

**From:** [McLean, Sarah](#)  
**To:** [Angela Love](#)  
**Cc:** [Kramers, Patrick](#); [Zabey Nevitt](#); [Robert\\_Jenkins@gov.nt.ca](mailto:Robert_Jenkins@gov.nt.ca)  
**Subject:** RE: Water Use Fees  
**Date:** September-17-15 6:14:56 PM

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Hi Angela,

Thanks for your note. I'd like to clarify as well that we will not be conducting supplemental flow mitigation in 2016. The first downstream flow mitigation would potentially occur in 2017 during the Operational Phase of the Project. The water use for the upcoming year will be limited to the 60,000 cubes allowed for in Schedule 3 Part D Item 1 a of our license.

Because refunds are not provided for over-paid water use fees as I had mistakenly believed they would be, we will pay the correct amount - \$600. This allows us to draw up to 60,000 cubes which is all we need for the next 12 months.

Regards,

Sarah

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**From:** Angela Love [mailto:[angela.love@mvlwb.com](mailto:angela.love@mvlwb.com)]  
**Sent:** Thursday, September 17, 2015 1:45 PM  
**To:** McLean, Sarah  
**Cc:** Kramers, Patrick; Zabey Nevitt; [Robert\\_Jenkins@gov.nt.ca](mailto:Robert_Jenkins@gov.nt.ca)  
**Subject:** RE: Water Use Fees

Good Afternoon Sarah,

As per our discussion, the MVLWB transfers any water use fees to the GNWT for verification and deposit. As such, the GNWT will make the final determination on the acceptability of the water use fee submitted.

Thanks,  
Angela

**Angela Love, EP**

A/Team Leader

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**From:** McLean, Sarah [<mailto:Sarah.McLean@debeersgroup.com>]  
**Sent:** September-17-15 10:39 AM  
**To:** Angela Love  
**Cc:** Kramers, Patrick  
**Subject:** RE: Water Use Fees

Hi Angela,

How are you? I've been trying mightily to address the two questions about water use fees with the Director of Water Resources however I have not yet received any response. I believe that our fees should be \$600, however your email indicated that they should be \$21,354.

We do not want to risk being out of compliance with our license and so although we believe the additional fees are not actually required, we will pay the amount you indicated \$21,354. Upon indication from GNWT or the MVLWB that we have over-paid, we would expect a refund as per the Water Use Fees Policy of the GNWT.

As you know, the fees are due on the 24<sup>th</sup>. I understand that we are to bring the cheque to your office for verification prior to delivery to the GNWT. I'll bring it over to you on or before the 24<sup>th</sup>. Will you be around to verify the cheque or should I meet with Amanda perhaps?

Thank you kindly,

Sarah

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**From:** Angela Love [<mailto:angela.love@mvlwb.com>]  
**Sent:** Monday, September 14, 2015 10:31 AM  
**To:** McLean, Sarah  
**Cc:** Kramers, Patrick  
**Subject:** RE: Water Use Fees

Hi Sarah,

Please see answers below in red as well as the hyperlinks which have been included. If you have any further questions or require further clarification, please let me know.

Regards,  
Angela

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**From:** McLean, Sarah [<mailto:Sarah.McLean@debeersgroup.com>]  
**Sent:** September-10-15 4:04 PM  
**To:** Angela Love  
**Cc:** Kramers, Patrick

**Subject:** FW: Water Use Fees

Hi Angela,

How are you? I'm hoping you don't mind helping me to understand one component of our water license better and prepare the water use fees accurately. I have a few questions I'm hoping you'll be able to address:

