

Northwest Territories Water Board Annual Report

April 1, 2007 – March 31, 2008

1.0 Overview

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 The NIWA was repealed in June 1992 and replaced with the current *Northwest Territories Waters Act* (NWTWA).

The mandate of the Water Board is described in the *NWT Waters Act* (S. 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 Water Board is guided by the *NWT Waters Act and Regulations*, *The Canadian Environmental Assessment Act* (1995) (CEAA) and the *Inuvialuit Final Agreement* (1984) (IFA). Before the Water Board may issue a water license, it must first assess the environmental and socio-economic impacts of an application, as set out in CEAA. The Water Board uses the results of the assessment to decide whether the proposed project may proceed through the licensing process. The assessment is also used to determine any terms and conditions to be applied to water licenses issued by the Water Board for the project.

2.0 NWT Water Board Establishment and Appointments

The Water Board consists of from four to nine Members who are each appointed by the Minister of Indian Affairs and Northern Development (DIAND). The membership of the Board shall include at least one nominee presiding over each of the departments of the Government of Canada that are, in the opinion of the Governor-in-Council, most directly concerned with the management of waters in the Inuvialuit Settlement Region (ISR) of the Northwest Territories. At least three (3) members are nominees of the Government Leader of the Government of the Northwest Territories. The *NWT Waters Act* specifies that the Minister of DIAND shall designate two (2) members of the Board as Chairperson and Vice-Chairperson, respectively.

As at March 31, 2008, with one vacancy, the members of the NWT Water Board were:

- Mr. Rudy Cockney - Interim Chairman
- Mr. Larry Carpenter
- Dr. David Emery
- Dr. F. Ian Gilchrist - Indeterminate Member
- Mr. Clayton Gordon
- Dr. Laura Johnston

3.0 NWT Water Board Office Location and Staffing Plan

In the past, and for much of the year, the Water Board was supported by the Renewable Resources and Environment Directorate (RRED) of DIAND, NWT Region (DIAND-NWT Region). As of January 2008, the Water Board staff now report administratively to Corporate Services of DIAND. The Department provides the Water Board with required support for financial and human resources.

The Water Board submits an annual budget request to DIAND and, in turn, receives funding from the Department based on a Contribution Agreement. The Board completes an annual audit for submission to DIAND. The current auditors are MacKay LLP chartered accountants located in Yellowknife, NT.

In 2007, the Water Board contracted services through DIAND for a Regulatory Officer and for an Executive Director. Administrative staff to the Water Board from DIAND consisted of an Executive Assistant and a Receptionist in the Yellowknife Main Office and a part-time Administrative Assistant in the Inuvik office. As part of the transition, the Board planned to adopt a new organizational structure and to relocate its offices to Inuvik where a small satellite office had been in operation since 2003. In 2007, the Board's main office was located in Yellowknife, NT in the Goga Cho Building.

4.0 NWT Water Board Core Activities 2007 – 2008

4.1 Type A and Type B Licensing

The Water Board issues Type A and Type B water licenses. In general, Type A licenses are for larger undertakings and Type B licenses are for relatively smaller projects.

The Board presently issues water licenses to two primary types of proponent in the Inuvialuit Settlement Region (ISR):

- Municipalities: These have either a Type A or Type B license, depending on the volume of waters used.
- Oil and Gas Exploration and development companies: These generally have Type B license associated with smaller-scale water use, although some projects may differ and may require a Type A license.

Licenses may also be sought by other users, such as mineral developers and authorities charged with the cleanup and remediation of certain sites in the ISR.

4.2 Type A and Type B Licensing and the Regulatory Process

The licensing and regulatory process for Type A and Type B water license applications may require as many as five (5) reviews. These reviews may involve the NWT Water Board, the Environmental Impact Screening Committee (EISC), the National Energy Board of Canada (NEB), the Canadian Environmental Assessment Agency (CEAA) and the Water Resources Division of DIAND.

