



Environment and Natural Resources
Government of the Northwest Territories
PO Box 2749
Inuvik NT X0E 0T0

Telephone: (867) 678-6698
Fax: (867) 678-6699

March 15, 2016

GNWT Department of Transportation
PO Box 2038
Inuvik NT X0E 0T0

Attn: Dean Ahmet, Senior Program Manager

**RE: INDUSTRIAL Water Use N7L1-1835
CLASS A - INDUSTRIAL
ITH South End**

Dear Mr. Ahmet,

A ground inspection of the above noted operation was conducted on March 8, 2016 by Water Resource Officer Philippe Thibert-Leduc and Environmental Protection Officer Rolland Malegana. An aerial inspection was also conducted jointly with the Department of Lands on March 9, 2016. Enclosed is a copy of the Industrial Water Use Inspection Report.

There are terms and conditions of your Water Licence that are being neglected resulting in non-compliance/violations. Please address the concerns noted in this inspection report as quickly as possible.

A copy of this report will be sent to the Inuvialuit Water Board for their review and public records. If you have any questions/concerns regarding the enclosed, please do not hesitate to contact me at (867) 678-6676.

Sincerely,

A handwritten signature in black ink, appearing to read "P. Thibert-Leduc", is written in a cursive style.

Philippe Thibert-Leduc
Water Resource Officer
GNWT ENR Inuvik Region

Cc: Stephen Charlie – Superintendent, GNWT ENR Inuvik Region
Mardy Semmler – Executive Director, Inuvialuit Water Board
Bijaya Adhikari – Science and Regulatory Coordinator, Inuvialuit Water Board
Fred Bailey – Vice President, Northwind Industries
Alexis Campbell – Environmental Analyst, DOT
Scott Lundrigan – Field Environment Coordinator, DOT

Enclosure: Industrial Water Use Inspection Report (3 pages)

INDUSTRIAL WATER USE INSPECTION REPORT

LICENCE #:	N7L1-1835	EXPIRY DATE:	December 11, 2023
LICENCEE:	Government of the Northwest Territories - Department of Transportation	PREVIOUS INSPECTION:	February 25, 2016
COMPANY REP:	Dean Ahmet, Senior Program Manager	INSPECTION DATES:	March 8, 2016 / March 9, 2016

GENERAL CONDITIONS/REPORTS/PLANS

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

C &R Plan	N/I	Records & Reporting	A ¹	Final Report	N/A
Geotechnical Inspection	N/I	Posting, Signage	A	Contingency Plan	A
Restorations Activities	N/A	Spills	A	O&M Plan	A
Maintenance	A	Modifications	U ²	Annual Report	N/A

General Comments:

- A ground inspection of the south end was conducted on March 8, 2016 by Water Resource Officer Philippe Thibert-Leduc and Environmental Protection Officer Rolland Malegana. A joint aerial inspection was conducted on March 9, 2016, with Department of Lands (DOL) and Department of Environment and Natural Resources (ENR) inspectors. At the time of the inspections, crews were working out of Borrow Sources GSC4 (Figure 1), PW10 (Figure 2) and I401A (Figure 3) on the south end. Most of the activity revolved around GSC4 with limited activity out of PW10 and I401A.
- Overall, camps at PW10 and GSC4 appeared to be clean and tidy.
- No environmental concerns to report with regards to storage of fuel and sewage.
- No water withdrawal observed at the time of the inspections. Water holes were observed on Jimmy Lake (Figure 4), away from the critical fish habitat identified in the approved Pit Development Plan (PDP) for Borrow Source GSC4. Water hole areas looked clean – no concerns to report.
- As of March 9, 2016, the end of the spread was marked at approximately KM 36 (see Figure 5).
- ¹For future weekly progress report, please note which approved water sources were used that week, if any.
- Understanding that the construction season is soon coming to an end, please ensure that all stockpiled materials in all Borrow Sources meet the requirements of the approved PDPs.

Concerns:

- ²On March 1, 2016, the Inuvialuit Water Board (IWB) approved the Source GSC4 PDP subject to certain provisions. On March 7, 2016, the Licensee failed to directly notify and submit a request to amend the approved GSC4 PDP to the IWB. This is a violation of Part F: Conditions Applying to Modifications, Item 1 of the Water Licence. The Licensee is responsible for directly submitting any PDPs for approval and any notice of modifications to PDPs.
- On March 7, 2016, the Department of Environment and Natural Resources received a request from the DOL to review and comment on the proposed amendments to GSC4 and 312 PDPs. ENR comments included concerns regarding proximity to Jimmy Lake, in particular the South West and South East corners of pit development area GSC4a. The Licensee requested a change to the sequencing of development areas, changing the phase 1 development area to the south west corner of GSC4a, which was initially not planned for development under the approved GSC4 PDP. As a result, stockpiles of organics and overburden were to be stored closer to Jimmy Lake than originally intended.
- Following the March 8, 2016 ground inspection, the ENR Inspector noticed that crews had already blasted the southwest corner of the GSC4 pit development area, and that they had been producing granular material out of this area for some time. This was confirmed on March 9, 2016 during the aerial inspection (see Figure 6), and further confirmed by Lands Inspectors as noted in the Land-Use Permit N2016Q0002 Inspection Report dated March 11, 2016.
- It is concerning that the Licensee is operating in the above mentioned area outside of the approved PDP under the Water Licence, and above the limits set in the PDP to distance pit development areas to Jimmy Lake. Please work with your contractors to ensure that everyone is knowledgeable on the PDP requirements and that it is being strictly followed as originally approved.
- DOL is fully aware of the situation and has provided direction and a compliance timeline to the proponent.
- The request to amend GSC4 and 312 PDPs was withdrawn on March 14, 2016.

NON-COMPLIANCE/VIOLATIONS OF ACT OR LICENCE

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INDUSTRIAL WATER USE INSPECTION REPORT

Part F: Conditions Applying to Modifications, Item 1,

“Except for those Engineered Structures addressed by Part C, Item 4 the Licensee may, without written approval from the Board, carry out Modifications to the planned Project provided that such Modifications are consistent with the terms of this Licence and the following requirements are met:

- a) The Licensee has notified the Board and an Inspector in writing of such proposed Modifications at least twenty (20) days prior to beginning the Modifications; [...]

Please work with the Board and the Water Resource Officer to resolve information gaps raised by the Board in a letter addressed to Mr. Kevin McLeod, sent on March 1, 2016 (attached).

Inspector's Signature: _____



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INDUSTRIAL WATER USE INSPECTION REPORT

Inspection Images:

Figure 1

Borrow Source GSC4, March 9, 2016.



Figure 2

Borrow Source PW10, March 9, 2016.



Figure 3

Borrow Source I401A, March 9, 2016.



Figure 4

Water hole on Jimmy Lake.



Figure 5

End of spread as of March 9, 2016. Approximately KM 36.



Figure 6

South East corner of pit development area GSC4a, proximity to Jimmy Lake.

