



Inuvialuit Water Board Annual Report April 1, 2014 – March 31, 2015

1.0 Overview

The Inuvialuit Water Board (IWB) was established under section 10 of the *Northwest Territories Waters Act* (Federal) and continued under section 13. (1) of the *Waters Act* (Northwest Territories). On April 1, 2014, responsibility for the IWB was devolved from the Federal Government to the Government of the Northwest Territories (GNWT). The IWB's main office is located in Inuvik with a branch office in Yellowknife.

The mandate of the IWB is described in the *Waters Act* (s. 24) as being: *“To provide for the conservation, development and utilization of waters in a manner that will provide the optimum benefit for all Canadians in general and in particular, for the residents of the portion of the Inuvialuit Settlement Region located in the Northwest Territories for which the Board is authorized to issue licences.”*

The IWB operates within the authority and direction of the *Waters Act* and *Waters Regulations*, and is subject to decisions made pursuant to the *Canadian Environmental Assessment Act 2012* (CEAA) and the *Inuvialuit Final Agreement* (IFA). Before the IWB may issue a water licence, the environmental and socio-economic impacts of the development must be assessed as set out in CEAA and the IFA. The IWB uses the results of these assessments to determine whether the proposed development may proceed through the licensing process. The results of these assessment processes may also be used to inform the IWB members in their consideration of potential terms and conditions to be included as part of a water licence.

It is important to note that while the IWB is tasked with issuing water licences, it is not responsible for the enforcement of the terms and conditions included in licences. Enforcement of IWB approved terms and conditions is the responsibility of the GNWT Department of Environment and Natural Resources (ENR).

2.0 IWB Board Membership and Operations

The IWB is composed of a Board and an administrative structure established to support the IWB's activities. The Board of the IWB consists of five members, including the Chairperson. Board members are appointed by the GNWT Minister of ENR. Two members of the Board are appointed on nominations from the Inuvialuit Regional Corporation, and one member of the Board is appointed on the nomination of the federal Minister. All members of the Board hold office for a term of three years.

The Chairperson of the Board serves as the chief executive officer of the IWB.

As of March 31, 2015, the members of the IWB were:

Mr. Roger Connelly, Chairperson
Mr. Mark Cleveland, member
Ms. Mina McLeod, member
Mr. Louis Covello, member
Mr. Richard Binder, member

Previous members whose terms expired during this fiscal year included former Chairperson Eddie T. Dillon and Board member Emery Paquin.

During the year the Board met seven (7) times as follows:

| | | |
|-------------|---------------------|----------------|
| Meeting 407 | May 15, 2014 | Teleconference |
| Meeting 408 | August 5 – 8, 2014 | Inuvik, NT |
| Meeting 409 | November 20, 2014 | Teleconference |
| Meeting 410 | December 1, 2014 | Teleconference |
| Meeting 411 | January 7 – 8, 2015 | Inuvik, NT |
| Meeting 412 | January 9, 2015 | Teleconference |
| Meeting 413 | March 26, 2015 | Teleconference |

3.0 IWB Operations

The IWB administrative staff are members of the GNWT Public Service. The staff members include:

- Mardy Semmler – Executive Director (Inuvik)
- Freda Wilson – Office Administrator (Inuvik)
- Dr. Bijaya Adhikari – Science and Regulatory Coordinator (Inuvik)
- Liz Castaneda – Public Registry Assistant (Yellowknife)

Primary funding of IWB activities is provided through a contribution agreement between the GNWT (ENR) and the IWB. In addition, in any particular year, the IWB may also receive financial support for specific projects or activities from various organizations and/or governments. During 2014/2015 the IWB received \$900,000 under the contribution agreement with ENR and \$8,900 in revenues from other sources. Financial details related to IWB activities during the past year are outlined in the IWB's 2014/2015 audited financial statements.

The current auditors are Crowe MacKay LLP, chartered accountants, located in Yellowknife, NT.

To support and fulfill its mandate the IWB has established rules and procedures. These include documentation to guide administrative matters as well as specific rules to guide the conduct of water licence application review and assessment.