The Inuvialuit Environmental 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 Water Board.

Under the requirements of the IFA, the Water Board cannot proceed with the issuance of a water license until such time as the EISC has rendered a decision. It should be noted that projects with transboundary implications may also be subject to other environmental and technical screening processes.

5.0 The Workload of the Water Board

The NWT Water Board began fiscal year 2007 with the signing of a Contribution Agreement for \$1.34M.

In the period from April 1, 2007 to March 31, 2008, the Board received no Type A water license applications but did receive ten (10) Type B water license applications. Of the latter, one (1) was an amendment and four (4) were assignments. One Type A license application received from Imperial Oil in June 2005 remains outstanding.

The Members of the Water Board participated in a total of six (6) Board meetings held to discuss and issue Type B water licenses, aspects of a developing and changing regulatory process, environmental screening reports and budgetary and administrative matters. No public meetings were held during the year:

- Meeting 344: July 26, 2007 (Yellowknife, NT)
- Meeting 345: October 11, 2007 (Yellowknife, NT)
- Meeting 346: November 27, 2007 (Yellowknife, NT)
- Meeting 347: January 24, 2008 (Teleconference)
- Meeting 348: February 11, 2008 (Teleconference)
- Meeting 349: March 25, 2008 (Edmonton, AB)

This is a list of the Water Licenses issued by the NWTWB in 2007:

- N7L1-1791 EnCana: Kugmallit 2D – Assignment to MGM Energy Corp
- N7L1-1797 EnCana: Burnt Lake – Assignment to MGM Energy Corp
- N7L1-1802 EnCana: Umiak-Assignment to MGM Energy Corp
- N7L1-1815 Chevron Canada: Taktuk/Langley/Farewell – Assignment of License
- N7L1-1817 Aurora Research Institute: Malik – License Amendment
- N7L1-1820 MGM Energy Corp: North Ellice Oliver – License Application
- N7L1-1821 MGM Energy Corp: Ogruknang – License Application
- N7L1-1822 MGM Energy Corp: Ellice/Langley/Oliver – License Application
- N7-1-1823 Diadem Resources: Franklin Diamond Project – License Application (No License required)
- N7-1-1824 INAC/CARD: Johnson Point – License Application Only

The Water Board has a seat on the Mackenzie Gas project Working Group (MWG) and the MGP Chair's Committee (MCC). The Water Board participated in meetings on the regulatory and environmental assessment process for the MGP. The Water 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 proposed Mackenzie Gas Project. The Water Board is also a member of the NWT

Board Forum, which is made up of the Chairs of various regulatory Boards in the NWT and also includes representatives from the NEB, the GNWT and DIAND.

The Board retained the services of a consultant to act as technical Advisor on the MGP. The Water Board continues to play its role as regulator and member of the Co-Operation Plan developed by the Northern Pipeline Environmental Impact Assessment and Regulatory Chair's Committee.

Some Water Board Members and Board staff attended JRP Hearings in Aklavik, Inuvik and Yellowknife, as well as some water-related conferences. Water Board staff met with National Energy Board staff on several occasions and was developing a potential Memorandum of Understanding with the NEB with respect to potential applications for down hole re-injection of drilling wastes in the ISR. The Water Board was also involved with issues related to the planned relocation to Inuvik and with planning for various related personnel actions.

6.0 Public Awareness and Communications

There has been an enhancement of public awareness in the north, particularly in relation to environmental issues and the regulation of industrial activities. The Water Board is aware of this increased public and corporate visibility and recognizes that communications with stakeholders in the ISR is an important aspect of its regulatory role in the north.

For instance, in the interest of maintaining clear communications and strong relations with community members, the Water Board continues to provide language and interpretation services in notices of applications and for public meetings. Materials provided to communities were translated and published for local consumption.

Submitted respectfully on behalf of the Water Board,

Rudy Cockney
Interim Chairman
NWT Water Board

June 16, 2008
Yellowknife, NT