



NWTWB ANNUAL REPORT 2005-2006

The Northwest Territories Water Board (NWTWB) was established under Section 7 of the *Northern Inland Waters Act* (NIWA) which was proclaimed on February 28, 1972. NIWA was repealed in June 1992 and replaced with the current *Northwest Territories Waters Act* (NWTWA).

The Board's mandate is described in the *NWT Waters Act* (sec 12): To provide for the conservation, development and utilization of waters in a manner that will provide the optimum benefit therefrom for all Canadians and for the residents of the Northwest Territories in particular.

The Board is guided by the *Canadian Environmental Assessment Act* (1995) (CEAA) and the Inuvialuit Final Agreement (1984) (IFA). Before the Board issues a water licence, it must assess the environmental and socio-economic impacts of the application, as laid out in CEAA. The Board uses the results of the assessment to decide whether the project may proceed through the licensing process and to determine what terms and conditions should be applied to the water licences for the project.

NWT Water Board Establishment and Appointments

The Board consists of four to nine members appointed by the Minister. The membership of the Board shall include at least one nominee presiding over each of the departments of the Government of Canada, that in the opinion of the Governor in Council, are most directly concerned with the management of waters and at least three (3) nominees of the person occupying the recognized position of Government Leader of the Northwest Territories.

The Minister shall designate two members of the Board to be chairperson and vice-chairperson, respectively.

As of March 31, 2006, the members of the NWT Water Board are Gordon Wray, Chair of the Board since 1994; Eddie Dillon, vice-Chair of the Board since 1998; Clayton Gordon, Board member since 2002; Larry Carpenter, Board member since 2001; F. Ian Gilchrist, is an indeterminate board member (1989); Laura Johnston, Board member since 1991; and Dave Emery, Board member since 1991.

NWT Water Board Office Location and Staffing Plan

The Board is currently supported by the Renewable Resources and Environment Directorate (RRED) of the Department of Indian Affairs and Northern Development, NWT Region (DIAND-NWT Region). DIAND provides the Board with financial and human resources, as well as technical advice through the Water Resources Division (WRD). Dr. Kathleen Racher is the Technical Advisor. The Board is also served by a Technical Advisory Committee (TAC) comprised of representatives from industry, government, Aboriginal organizations and non-governmental organizations (NGO's).

In 2003/2004, the Board began to implement a multi-year transitional staffing plan.

The transition from a DIAND-administered Board to an independent Board brings with it the need for the Board to have its own complement of staff-both technical and administrative.

At present staff consists of an A/Executive Assistant and an Administrative Assistant. The NWT Water Board's staffing plan is currently being implemented and a new organizational structure has been adopted by the Board.

As part of its move to stand-alone the Board will relocate its offices to Inuvik. An office has been opened and a public registry established. A part time Administrative Assistant has been hired and the Board will complete its relocation when DIAND approves the funding for the full complement of staff and resources required to operate a stand alone Board.

At present the Board's office is located on the 2nd floor of the Goga Cho Building, Yellowknife, NT.

NWTWB Core Activities 2005- 2006

Type A and Type B Water Licensing

The Board issues Type A and Type B water licences. In general, Type A licences are for large undertakings and Type B licences are for smaller projects.

The Board currently issues water licences primarily to two groups of proponents in the Inuvialuit Settlement Region (ISR): municipalities and oil and gas exploration and development companies.

- ◆ Municipalities have either Type A or Type B licence, depending on the volume of their water use.
- ◆ Oil and gas exploration and development companies generally have Type B licences associated with smaller scale water use.

Licences are also obtained by a variety of other proponents, such as clean up authorities and mineral developers.

In the period from April 1, 2005 to March 31, 2006, the Board received four (4) Type A water licence applications and fifteen (15) Type B water licence applications, ten of which were Water Licence Assignments.

Type A and Type B Licensing and Regulatory Process

The Board's Type A and Type B Licensing and Regulatory Process may consist of as much as a five (5) part process that involves the NWT Water Board, the Environmental Impact Screening Committee (EISC), National Energy Board (NEB), Canadian Environmental Assessment Agency (CEAA), Water Resources Division, and the Technical Advisory Committee (TAC).