1. Do the 'annual quantities' referred to in Schedule 3, Part D, Item 1 refer to the calendar year? If not, what are the bounds of each annum?  
**The commencement of the Water Licence occurred on September 24. This is the starting date of the Water Licence. As such, water use fees associated with this Water Licence are due on or before this date (as per the [issuance letter](#)).**
2. What have we already paid for? Could you send me the final correspondence on the last payment you received from us for water use? How should we handle a situation where we've used less than what was already paid for?  
**Fees were [received last year](#) which cover the 2014/2015 year (September 24, 2014 – September 23, 2015). Water Use Fees are due every year and are based on the Maximum Allowable Volume of water as outlined in the Water Licence, not for the actual amount of water used (the Licensee pays for the right to the use of a defined volume of water). It does not matter if the Licensee uses the full amount of allowable water or not.**
3. What is the 'operational phase of construction' referred to in part a)? When did it begin and when does it end? I'm guessing it's the same as Construction.  
**Yes, this refers to the definition of Construction, which refers to the commencement of the Water Licence (September 24), which is when activities were allowed to begin under this Water Licence. The 'end' date is triggered once the Operations phase begins.**
4. Do the water regulations dictate that fees are charged for water diversions (i.e. supplemental flow pumping from N11 to Area 8) or only for water use (i.e. use in camp and plant)?  
**This is enforced by the Government of the Northwest Territories. Please contact Robert Jenkins at [Robert\\_Jenkins@gov.nt.ca](mailto:Robert_Jenkins@gov.nt.ca) or (867) 765-6731 for further clarification.**
5. Will fees be charged for supplemental flow if the water comes from Kennady Lake as opposed to N11? This would essentially be the same as the de-watering work we're engaged in now, but will come later during operations.  
**This is enforced by the Government of the Northwest Territories. Please contact Robert Jenkins at [Robert\\_Jenkins@gov.nt.ca](mailto:Robert_Jenkins@gov.nt.ca) or (867) 765-6731 for further clarification.**

To me this boils down to two issues:

Water Diversions are not the same as Water Use

Water use fees are not charged for the de-watering of Kennady Lake, yet it sounds like fees would be charged for supplemental flow mitigation. In both de-watering and supplemental flow, we pump water from one part of the watershed to another – a water diversion not a water use. Why would supplemental flow water diversion require a water use fee, when de-watering of Kennady Lake does not? Also, it is important that the same drop of water is not counted twice in the license. One drop of water should not be counted in both Schedule 3, Part D, Items 1c and Item

2. The water we're allotted for de-watering should not also count against the water we're allotted from downstream flow mitigation. We'll need that water later!

Supplemental Flow will be initiated during Operations

We are not currently conducting downstream flow mitigation because it is not needed. It is not needed because we're de-watering Kennady Lake. As explained in our approved Construction Water Management Plan V.5 (Section 2.2.7), and in the Downstream Flow Mitigation Plan (Current Conditions section), downstream flow mitigation is not required until Operations due to the de-watering of Kennady Lake. We will only tap into the water allotted in Schedule 3, Part D Item 1 c) once de-watering of Kennady Lake has ended and Operations have begun. The first supplemental flow mitigation is anticipated for the summer of 2017. So, if fees are to be charged, that is when we should incur those costs.

Thanks for helping me out with this Angela, It is much appreciated.

Sarah

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**From:** Kramers, Patrick  
**Sent:** Thursday, September 10, 2015 7:46 AM  
**To:** McLean, Sarah  
**Subject:** FW: Water Use Fees

FYI

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**From:** Angela Love [<mailto:angela.love@mvlwb.com>]  
**Sent:** Monday, August 24, 2015 12:15 PM  
**To:** Kramers, Patrick  
**Subject:** Water Use Fees

Hi Patrick,

As per our phone conversation, please see the attached water use fee calculator. After reviewing Schedule 3 and talking with other staff, it has been determined that both Schedule 3, item 1(a) and (c) are triggered this year. This was determined because the wording of item 1(c) does not specify a starting date, only that every three out of four years, downstream flow mitigation is accounted for (up to 1,555,200m<sup>3</sup>). Seeing that this payment is for year 2, starting this year and for the next two years (year 3 and 4), this item will be triggered. After putting this number (1,615,200m<sup>3</sup>) into the calculator, the water use fees for this next year will be \$21,354.00. Any deviations from this will require an amendment to the Schedule. If you have any questions or would like further details on this, please let me know.

Regards,  
Angela

**Angela Love, EP**

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