (DYE-M), 3BC-CAM0409 – Cambridge Bay Project (CAM-M), 3BC-FOH0409 – Hall Beach Project (FOX-H)

Water licence #'s 3BC-BAF0409, 3BC-FOD0409, 3BC-SHE0409 and 3BC-DYE0409 were all due to expire Feb 28, 2009. DND submitted four amendment applications to the NWB on Feb 11, 2009 requesting that the water licenses be extended for a period of six months to allow work to continue on site and provide such time that Nasittuq Corporation (contracted site operator) could be issued new water licenses by the Board. At that time, DND intended to apply to cancel their licenses. As a result of reconsideration DND has opted to renew these licenses in their name and not the contracted site operator's Nasittuq.

With respect to the existing water licenses #3BC-CAM0409 (CAM-M site) and 3BC-FOH0409 (FOX-H site) set to expire on June 30, 2009, Nasittuq has applied for a new licence as operator of the site (contracted by DND). Similar to the above renewals DND has chosen to re-apply for the renewal of these licenses at this time.

All of the above mentioned water licence renewal applications were submitted by DND and were received by the Board on July 30, 2009.

As a result of this review INAC recommends that the Board impose all of the comments/recommendations that were submitted by INAC between the dates of Feb 24 and March 4, 2009 in regard to the above mentioned projects (please see these 6 attached letters – in response to Nasittuq Corporation's applications to renew).

INAC also recommends that the NWB impose applicable standard conditions from the existing water licence #'s 3BC-BAF0409, 3BC-FOD0409, 3BC-SHE0409, 3BC-DYE0409, 3BC-CAM0409 and 3BC-FOH0409 on any renewed water licenses. In addition the following additional comments/recommendations are provided for your consideration in the licence approval process.

Recommendations/Comments:

Re: Water licence #3BC-BAF0409, 3BC-FOD0409, 3BC-SHE0409 and 3BC-DYE0409

Sewage Disposal

In INAC's 2008 inspection report for 3BC-BAF0409 it was noted that this site does not have a sewage lagoon or any other sewage waste treatment on site. INAC could not perform an inspection in 2009.



As written in the 2008 inspection report for 3BC-BAF0409: Contrary to issued license, Human wastes are macerated and discharged directly to environment via discharge pipe. No Lagoon or sump is present on site.

During 2009 site inspections of 3BC-FOD0409, 3BC-SHE0409 and 3BC-DYE0409 by an INAC Water Resources Officer, it was noted that these sites also do not have sewage lagoons or any sewage waste treatment on site.

As written in the 2009 inspection reports: Human wastes are not treated; rather they are discharged directly to the environment via an outfall pipe contrary to the existing licence. Previously the Inspector required that the Licensee comply with the terms of the existing licence. This issue is to be addressed prior to the period of the next inspection or enforcement actions will be undertaken under the Act.

Parts D, Item 5, of the existing water licenses (3BC-BAF0409, 3BC-FOD0409, 3BC-SHE0409 and 3BC-DYE0409) require that the Licensee shall manage all sewage through the use of Incinolet toilets, and dispose of all resulting ash in the approved on-site landfill facility. The disposal of sewage waste directly to the environment, as noted by the Inspector, appears to be a violation of Section 12 of the Nunavut Waters and Nunavut Surface Rights Tribunal Act (NWNSRTA), in that waste is being deposited in a manner contrary to Board approval. INAC feels that it is unacceptable to dispose of sewage waste without prior approved treatment.

Therefore INAC suggests that the Board impose an additional condition to any renewed license in these cases which would require a Compliance Plan with firm dates of implementation. The Plan at a minimum should include the installation of an appropriate sewage treatment system for both greywater and blackwater, an estimate of the amount of total wastewater generated at the site, restoration/clean-up of areas where raw sewage has been deposited, and an acceptable interim treatment system (portable, holding tanks, etc). The Plan should be submitted 30 days after renewal.



Water Resources Division
Nunavut Regional Office
Iqaluit, NU X0A 0H0

February 25, 2009

Phyllis Beaulieu
Manager of Licensing
Nunavut Water Board
PO Box 119
Gjoa Haven, NU X0A 1J0

Re: 3BC-FOH0409 – Type ‘B’ New Water Licence Application – Nasittuq Corporation – FOX-M – Hall Beach

Please be advised that Indian and Northern Affairs Canada (INAC) has completed a review of the above referenced Type ‘B’ water licence application. At this time water licence 3BC-FOH0409 is issued to the Department of National Defence (DND). As the site operator, Nasittuq (under contract with DND) is applying for a new water licence. When issued DND will cancel their existing water licence. Nasittuq Corporation applied for this new water licence October 3, 2008.

