

Canada

Environment Environmement Canada

Environmental Protection Operations (EPO) Prairie and Northern Region 5019 52nd Street, 4th Floor P.O. Box 2310 Yellowknife, NT X1A 2P7

October 31, 2012

Mike Harlow **Executive Director** Northwest Territories Water Board P.O. Box 2531 125 Mackenzie Road Suite 302 Professional Building Inuvik, NT X0E 0T0

Dear Mr. Harlow.

RE: N7L1-1834 - Shell Canada Energy - Camp Farewell -Draft Operation & Maintenance Plan (O&MP) (WL Condition D1) Draft Environmental Health and Safety Plan (EHSP) (WL Condition F1)

Environment Canada (EC) has reviewed the Draft Operation & Maintenance Plan (O&MP) and the Draft Environmental Health and Safety Plan (EHSP) submitted by Shell Canada Energy (Shell) as required per Conditions D1 and F1 of Water Licence (N7L1-1843), approved July 18, 2012, and provides specialist advice pursuant to EC's mandated responsibilities arising from the Canadian Environmental Protection Act, the pollution prevention provisions of the Fisheries Act, the Migratory Birds Convention Act, and the Species at Risk Act.

Our File No.: 4709 002 017

Your File: No.: N7L1-1834

Via Email: harlowm@nwtwb.com

Condition D1 (under the section titled Conditions Applying to Waste Disposal) states, "The Licensee shall within thirty (30) days of the issuance of this licence, submit to the Board for approval an updated operation and maintenance plan for the Waste Disposal Facilities. This plan shall include but not necessarily be limited to details on the design, operational capacity, management and maintenance, and disposal of sludges."

Condition F1 (under the section titled Conditions Applying to Contingency Planning) states, "The Licensee shall submit to the Board for approval within thirty (30) days of issuance of this Licence an updated Emergency Response & Spill Contingency Plan in accordance, for example, with the Guidelines for Spill Contingency Planning, April 2007, developed by AANDC-Water Resources Division."

The Project Description for the application states that the Proponent does not have any defined projects or schedule for work at Camp Farewell and that in the event that Shell initiates any programs other than site care and maintenance, appropriate regulatory approvals, including Project Descriptions, will be completed and submitted to the Environmental Impact Screening Committee (page i). Based on this statement, the information contained in the permitted Project Description and the Water Licence requirements, EC provides the following comments and recommendations:



Draft Operation & Maintenance Plan

Comments

The Project Description for Camp Farewell's Water Licence Application (February 2012) states that Camp Farewell no longer uses the sewage treatment system that is in place and that the sewage lagoon is no longer used for wastewater disposal (sections 5.4.4 & 5.4.5). The Project Description also states:

- Storage of combined wastewater and sewage in two 400-barrel storage tanks (approximately 82,000 L each);
- Transfer of water to sewage trucks then transfer to Inuvik's wastewater lagoon as required via ice road or barge;
- Storage tanks are left empty when not in use;
- Decant of runoff from the sewage lagoon is required approximately every two years; and,
- Decant only occurs if discharge criteria are met. Alternate measures are taken if it does not.

EC does not believe the current draft of Camp Farwell's Waste Operations & Maintenance Plan (O&MP) provides the appropriate, up to date information that reflects the points above. Much of the O&MP covers the use of the old, no longer used facilities and does not provide adequate protocol for the processes outlined in the Project Description.

Recommendations

EC recommends the Proponent revise the draft O&MP for all Waste Disposal Facilities on site to suit the current Project Description and requirements of Water Licence Condition D1, keeping in mind appropriate spill prevention and response procedures and protection of the environment.

Please ensure the O&MP includes (but not limited to):

- An up-to-date copy of a letter from the Town of Inuvik to Shell granting approval to dispose of camp waste at the town's sewage lagoon or solid waste facility
- Liquid, sewage and solid waste management procedures. The waste streams should be clearly identified.
- Procedures consistent with Water Licence Surveillance Network Program requirements (including the sampling location – Station Number 1834-1).
- A list of Northwest Territories Regulation and Guidelines that Shell will follow to manage and dispose of waste materials.

Draft Emergency Response & Spill Contingency Plan

Comments

Condition F1 asks for submission of an Emergency Response and Spill Contingency Plan. Shell submitted an Environmental Health and Safety Plan (EHSP) which includes sections on General Health and Safety, Hazard Assessment, Site Specific Health and Safety Hazards, an Emergency Response Plan and an Environmental Protection Plan. Appendix III of this document (Emergency Response Plan) is intended to satisfy Condition F1.

EC recognizes that over the years a lot of time and energy has gone into the development of required plans and programs for Camp Farewell. Therefore, it is evident that the O&MP and EHSP provided for review are slightly modified products of previous plans which, as a result, do not reflect the current approved Project Description.

