

Mackenzie Valley Environmental Impact Review Board

Annual Report 2000 - 2001

Chair's Report

This year has been one of increasing changes for the Mackenzie Valley Environmental Impact Review Board. We have seen our Board and office workload increase along with the number of referrals to environmental assessment. We have seen major proposals for developments come up on the horizon such as the Mackenzie Valley natural gas pipeline. The Review Board has a lot of work ahead of it. The increase in activity has also been accompanied with its share of controversy as governments and industry come to grips with the requirements of this new environmental assessment process.

This has put the Review Board in the process of defending legislation which is faulty in some aspects. However, we are restrained by the legislation and must abide by it. In the meantime, we are cooperating with other government departments and the Land and Water Boards to resolve some of the more controversial issues which have come up in order to streamline the regulatory and environmental assessment process. We are entering into new working relationships with these bodies and we anticipate that new initiatives will come out that improve the environmental assessment process for all stakeholders.

The Review Board is concerned with the impact that the environmental assessment process has on smaller developers. It is looking at its own internal processes to reduce the burden from small environmental assessments.

Last year we were faced with increasing activity in the oil and gas sectors in the wake of major discoveries in the Fort Liard area. This year we had four oil and gas related referrals to environmental assessments in the Deh Cho region.

In our second year of operation, we completed a major assessment of the BHP Ekati Mines - Pigeon, Beartooth and Sable kimberlite pipes development. However, as

the year ends, DIAND was consulting with the Board on its recommendations. The outcome will have a major effect on how the Review Board conducts its future environmental assessments.

The Review Board entered the year in a climate of severe financial restraint which curtailed much of its activities. As a result, the Review Board along with DIAND re-examined its financial situation. This resulted in the Review Board's budget being brought back to its previous year's level of \$1.1 million and the implementation of a flexible transfer agreement which allows the Review Board to carry forward unexpended, committed dollars into the next fiscal year.

As a result of the work on the Mackenzie Valley Pipeline Regulatory Working Group, DIAND had provided some financial assistance to fund the Review Board's participation in this process. The Review Board, under the co-chairmanship of Frank Pope, initiated the effort to bring the Northern regulatory and environmental assessment bodies together to cooperate in developing a "made in the North" process for assessment of this potential development. The federal government, through DIAND, has committed itself to continue funding this initiative.

The past year has seen significant changes to the Review Board staff. Environmental Assessment Officer Gordon Stewart, left in October to move to British Columbia. Ms. Heidi Klein, Executive Director, stepped down in December to work for the private sector. Both were key employees who started with the Review Board in its Working Group period. Mr. Roland Semjanovs was appointed acting Executive Director until a replacement could be found.

I would like to express my thanks to our past and present employees for their hard work and for sharing in the growth and development of our Board. We appreciate their hard work and contributions to our success. And we have to congratulate our staff who have managed to do a big job in spite of the lack of resources.

Gordon Lennie, Chair,

Mackenzie Valley Environmental Impact Review Board

ANNUAL REPORT 2000-2001

The *Mackenzie Valley Resource Management Act* came into force on Dec. 22, 1998 and established the Mackenzie Valley Environmental Impact Review Board (MVEIRB) as the agency to undertake environmental assessment and review in the Mackenzie Valley.

The Board's jurisdiction applies to all lands in the Northwest Territories, excluding the Inuvialuit Settlement Region and Wood Buffalo National Park. The MVRMA replaces the *Canadian Environmental Assessment Act* (CEAA) in the Mackenzie Valley except under very specific circumstances.

Membership

As of March 31, 2001, the members of the Review Board were Gordon Lennie, chair; Dennis Bevington, Fort Smith; Frank Pope, Norman Wells (Mr. Pope also acts as alternate chair on oil and gas issues); Bertha Rabesca, Rae-Edzo; Charlie Snowshoe, Fort McPherson; Gordon Wray, Yellowknife (Mr. Wray also acts as alternate chair on office and administration matters) and Danny Bayha of Deline.

The Sahtu Secretariat Inc. nominated Danny Bayha to replace Barney Masazumi who stepped down in March of 2000.

The Deh Cho Interim Agreement, which is being negotiated between the Deh Cho First Nations and the federal government, calls for further appointments from the Deh Cho to the Mackenzie Valley Environmental Impact Review Board. As a result, we will see the number of Board members increase to nine sometime in 2001-2002 fiscal year.

Staffing and Location

The Board's offices are located on the 2nd floor of the Scotia Centre. Staff consist of an Executive Director, two Environmental Assessment Officers, a Finance and Administration Officer and a Communications Officer. During this fiscal year the Board had a turnover in staff with the departure of one environmental assessment officer in October and the executive director in December. These positions are being advertised and will be filled in the new fiscal year. Mr. Dennis Bevington chairs the hiring committee.

Activities 2000 - 2001

Preliminary Screenings and Environmental Assessments

In the period from April 1, 2000 to March 31, 2001, the Board received 186 notifications of preliminary Screenings. Six preliminary screenings were referred to environmental assessments. This was in addition to two (the BHP Sable, Beartooth and Pigeon kimberlite pipes, and, the Ranger Oil, Chevron Canada and Canadian Forest Oil natural gas pipeline near Fort Liard) ongoing environmental assessments carried over from the previous year.