The Technical Advisory Committee (TAC) was established by the Northwest Territories Water Board (NWTWB) on October 17, 1973 as a forum for the discussion of technical matters relating to the Board's mandate. TAC is responsible for the technical review of A- and B-type licence applications and providing recommendations or advice to the NWTWB based on their professional expertise and organization's mandate. TAC is also responsible for reviewing technical plans that are submitted by licensees as a requirement of their water licence. Recommendations resulting from TAC reviews must remain confidential until the Board has reached their decision. Since that

time, environmental legislation in the Northwest Territories has undergone several changes but the mandate and responsibilities of TAC remain unchanged. The Board may request TAC provide technical recommendations on non licence specific issues, such as the development of Guidelines or Questionnaires.

The Inuvialuit Environmental Impact Screening Committee (EISC) screens the project description as a whole, not just the water portion of the application. It provides a copy of its recommendations and decision to the Board. Under the IFA the Board cannot proceed with licence issuance until the EISC has provided their decision. TAC conducts a joint screening of the application with NEB. It should be noted that projects with transboundary implications are also subject to other screening processes.

Board's Workload and Relationships

The NWT Water Board began its fiscal year with a contribution agreement of \$852,000 which enabled it to carry out its duties. Members participated in four (4) Board meetings and two (2) teleconferences during the fiscal year. The meetings were held to discuss Type B water licences and the regulatory process. No public meetings were held this year.

Members participated in several Board business planning sessions designed to develop a business plan for the next three years. A business plan was prepared for the Board by Terriplan Consultants to assess the current and future issues. The Board subsequently formulated a strategic action plan along with financial projections to be implemented over the next three years.

The Board has a seat on the Mackenzie Gas Project working group (MWG) and the MGP Chair's Committee (MCC). It participated in meetings on the regulatory and EA process for the MGP. The Board is an executive member of the Northern Gas Pipeline Secretariat (NGPS), which was established to assist in the environmental assessment and regulatory review of the Mackenzie Gas Project.

The Board published "Protocol for the Monitoring of Drilling-Waste Disposal Sumps, Inuvialuit Settlement Region, Northwest Territories" in October, 2005.

Staff met with the National Energy Board on several occasions to discuss coordination issues of water licence issuance and regulatory processes.

The Board received four Type A applications for the MGP. The Board has hired Gartner Lee Limited to act as its Technical Advisor on the MGP applications and a preliminary analysis of the applications is on-going. Once the recommendations of the Joint Review Panel have been made, and accepted by government, the Board will begin the final phase of its process.

Public Awareness and Communications

Increasing Public Awareness and community visibility is important to the Board. The Board builds awareness through regular meetings in and visits to communities in the ISR and by improving ways to receive and share information and ideas with the public. The Board plan to relocate to the Inuvik Region will greatly improve its interactions with local communities. Until the relocation, holding meetings in ISR communities and traveling to meet with local agencies and organizations are potential means of improving community sharing. The Board must communicate its evolving (stand alone) status to the public and, most importantly, to stakeholders in the licencing process. Communications material that clarify the Board's role and mandate in the regulatory process and

its relationship with DIAND must be developed. In the interest of maintaining clear communication with community members, the Board continues to provide language and interpretation services.

Incorporating Emerging Issues

Since April 1, 2003, the Board has been working towards assuming direct responsibility for technical and personnel functions. The Board expects to ultimately employ its own staff and be responsible for its own operation and management costs. DIAND would continue to be the source of funding for the Board's activities, as is the case with the other resource management boards in the NWT. The Board would submit an annual budget request to DIAND and would be funded through a Contribution Agreement

The Board will continue to issue water licences through its mandated regulatory process. The Board anticipates one Type B municipal licence renewal in 2008. The Board's workload is expected to increase steadily over the coming three fiscal years due to the impact of increased activity in the ISR and, in particular, the direct and indirect impacts of the Mackenzie Gas Project.

- ◆ Direct Impacts-MGP A and B water licence application(s) for a gathering system located in the ISR and a pipeline corridor that will follow the Mackenzie Valley.
- ◆ Indirect Impacts-the MGP is expected to result in a significant expansion of oil and gas exploration and development activity in the ISR. Each new exploration or development project will require water licences. The MGP could also result in additional applications for water licences associated with municipal water treatment and sewage disposal facilities.
- ◆ The Northern Gas Project Secretariat (NGPS)-as the Board is party to the Cooperation Plan developed by the Northern Pipeline Environmental Impact Assessment and Regulatory Chairs' Committee, which lays out a process and timeframe for the assessment of applications associated with the MGP, it will also continue to play a role in working with the NGPS.