The NWB invited representations to be made to the Board, concerning the licence application by February 27, 2009. Further, the NWB requested the following comments be specifically addressed;

- Owner vs. Operator Responsibility for Site Remediation – There is another water licence (1BR-HAL0815) issued to Defence Construction Canada (DCC) for the monitoring of landfill activities at this site. It is a separate licence from the application referenced above (which relates to the operation of the site as part of the North Warning System (NWS)).
- Adequacy of Amount and Form of Proposed Security
- Request to treat Stamped and As-Built Drawings of Tank Farms as Confidential

In conducting this review, I have referred to all documents on the Nunavut Water Board FTP site as it relates to 3BC-FOH0409. Attached is a Technical Review Memorandum for your consideration in the approval of the application.

Please feel free to contact me should you have any questions or comments. I can be reached at (867) 975-4566 or by email at trenholmt@inac.gc.ca.

Sincerely,

Original signed by

Tanya Trenholm
Pollution Policy Specialist



Technical Review Memorandum

To: Phyllis Beaulieu, Manager of Licensing - Nunavut Water Board

From: Tanya Trenholm, Pollution Policy Specialist - Indian and Northern Affairs
Canada – Water Resources Division

**Re: Nasittuq Corporation – Hall Beach Project – New Water Licence
Application**

Existing Water Licence # 3BC-FOH0409

Background Information:

The existing water licence in place for the FOX-M site is issued to DND and is set to expire June 30, 2009. Nasittuq has applied for a new licence as operator of the site (contracted by DND). DND will cancel their licence upon issuance of the new licence to Nasittuq

Recommendations / Comments

1. Waste Disposal and Monitoring

Sewage Disposal:

Part D, item 5 and 6 of the existing licence include provisions that require the licensee to submit a report to the Board identifying each Final Discharge Point.

A review of the NWB ftp site yielded no such documentation. The NWB should direct the applicant to submit a report with the required information concerning Final Discharge Points within 3 months of the issuance of the license.

Effluent Monitoring:

It is unclear, based on information submitted by Nasittuq, how frequently the Licensee proposes to discharge effluent. Currently, the licensee is required to sample the sewage effluent monthly from May to August, for a complete list of parameters as identified in the license. INAC recommends the existing terms and conditions of the licence be imposed in any new licence.

Incineration:

During inspections carried out July 16, 2007 and August 10, 2008 by an INAC Water Resources Officer, the Licensee was found to be burning materials (including florescent light tubes, paint cans, aerosol cans and oil filters) on site.



In both instances, direction was issued to the Licensee to immediately cease this activity.

Currently, the licence requires that all solid waste be disposed of in an approved solid waste disposal facility (currently Hamlet of Hall Beach) and hazardous waste and waste oil generated through the course of operation be disposed of at an approved hazardous waste disposal site outside of Nunavut. There are no provisions in the current license that allow for open burning or incineration of waste at this site.

Therefore, INAC recommends that the NWB impose conditions that require the Applicant to;

- a) ensure that offsite disposal of hazardous waste and waste oil be in accordance with the Government of Nunavut, Department of Environment's "Environmental Guideline for General Management of Hazardous Waste". Manifests shall be obtained for all such waste disposal transactions and be available at the Inspector's request.
- b) obtain and provide to the NWB written permission from the Hamlet of Hall Beach for solid waste disposal at their landfill site.
- c) ensure that there is no open burning of plastics, wood treated with preservatives, Styrofoam, electrical wire, asbestos, demolition wastes or any other wastes likely to produce dioxins and furans.
- d) ensure that there is no disposal of waste at the site by incineration.

Other Concerns and Recommendations:

1. Owner vs. Operator Responsibility for Site Remediation

DCC's license (1BR-HAL0815) is issued for landfill monitoring activities. Water use and Waste disposal are not a requirement for the licence. As such, INAC supports a separation of licensing in this instance.

2. Adequacy of Amount and Form of Proposed Security

The NWB should impose a condition that requires the applicant, on an annual basis, to provide up to date proof of environmental liability insurance. This could be included as a requirement of the Annual Report.

3. Request to treat Stamped and As-Built Drawings of Tank Farms as Confidential

At this time, INAC has no concerns regarding Nasittuq's request to have the stamped and as-built drawings of the tank farm treated as confidential "by the NWB".



Please feel free to contact me at your convenience should you wish to further discuss any part of this submission to the Board. I can be reached at 867-975-4566 or via email, tanya.trenholm@inac.gc.ca.

Sincerely,

Tanya Trenholm

Pollution Policy Specialist
Indian and Northern Affairs Canada
Nunavut Regional Office – Water Resources Division

Cc. Kevin Buck, Manager, Water Resources Division – Indian and Northern Affairs Canada;