Recommendation

Beyond what is in Appendix III (Emergency Response Plan), EC recommends the entire draft EHSP be revised and reduced to be site specific and reflect only the current Project Description and the management and mitigation measures discussed therein (i.e. the Environmental Protection Measures identified in Section 12) with the understanding that the Plan(s) will be updated at a later date as required with any new activities occurring at site.

For example, the Sewage Spill Emergency Response Plan (within the Emergency Response Plan) should be updated to suit the new Project Description (i.e. the sewage treatment plant and lagoon are no longer in use and the wastewater/sewage is to be stored on site in tanks then transported to Inuvik via truck or barge).

General Comments and Recommendations

Although a number of the points raised below are included in the Project Description, as a reminder, EC is providing below a list of recommended standard conditions and prohibitions related to EC's mandate. These should be followed when activities are occurring at the Camp Farewell site and be included in the required O&MP for Waste Disposal Facilities and the Emergency Response & Spill Contingency Plan:

Subsection 36(3) of the Fisheries Act specifies that, unless authorized by federal regulation, no person shall deposit or permit the deposit of deleterious substances of any type in water frequented by fish, or in any place under any conditions where the deleterious substance, or any other deleterious substance that results from the deposit of the deleterious substance, may enter any such water. In the definition of deleterious substance (section 34 (1)) the Fisheries Act includes "any water that contains a substance in such quantity or concentration, or that has been so treated, processed or changed, by heat or other means, from a natural state that it would, if added to any other water, degrade or alter or form part of a process of degradation or alteration of the quality of that water so that it is rendered or is likely to be rendered deleterious to fish or fish habitat or to the use by man of fish that frequent

that water." Subsection 36(3) makes no allowance for a mixing or dilution zone at the point of deposit.

In the absence of a regulation authorizing their release and to the extent that the substance is a prescribed substance or that it can be demonstrated that this substance is a "deleterious substance" as defined in paragraph 34(1) of the Fisheries Act, any release from the construction, operation, reclamation or decommissioning stages of the Project to any waters frequented by fish, or in any other circumstance set out in ss.36(3), may constitute a violation of the Fisheries Act.

- According to the Aboriginal Affairs and Northern Development Canada's (AANDC) Guidelines for Spill Contingency Planning (April 2007), all releases of harmful substances, regardless of quantity, are to be reported to the NWT / NU 24-hour Spill Line, (867) 920-8130 if the release is near or into a waterbody, is near or into a designated sensitive environment or sensitive wildlife habitat, poses imminent threat to human health or safety, poses imminent threat to a listed species at risk or its critical habitat, or is uncontrollable. In the event of an environmental emergency, EC's focal point for coordination and provision of science and technical advice (including spill modeling) during a response will originate from the National Environmental Emergencies Centre (NEEC) in Montreal via notification through the appropriate territorial/provincial spill line.
- EC recommends that any refueling not take place below the high water mark of any water body and be done in such a manner as to prevent any hydrocarbons from entering any water body frequented by fish.
- EC recommends that used absorbent materials, oily or greasy rags, and equipment servicing wastes (such as used engine oil, antifreeze, hydraulic oil, lead acid batteries, brake fluid and other lubricants) be safely stored and transported in sealed containers (odour free to prevent animal attraction) to a facility that is authorized for the treatment and disposal of industrial hazardous wastes.
- EC recommends a spill kit, including shovels, barrels, absorbents, etc. be readily
 available at all locations where fuel is being stored or transferred in order to provide
 immediate response in the event of a spill.
- Camp Farewell is located within the Kendall Island Bird Sanctuary, and, pursuant to Section 9 of the Migratory Bird Sanctuary Regulations, a Migratory Bird Sanctuary permit is required to carry out any activities within Camp Farewell. Renewal of the Migratory Bird Sanctuary permit is required on a yearly basis.
- EC recommends that food, domestic wastes, and petroleum-based chemicals be
 made inaccessible to wildlife at all times. Such items can attract predators of
 migratory birds such as foxes, ravens, gulls, and bears. Although these animals
 may initially be attracted to the novel food sources, they often will also eat eggs and
 young birds in the area. These predators can have significant negative effects on
 the local bird populations.

 Section 5.1 of the Migratory Birds Convention Act prohibits persons from depositing substances harmful to migratory birds in waters or areas frequented by migratory birds or in a place from which the substance may enter such waters or such an area.

Please notify EC if there are any changes in the project proposal or more information becomes available. Please do not hesitate to contact me at (867) 669-4744 or loretta.ransom@ec.gc.ca with any questions concerning the above points.

Sincerely,

Loretta Ransom

Senior Environmental Assessment Coordinator, EPO

cc: Randall Warren (Shell Energy Canada)

Carey Ogilvie (Head, Environmental Assessment North, EPO) James Hodson (Environmental Assessment Coordinator, CWS)