The six environmental assessments were:

ExplorData Ltd.'s amendment to a land use permit for a seismic program near Nahanni Butte;

Paramount Resources' Bovie Lake exploratory drilling program near Fort Liard,

Paramount Resources' Arrowhead exploratory drilling program near Fort Liard;



Review Board members at the N'dilo public meeting held in September 2000 for the environmental assessment of the Pigeon, Beartooth and Sable kimberlite pipes .



Review Board members and staff went on a site visit to the BHP Ekati mine.

(The Review Board combined these two referrals into one and it is described as the Paramount Liard East program.);

Paramount Resources' Cameron Hills exploratory drilling program south of Hay River;

Canadian Zinc Corporation's Prairie Creek drilling program and Cat Camp and fuel cache retrieval program. (The Review Board split the drilling program into a separate assessment from the Cat Camp and fuel cache retrieval program.);

Patterson Lumber Ltd. timber cutting licence application near Pine Point;

Robinson's Trucking Ltd. land use permit application for the Drybones Bay gravel quarry;

In 2000-2001 the Review Board completed the environmental assessments for ExplorData seismic program; BHP Sable, Beartooth and Pigeon kimberlite pipes; and, the Ranger Oil, Chevron Canada and Canadian Forest Oil natural gas pipeline.

Environmental Assessment Guidelines

The Board revised its "Guidelines for Environmental Impact Assessment in the Mackenzie Valley" in 2001. It is preparing a subsequent public consultation on this document for the 2001-2002 fiscal year.

In addition, the Board revised its draft *Rules of Procedure for Environmental Assessment and Environmental Impact Review Proceedings*. This document will be released for public consultation in the new fiscal year. Any required changes will be made following the consultation and the Review Board will adopt the document.

Board Activities

Board members participated in 11 board meetings and 15 teleconferences during the fiscal year. The meetings were held to discuss the full schedule of environmental assessments which the Review Board had to deal with in its second full year of operation. It held a public meeting

in N'dilo as part of the environmental assessment of BHP's Pigeon, Beartooth and Sable kimberlite pipes development.

The Review Board toured the Diavik site and BHP's Ekati mine site in July 2000 to gain a better understanding of ongoing diamond development activity.

The Board members participated in several board orientation sessions designed to develop a better understanding of the environmental impact assessment process and board governance.

The Review Board entered its fiscal year under severe financial restraint which curtailed much of its activities. Its last year of the five-year funding arrangement with DIAND only allocated \$880,000 for Board operations which was a \$500,000 reduction from the previous year. The Review Board participated in a financial management review with DIAND during the summer of 2000. Subsequently, a Flexible Transfer Payment agreement was reached with DIAND which gave the Review Board an annual budget of \$1.1 million and allowed the Board to carry over committed surpluses into the new fiscal year.

The Review Board has a seat on the Cumulative Environmental Assessment Monitoring Framework, which comprises various government departments and aboriginal organizations. This group has been developing the framework for defining cumulative assessment in the Northwest Territories.

In November 2000, the Review Board took the initiative in bringing Northern regulatory and assessment agencies together to work on a "made-in-the-North" approach to a possible application for the construction of a Mackenzie Valley natural gas pipeline. A meeting in December brought together, for the first time, the Chairs of the Mackenzie Valley boards, the Inuvialuit settlement area boards, the National Energy Board, the Canadian Environmental Assessment Agency, the GNWT and DIAND to begin work on co-ordinating the various regulatory and environmental assessment legislation. This work is continuing.

Prior to this work, the Review Board had begun discussions with the National Energy Board to coordinate their respective environmental assessment functions. This arose from applications for oil and gas developments in the Fort Liard area. The outcome of these discussions was the signing of a "Memorandum of Understanding" between the two Boards on December 4, 2000 which outlined how the Boards would cooperate with each other on oil and gas environmental assessments.

Public Information

Review Board members had the opportunity to host public information sessions, attend meetings to disseminate information, and to build liaisons with other organizations.

Staff met with the National Energy Board on several occasions to discuss coordination issues on preliminary screening and environmental assessments.



The Review Board and the National Energy Board sign their Memorandum of Agreement on December 04, 2000 in Yellowknife. From left to right (standing) John Donihee, legal counsel for the MVERIB, Heidi Klein, Review Board executive director; Gaeton Caron, Chief Operating Officer, NEB; Bonnie Gray, NEB. Seated (L. To r. Frank Pope, alternate chair for the MVEIRB and Ken Vollman, Chair of the NEB.

The Next 12 Months

The Board will be conducting environmental assessments as projects are referred to it by the preliminary screeners. Since the referral decisions are made by other agencies, it is difficult to predict how many environmental assessments may come before the Review Board over the next 12 months. There is the possibility that the DeBeers Snap Lake diamond development may be referred to an environmental assessment in the coming fiscal year.

Review Board staff have been discussing cooperation agreements with other regulatory agencies and boards which operate adjacent to the Mackenzie Valley. These

memorandum of understandings set out how the respective agencies will cooperate with each other in dealing with transboundary environmental assessments.

A draft Rules of Procedure for Environmental Assessment and Environmental Impact Review Proceedings is being developed. This will be put out for public comment in the next fiscal year and adopted by the Review Board following the public comment period

The Review Board will be setting up a Finance Committee to work on budgetary matters.

Mackenzie Valley Environmental Impact Review Board

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