



**Indian and Northern
Affairs Canada**

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North Mackenzie District
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Inuvik, NT

**Affaires Indiennes
et du Nord Canada**

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September 16, 2009

Northwest Territories Water Board
P.O. Box 2531
Inuvik, NT X0E 0T0

Attn: Mike Harlow, Executive Director

RE: Industrial Water Use (N7L1-1824)

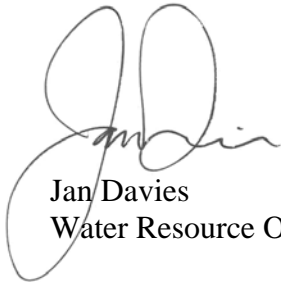
Dear Mr. Harlow,

Please find the enclosed Inspection Report for your review and/or records.

An electronic copy (un-editable Adobe pdf.) has also been provided by e-mail.

If you have any questions/concerns regarding the enclosed, and/or if additional information is required, please do not hesitate to contact me at (867) 777-8909.

Sincerely,



Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Water Use Inspection Report and Cover Letter (4 pages)



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September 16, 2009

Contaminants and Remediation Directorate
PO Box 1500, 4920 52nd St
4th Floor Precambrian Building
Yellowknife, NT, X1A2R3

Attn: Katherine Silcock

RE: Industrial Water Use (N7L1-1824)

Dear Ms. Silcock,

An inspection was conducted of the Johnson Point Site Remediation/Clean-up on September 8, 2009. Enclosed is a copy of the Industrial Water Use Inspection Report.

Unfortunately, there was one violation during this inspection period. Please review this violation in the Inspection Report. Specifically, our records indicate that the requirement under Surveillance Network Plan Part B1 relating to the Sampling and Analysis Requirements has not been followed. There are concerns as indicated in the enclosed Inspection Report that are to be reviewed and addressed.

While the cleanup of the Johnson Point site has progressed including the remediation of hydrocarbon contamination, it became apparent that much deeper subsurface contamination exists in certain areas. It is understood that due to limitations on site the contamination was not fully delineated or removed in its entirety. The excavations were backfilled with clean material with the expectation the permafrost will reintegrate back into the area.

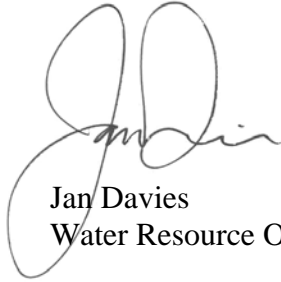
It is understood that monitoring of the Johnson Point Site will continue with thermistors and monitoring wells. The site of excavation is in a potentially dynamic environment and as such will be prone to change. Monitoring will be critical to prevent future containment failures and potential spread of contamination that remains.

It is also important to ensure clarity in that upon developing and carrying out the remediation project, the site became the responsibility of the Crown. The migration of contaminated material to the surface whereby it can affect water quality remains of concern as it relates to the NWT Waters Act and Regulations.

This report will be sent to the Northwest Territories Water Board for their review and/or public records.

If you have any questions/concerns regarding the enclosed and/or if additional information is required, please do not hesitate to contact me at (867) 777-8909.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jan Davies', with a large, stylized initial 'J'.

Jan Davies
Water Resource Officer

Cc: Conrad Baetz, District Manager, North Mackenzie District, Inuvik, NT

Enclosure: Industrial Water Use Inspection Report (2 pages)



INDUSTRIAL WATER USE INSPECTION REPORT

DATE:	September 8, 2009	COMPANY REP:	Katherine Silcock
LICENCEE:	Contaminates & Remediation Directorate	LICENCE #:	N7L1-1824

WATER SUPPLY

Source:	Unnamed River	Quantity Used:	<20 m3	Meter Rdg:	N/A
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Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Intake Facilities	A ¹	Storage Structures	A	Treatment Systems	A	Recycling	A
Flow Meas. Device	A	Conveyance Lines	A	Pumping Stations	A	Modifications	N/A

Comments:

- Water appeared to be in drip trays at intake facility, confirm that liquid in drip trays is water and not an indication of a fuel leak. Important to keep water out of drip trays as it can affect their containment ability and is a potential contamination issue with fuel present. Separate drip tray for fuel storage container was present.