Finally, to help the public understand the purpose and activities of the IWB, a newsletter is published on a periodic basis. The IWB Newsletter – October 2014 was distributed to GNWT and Federal departments, Inuvialuit organizations and other stakeholders and also can be viewed on the IWB Website.

4.0 IWB Water Licensing Activities 2014 – 2015

The IWB issues Type A and Type B Water Licences. A determination of the type of licence to be issued is largely based on the volume of water and waste involved.

In general terms:

- Municipalities Water/Waste Services: Type B Water Licences; and
- Industry: Type B Licences associated with smaller-scale developments (such as some environmental clean-ups) however large scale industrial developments require a Type A Licence.

At the present time there are thirty nine (39) water licences in the area for which the IWB is responsible. Of this number, ten (10) are considered to be active licences with the remainder, although inactive, are subject to annual reporting and/or requiring final inspection and closure.

Applications reviewed, licences issued, cancelled or expired

Type A or B water licences issued (new):

- No new water licences were issued this fiscal year.
- The IWB received several water licence applications that upon review did not meet the criteria requiring a water licence according to Water Regulations Schedule D through H.

Type A or B water licences issued (renewals):

- Type B Licence N3L3-0570, and the related Reasons for Decision, was issued to the Hamlet of Aklavik on December 1, 2014. This licence renewed a prior licence and authorized the deposit of waste, including both solid waste and sewage in established facilities operated by the Hamlet. A water use licence was not issued by the IWB as, due to the immediate proximity of the Gwich'in land claims boundary, the Hamlet's withdrawal and use of water from the Peel River was authorized by the Gwich'in Land and Water Board (GLWB). Discussions with the GLWB are ongoing to formalize a process and ensure all elements of water and waste licensing in future years will be issued by the IWB.

It should be noted that prior to licence renewal the IWB Board and senior staff members visited the community of Aklavik and toured the solid waste and sewage disposal facilities.

Type A or B water licence assignment, cancellation, amendment or closures:

- The IWB received no requests during the year for any licence assignment, cancellation, amendment or closure.

Type A or B water licences expiring during the year:

- Type B Water Licence N7L3-0714 - Hamlet of Tuktoyaktuk – The municipal water licence for the community (for water use and the deposit of waste) expired on June 30, 2014. The Hamlet was notified in advance that the licence was to expire but has failed to file a completed application. The Hamlet, ENR and the Department of Municipal and Community Affairs (MACA) have been advised that the community is now in violation of the requirements of the *Waters Act*.

Licence Management Activities

In addition to determining the disposition of the licence applications, the IWB is charged with the responsibility of reviewing and approving management plans associated with licences as well as reviewing annual reports and inspection reports for licence holders.

Management Plan Review and Approval

Licence N7L1-1835 – GNWT – Department of Transportation (DOT) – Inuvik to Tuktoyaktuk (ITH) Highway

- Wildlife and Wildlife Habitat Protection Plan
- Waste Management Plan
- Sedimentation and Erosion Control Plan
- Permafrost Management Plan
- Design Report – Geometric Structures Design
- Spill Contingency Management Plan inclusive of Spill Response and Emergency Response Management Plan
- Pit Development Plans for Borrow Source 170, Borrow Source 177, Borrow Source I401A and Borrow Source PW 10 - 11
- Surveillance Network Program
- Preliminary Closure and Reclamation Plan
- Explosives Management Plan – PW 10 – 11
- Adaptive Management Framework
- Fisheries Management Plan – approach and timeline
- Aquatic Effects Monitoring Plan – Surveillance Network Program

Licence N7L1-1836 – Imperial Oil Resources – Bar C DEW Line / Tununuk Point Remediation Project

- 2014 Civil Earthworks As-Built Drawings

Annual Reports Reviewed

- N7L1-1769 – Japex Canada Ltd – Sump Monitoring Summary Report (2008 – 2014)
- N7L1-1787 – MGM Energy Corporation – 2014 Annual Sump Environmental Inspection Report
- N7L1-1797 – MGM Energy Corporation – 2014 Annual Sump Environmental Inspection Report

