



Sahtu Land and Water Board

Staff Information Report

Division: Land and Water Program	Report No.: 2
Date Prepared: March 22, 2019	File No.: S13L8-008/S13Q-004
Meeting Date: May 17, 2019	
Subject: HRN Contracting Ltd. 2017 Annual Water Licence Report and Current Status of Licence and Permit for Quarry at Vermillion Creek	

1. Purpose/Report Summary

The purpose of this Report is to present to the Sahtu Land and Water Board for information:

- a) Review of the 2107 Annual Water Licence Report;
- b) Summary of stakeholder review comments; and
- c) Status of the Permit and Licence both expired on December 2, 2018.

2. Background

- **December 1, 2013** – Land Use Permit S13Q-004 and Water Licence S13L8-008 were issued by the Board for the development and operation of a quarry and access road 35 km southeast of Norman Wells and 4 km north of Vermillion Creek;
- **December 6, 2013** – security deposit of \$69, 675.00 was submitted and received by AANDC;
- **February 17, 2014** – Inspection Report noted all conditions of the Permit were being adhered to.
- **October 22, 2015** – Annual Water Licence Report for the period May 1, 2014 to September 30, 2015 indicates no activity;
- **August 30, 2016** – Inspection Report noted a newly developed erosion issue on the south corner of the permit area; requesting erosion control measures to be installed; noted the quarry was not in active use;
- **January 17, 2017** - Annual Water Licence Report for the period September 30, 2015 to September 30, 2016 indicates no activity;
- **June 19, 2017** – Inspection Report notes concerns with vegetation growth and erosion within and surrounding the quarry; requested to submit a remediation plan with actions and timeline;
- **October 30, 2017** - Annual Water Licence Report for the period September 30, 2016 to September 30, 2017 indicates no activity.

3. Discussion – Project Overview

A Type B Water Licence was issued December 3, 2013 for a period of five years and was associated with establishing a quarry in the Tulita District. The authorization includes activities for staging area, storage area, winter access road and the quarry. The associated Land Use Permit is S13Q-004. Apparently, the quarry was

constructed as planned; however, there has been no documented activity at this project site over the reporting periods for the Annual Water Licence Report required under Part B, condition 2. Water Use fees of \$125.00 were paid for 2013, 2014, 2015 and 2016. Fees were not paid for 2017.

The 2017 Annual Water Licence Report was distributed for review on the Online Review System on November 1, 2017 with review comments due by November 29, 2107 and proponent responses to comments due by December 13, 2017. Although formal Board approval of Annual Reports is not required under the Licence, the Board must be satisfied that the Licensee has reported and acted in accordance with the requirements of the Licence.

4. Other Agency Comments

Comments on the 2017 Annual Report were received from three organizations:

- **Environment and Climate Change Canada (ECCC)**- noted that SNP sampling did not occur and recommended that the Proponent include rationale for why this was not completed; recommended that the Proponent provide details of all work completed at site during the reporting period, or clarify if there was no work completed during the reporting period in the annual report; recommended that the Proponent provide additional details on how they plan to address the ramp erosion in the winter season of 2018;
- **GNWT – Environment and Natural Resources (ENR)** – no comments or recommendations; and
- **Sahtu Renewable Resources Board (SRRB)** - HRN should add to the Annual report a short summary on whether activity was conducted or if the project was dormant for the reporting year; There is no report on SNP sampling in the 2017 Annual Report, or data in relation to CCME Freshwater Aquatic Life Standards, and no explanation of why the sampling was not conducted. This should be provided.

There were no proponent responses to reviewer comments.

HRN was contacted in March of 2019 for an update on the status of the project. The following reply was provided: “We did fly out to the site last fall with Trevor Bremner (GNWT -Lands Inspector) and had a look at the work to be done, staked out the low area’s took photo’s etc. and had planned to take the equipment in this winter to remediate the site. In December we plowed open the access to the pipeline crossing and piled up snow to build the pipeline crossing. I am not sure on the exact date that we applied to Enbridge for our pipeline crossing permit but I do believe that it was in Dec of 2018. In mid- February after a couple requests from the Norman Wells Enbridge reps for update on status of our crossing permit and the permit for another client we were told they would check with their crossing division and give them a nudge as our access time frame was getting short. At the end of February with still no crossing agreement we contacted the head guy in Fort Simpson and within a few days the Spirit Environmental permit came in but not ours. We were still waiting to get our line crossing permit when the warm weather hit us and have still not received it so looks like this remediation work will now have to be postponed until next winter season. I think that again this fall we will invite Trevor to fly out to the site with us to have another look at things and make a new plan to get in there next winter.”

5. Conclusion

Board staff prepared and sent a letter to HRN outlining their requirements for reporting under their Licence and Permit (Attachment 2) noting that there has been no Annual Report submitted for 2018 and there have been no Summer Site Inspection reports submitted to the Board throughout the term of the Licence, nor has there been any collection of data required by the Surveillance Network Program.

The letter also requested that annual water fees for 2018 be paid and reminded HRN of their requirement to submit a remediation plan with actions and timelines.

Finally, the letter included requirements for final clearance of the Land Use Permit. Once a Final Plan has been received and processed, which includes confirmation by an Inspector that the erosion issues have been resolved and recommendation for file closure, the SLWB will be able to issue a Letter of Clearance, thereby closing the Land Use Permit.

6. Recommendation

Board staff recommend that the Board receive this report for information.

7. Attachments

- 7.1 Review Comment Table and attached letters
- 7.2 SLWB letter sent to HRN Contracting

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bonnie Bergsma". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Bonnie Bergsma
Regulatory Specialist