WASTE DISPOSAL

Well Waste	Off-Site Removal	N/A	Drilling Sump	N/A	Downhole	N/A	Land spread	N/A
Tailings:	Tailings Pond	N/A	Natural Lake	N/A	Under ground	N/A		
Sewage:	Sewage Treat. System	Secondary - aeration tank, settling lagoon	Tailings pond	N/A	Natural Water Body	N/A		
	Continuous Discharge	U ³	Inter. Discharge	N/A				
Solid Waste:	Open Dump	N/A	Landfill	A	Burn & Bury	A	Under ground	N/A

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Discharge Quality	U ³	Conveyance Lines	A ¹	Disch. Meas. Dev.	A	Freeboard	A
Decant Structures	A	Pond Treatment	N/A	Dams, Dykes	A	Seepages	N/A
Dyke Inspections	N/A	Runoff Diversion	N/A	Erosion	N/A	Spills	A ^{1,2}

Effluent Discharge Rate:	5 to 15m ³ /day	Samples Collected:	Sample collected Sept 10 for lab analysis
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Comments:

- Overflow apparent on greywater transfer point. It is understood that the overflow was caused by a frozen line. Ensure the spilled greywater is cleaned up and properly disposed of.
- As noted previously, spillage of fuel from generator/fillup spout. Future spillage needs to be prevented with drip trays etc. Stained soil below needs to be cleaned up to ensure no further spread of contamination.
- Discharge quality is unknown since the original approval was granted for discharge and samples have not been taken until recently. Discharge has ceased until sample results are received and greywater is currently being stored.

GENERAL CONDITIONS

Indicate: **A - Acceptable** **U - Unacceptable** **N/A - Not Applicable** **N/I - Not Inspected**

Ore & Waste Rock Stockpiles	N/A	Records & Reporting	A	Surv. Net. Prog.	U ¹
Geotechnical Inspection	N/A	Posting, Signage	N/A	Contingency Plan	A ³
Restorations Activities	A ⁴	New Construction	N/A	Fuel Storage	U ²
Mine Water Discharge	N/A	Chemical Storage	N/A	Annual Report	A

Comments:

- Sampling has not been conducted as required by Surveillance Network Program(SNP) section B1 in the Water Licence. Reminder that greywater sampling needs to be conducted every 2 weeks as per SNP requirements. Discharge has ceased until sample results are received and greywater is currently being stored.

2. Large fuel tank valve is still leaking and the drip tray is no longer present (was being used during the Aug. 21 inspection). Soil below smelled of fuel and needs to be excavated and cleaned up. It is understood that this issue has since been addressed.
3. Gator that was parked on site for the duration of our inspection did not have a drip tray. Drip trays are to be used with equipment that are stationary.
4. Hydrocarbon contaminated soil was removed from throughout the site. While in the process of being removed, excavations and testing revealed it extended deeper below the ground surface than originally anticipated in certain areas. Further excavation of the deeper contaminated soil was discontinued based on the ability to properly delineate its full extent due to restrictions on site. To assist the reintegration of permafrost into the area, clean material was used to backfill the excavations. Water monitoring wells and thermistors have been installed to monitor the remaining contamination as cleanup/excavation was limited. Due to the destabilization of the area and its vulnerability to change, continued monitoring will be critical to prevent future containment failures and potential spread of contamination that remains.

Violations of Act of Licence:

1. Part B3 - The Licensee shall comply with the "Surveillance Network Program".

General Comments:

1. The migration of contaminated material to the surface whereby it can affect water quality remains of concern as it relates to the NWT Waters Act and Regulations.

Inspector's Signature:

A handwritten signature in black ink, appearing to be 'J. Martin', is written over a horizontal line. The signature is stylized with large loops and a cursive script.