- N7L1-1798 – MGM Energy Corporation – Annual Report 2013
- N7L1-1802 – MGM Energy Corporation – 2014 Annual Sump Environmental Inspection Report
- N7L1-1815 – MGM Energy Corporation – 2014 Annual Sump Environmental Inspection Report
- N7L1-1817 – Aurora Research Institute – 2014 Mallik Annual Water Usage
- N7L1-1817 – Aurora Research Institute – 2014 Mallik Sump Monitoring Report
- N7L1-1828 – MGM Energy Corporation – Annual Report 2013
- N7L1-1831 – Shell Canada Ltd – 2014 Monitoring and Maintenance Program Summary Report
- N7L1-1836 – Imperial Oil Resources – 2014 Annual Report Bar C DEW Line / Tununuk Point Remediation Project
- N7L1-0570 – Hamlet of Aklavik – 2014 Annual Report

Inspection Reports Received and Reviewed

- N7L1-1759 – Suncor Energy – Kugpik and Kurk Drilling Program – July 31, 2014
- N7L1-1769 – Japex Canada Ltd – Mackenzie Delta Gas Hydrate Program – July 31, 2014
- N7L1-1787 – Chevron Canada Ltd – Langley Drilling Program – August 21, 2014
- N7L1-1797 – MGM Energy Corporation – Burnt Lake Drilling Program – July 31, 2014
- N7L1-1802 – MGM Energy Corporation – Umiak N05 Drilling Program – July 31, 2014
- N7L1-1815 – MGM Energy Corporation – Taktuk/Langley Drilling Program – July 31, 2014
- N7L1-1817 – Aurora Research Institute – Mallik Gas Hydrate Drilling Program – July 31, 2014
- N7L1-1831 – Shell Canada Ltd – Unipkat Drilling Program – July 31, 2014
- N7L1-1834 – Shell Canada Ltd – Camp Farewell Reclamation Project – July 31, 2014
- N7L1-1835 – GNWT – DOT – ITH – sixteen (16) inspections between April 1, 2014 – March 31, 2015
- N7L1-1836 – Imperial Oil Resources – Bar C DEW Line/Tununuk Point Remediation Project – July 31, 2014

6.0 Other IWB Activities

During the year the IWB was engaged in a number of additional activities in support of its mandate. These included:

Renewal of the IWB Strategic Plan

In August 2014, the IWB held a facilitated workshop for the Board and staff members to update its Strategic Plan. The former 2010 – 2013 Strategic Plan was reviewed and considered in developing the IWB Strategic Plan 2014 – 2019.

The new Strategic Plan is focused in four key areas:

- The strategic context within which the Board operates, including governance, and its mandate, vision and values;
- The current and projected operating environment including key challenges and opportunities the IWB must consider over the coming years;
- The main goals the IWB plans to achieve over the next five years and the strategies and tasks through which the Board intends to achieve its goals; and
- Performance measures that will be used to track the IWB's success in meeting its goals through 2019.

The Strategic Plan was approved by the Board on January 8, 2015 and has been provided to the Minister of ENR, ENR departmental staff, Inuvialuit organizations and other stakeholders within the region and NWT.

Municipal Wastewater Management Workshop

The IWB held a facilitated Municipal Wastewater Management Workshop February 25 – 26, 2015 attended by representatives from the Hamlets of Aklavik, Sachs Harbour, Paulatuk, Ulukhaktok and Tuktoyaktuk. GNWT departmental representatives from MACA, Health and Social Services (H&SS), and ENR provided presentations regarding their roles and responsibilities in water licensing in the ISR. The workshop was held to assist municipal front-line staff in having a better understanding of the water licensing process in the ISR, the terms and conditions attached to water licences and to assist in enhancing their capacity to maintain compliance with their municipal water licence.

Review of IWB Rules of Procedure used during the review of the Water Licence Application made in support of the construction of the Inuvik – Tuktoyaktuk Highway

The members of the Board reviewed the processes, timeframes and activities associated with the review and issuance of the Type A Water Licence **N7L1-1835** (Inuvik to Tuktoyaktuk Highway). The review was carried out to identify strengths and weaknesses of the process that was followed and to inform the review of the IWB Rules of Procedure associated with water licence applications. As a result of the review a number of adjustments were made to the rules to clarify roles and responsibilities, better describe the various steps in the review process and to ensure review process transparency.

