

Oversight and cost breakdowns

The project team has no objections to filing Draft 8 Environmental Agreement on the MVEIRB registry.

The project team based the estimate for an oversight body on existing agreements in the NWT. Below is a breakdown of costs reviewed:

Snap Lake Monitoring Agency
1st 550,000
2nd: 650,000
3rd +: nominally 450,000

BHP Environmental Agreement
1st: 450,000
2nd: 450,000
3rd +: 350,000

Diavik Environmental Agreement
1st: 800,000
2nd: 800,000
3rd +: 600,000

Term 'independent'

The term “independent” can have a range of meanings, depending on its context. The Review Board itself used ‘independent’ in a variety of ways throughout the Report of EA. The Project is unsure of what the term “independent” means in the specific context of recommended Measure 10. Different meanings, or the absence of a shared understanding of the meaning, could have different implications for both cost and schedule.

We believe that the term “independent” in this context means that a qualified third-party risk assessor (but not a Government agency or employee) must undertake the work. The recommended Measure would further require that this contractor be selected “in collaboration” with Health Canada, the YKDFN and the City of Yellowknife.

We are less certain of whether others would interpret the recommended Measure as requiring an assessor that has had no prior involvement at the Giant site, and that the assessor is “independent” in the sense that its only role at the Giant site must be the Measure-10 assessment work. This could create a very large learning curve for the contractor, which would affect both schedule and cost.

Finally, we are also uncertain of how others will interpret this recommended Measure in respect of how the assessment work is to be procured. While the Project Team can certainly “collaborate” with others in preparing for procurement, Government procurement is subject to regulations and policy. Would others view it as inconsistent with “independence” or “collaboration” that the procurement process is run according to the applicable rules, and that the contract for the work is a federal contract?

Measure 10 linkages

Measure 5 outlines the completion of an Independent Quantitative Risk Assessment and requires (bullet #2) an ‘examination of risks from a holistic perspective, integrating the

combined environmental, social, health and financial'. The project team's analysis is that the health risk information required in Measure 5 is an output of Measure 10 (Human Health Risk Assessment) and therefore the Human Health Risk Assessment would precede the Quantitative Risk Assessment.

The project team has raised this concern in order to seek clarification because if the Human Health studies must indeed be completed prior to completing the Quantitative Risk Assessment the sequencing of these measures could cause significant delays (3-4 years).

Drinking Water Quality and other contaminants of concern

Ion exchange resins are designed to target removal of specific constituents from water; as such, not all constituents are removed although some constituents besides the target constituents may be removed to varying degrees. It is noted that mine water monitoring data from the Giant Mine has been found to contain low levels of most metals of concern. In addition, it is expected that the final treatment plant design would include a conventional system in front of the ion exchange component to enhance the overall performance of the treatment plant. Hence, while it is expected that the quality of the effluent would meet drinking water standards for most constituents, it is conceivable that constituents such as turbidity may not meet drinking water standards on a consistent basis. Furthermore drinking water standards for various parameters are changed periodically, which adds a further level of uncertainty in meeting targets for all contaminants of concern. Prior to commissioning the full water treatment system, pilot tests will be completed and will provide additional information, however at this time the project team is identifying a compliance risk due to wording in the measures regarding meeting standards for all potential contaminants of concern.

Research Agency

The cost estimate in the analysis table included the following breakdown and assumptions:

Salary (\$850K / year) – 5 positions (Executive Director, Admin, Program Manager, 2 Project Officers) based on government salaries and allowances for equivalent positions.

Rent / O&M (\$45K / yr) – Building space in Yellowknife (1000 sq ft at assumed rate of \$45/sq ft)

Funding of research (100K / yr)

Total – provided as range of ~\$900K – 1M / year

The Project Team applied an ordinary meaning to word “agency” by interpreting it as it was used in this specific context in the Report. In our view, the recommended measure strongly implies a requirement for a stand-alone organisation, which has an existence that is independent of its stakeholders. This interpretation is supported by:

1. the use of the term “agency”, which is often used interchangeably with the term “organisation”; and
2. the fact that the measure refers to the agency as “this body”, implying separate and self-contained existence.

In our view, the recommended Measure would require a stand-alone research organization with its own capacity, and could not (for example) be met with a multi-party working group. Furthermore the language in the measure indicates ‘the developer will create a multi-

stakeholder research agency' which implies that this measure could not be met by using an existing agency.

Health Canada

The Project Team has confirmed that Health Canada officials were aware of the Report of EA, and specifically of the measures that mention that Department. Until there is a Ministerial decision, the Project Team believes it is not in a position to fulfil the recommended measures.