Review of Waters Act (NWT)

Recognizing that the *Waters Act* is relatively new, the IWB undertook a review of the *Act* to ensure that Board members and staff are conversant with the contents of the *Act*.

Involvement in Meetings and Conferences

IWB Board members and staff are regularly asked to participate in meetings and conferences related to the IWB mandate. Some of the meetings and conferences attended in the past year include:

- NWT Board Forum – June 2014 and February 2015
- Inuvik Petroleum Show – June 2014

- ENR/IWB member and staff orientation – May 2, 2014
- NWT Water Strategy Implementation Workshop – February 2015
- Arctic Oil and Gas Symposium – March 10 – 11, 2015
- Inuvik /Tuk Highway (ITH) Working Group meetings – June and November 2014
- ITH Regulatory meetings – monthly
- Aurora Research Institute/Japan Oil, Gas and Metals National Corporation/Japan Petroleum Exploration Company Ltd meetings – July 2014 and February 2015
- Imperial Oil Resources meetings – Bar C/Tununuk Point Remediation Project, January 2015

Activities with other Regulatory Boards within the NWT

The IWB has been in discussions and working with the Mackenzie Valley Land and Water Board to formalize templates related to issues identified during the February 2015 Municipal Wastewater Management Workshop.

Other Administrative and Board Activities

As this was the first fiscal year of devolution, various documents, guides, forms, used by the IWB were reviewed, updated and approved. These included:

1. IWB Rules of Procedure following receipt of Water Licence Applications;
2. IWB Budget Management Guide; and
3. IWB Contracting Guide.

In addition, the IWB website was updated with the addition of new content as well as with adjustments to some documents. Examples of changes made to IWB website documents during the year include:

1. A description of the Water Licensing process in the Inuvialuit Settlement Region;
2. A compilation of Frequently Asked Questions (FAQs) regarding the IWB;
3. The posting of Guidelines for the Preparation of Waste Management Plans;
4. Forms updated:
 - a. Water Licence Application;
 - b. Assignment of Licence;
 - c. Cancellation of Licence;
 - d. Request for Intervener Status;
 - e. Questionnaires:
 - i. Drilling;
 - ii. Seismic;
 - iii. Municipal; and
5. Descriptions of the IWB procedures related to Type A and Type B water licence applications were updated.

The IWB maintains a Public Register (all documents related to all water licence applications, licensing and reporting) in its Yellowknife Office. The Public Register will be transferred to the Inuvik office prior to 2015/2016 fiscal year end. As well, the IWB maintains a copy of the Public Register on-line. The Public Register can be accessed

through the IWB website. At the direction of the Board, staff members are tasked with ensuring that all documents are posted on a timely basis.

7.0 Areas of Focus for 2015/2016

During the 2015/2016 year the IWB plans to focus its efforts on the following priorities:

- As per Goal one (1) of the IWB Strategic Plan, all requests for water licences, amendments to water licences and requests for water licence cancellation will be processed efficiently and effectively in accordance with established IWB rules and in accordance with established timeframes.
- As per Goal two (2) of the IWB Strategic Plan, the IWB will finalize a communications strategy to ensure all parties are aware of the IWB's processes, decisions and actions and the responsibilities of applicants and licence holders.
- As per Goal three (3) of the IWB Strategic Plan, the IWB will develop a roles and responsibilities document to assist municipal governments in understanding municipal water licensing within the ISR from water intake to sewage outflow. The document will be used as a resource tool to enhance municipal governments' understanding of key water use management issues, identify current concerns and mitigation measures, and other means to improve community capacity in water use management.
- As per Goal four (4) of the IWB Strategic Plan, the IWB will finalize a Human Resource Strategy to support Board and staff activities.

8.0 Conclusion

The 2014/2015 year was a year of transition for the IWB. The changes to legislation and the transfer of responsibility for the IWB from the Government of Canada to the GNWT resulted in the requirement for numerous activities to ensure that the IWB was in full compliance with the new legislative framework. This was successfully achieved in parallel with the IWB's mandated responsibilities for licensing the use of water and the deposit of wastes in the Inuvialuit Settlement Region.