



CITY OF YELLOWKNIFE  
OFFICE OF THE MAYOR



January 24, 2014

Alan Ehrlich, Manager  
Environmental Impact Assessment  
Mackenzie Valley Environmental Impact Review Board  
200 Scotia Centre  
5102 - 50th Avenue  
Yellowknife, NT X1A 2N7

Dear Mr. Ehrlich:

**RE: Response from the Municipal Corporation of the City of Yellowknife (the "City") to the Responsible Ministers' Proposed Modifications to Measures for the Giant Mine Remediation Project**

We are writing to you at this time with respect to the submission, posted on the Mackenzie Valley Review Board Public Registry on December 27, 2013 regarding the Responsible Ministers' proposed modifications to the recommended Measures contained in the Report of Environmental Assessment (the "Report") for the Giant Mine Remediation Project.

In general, the City would like to express its support for the leadership and stewardship demonstrated by the Responsible Ministers in adopting the majority of the recommended Measures without modification. This decision provides the City with renewed confidence in the process and in our ability to work together to resolve the outstanding issues in a timely manner.

As previously noted, Yellowknife City Council passed a Motion supporting the Recommendations of the Environmental Report without modification. That being said, the City understands the Proponent's concerns that some Measures could be interpreted so as to require significant delays in the process. It is in all of our interests to see the Project move forward, provided that the integrity of the process and required procedures are not compromised. To that effect, the City proposes the following amendments to the Ministers' proposed modifications:

- **Research in Emergent Technologies (Measure #3)**  
The City has no issues with the modified Measure #3 as proposed by the Ministers and applauds this commitment to funding ongoing research and development for a more permanent solution for the management of the underground arsenic. It must be noted, however, that tasking the Oversight Body with overseeing the ongoing research efforts is a significant change of scope and will require provision of additional resources.
- **Oversight Body and Environmental Agreement (Measure #7)**  
Given the critical role that the Oversight Body will play in project success, the City suggests that a schedule be provided for the establishment of this Body. Further that a process for mediation and/or

binding arbitration be outlined in case such a Body is not established within a reasonable time frame. The City does not believe Working Group members involved in the negotiation of the draft Environmental Agreement are in a position to properly fulfill the role of Oversight Body on an interim basis and proposes removing this line from the Measure.

- **Quantitative Human Health and Overall Risk Assessment (Measures #5 and #10)**

The City accepts that completion of these Measures may be concurrent with regulatory approval for the Project. However, given that the Proponents' expect to submit for the required Water License no earlier than summer 2015 the City sees no reason that these two reports could not be completed by the time of regulatory approval instead of two years following, as proposed by the Ministers. The City proposes maintaining the original wording of these two Measures, with the clarification that the Risk Assessments may be carried out concurrently with other project activities.

- **Movement of Baker Creek (Measures #11, #12 and #13)**

The City agrees with conducting a more detailed environmental analysis before committing to Creek re-alignment. However, the design work must be done with the full participation of the public and interested parties, a requirement which should be reflected in the language of the modified Measure.

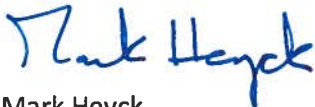
- **Water Quality Objectives and Water Treatment Plant Outfall (Measure #15)**

The City disagrees with changing the distance from the outfall at which water quality is measured from 200 metres to 500 metres. It is critical that the water be measured close enough to the outfall that dilution is not a factor in the measurements. The Project team confirmed at a meeting on January 20, 2014 that the selection of ion exchange as the means of water purification means there should be no issue with meeting water quality standards at the 200 metres.

It must be noted that the above modifications do not address other concerns of the City not currently considered within the Project scope. Outstanding issues include financial assistance to replace the water pipeline from the Yellowknife River to the City pumphouse, payments in lieu of taxes, and soil remediation criteria for the Giant Mine townsite. On the latter point, the Project has now approached City staff for assistance with upcoming community consultation on final land use. This consultation is long overdue and the City looks forward to supporting project staff in this endeavor. This visioning is the first step towards the required permitting process for the site, which will include the bonding expected of all major developments.

In conclusion, the City would like to thank the Review Board for its continued efforts to support the Parties in finding a way forward that serves all of our interests and those of the broader community.

Sincerely,



Mark Heyck  
Mayor

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(Docs#383527)



**Appendix One: City of Yellowknife Proposed Modification to the Measures for the  
Giant Mine Remediation Project**

<b><i>Measure # 3 Ministers' Suggested Modification</i></b>	<b><i>City of Yellowknife Proposed Wording</i></b>
<p>To facilitate active research in emerging technologies towards finding a permanent solution for dealing with arsenic at the Giant mine site, the Developer will fund research activity as advised by stakeholders and potentially affected Parties through the Oversight Body. The ongoing funding for this research activity will be negotiated and included as part of the environmental agreement specified in Measure 7 and will make best use of existing research institutions and programs. The Oversight Body will ensure through research activity, on a periodic basis:</p> <ol style="list-style-type: none"> <li>1. reports on relevant emerging technologies are produced;</li> <li>2. research priorities are identified;</li> <li>3. research funding is administered;</li> <li>4. results of research are made public, and</li> <li>5. results of each cycle are applied to the next cycle of these steps.</li> </ol>	<p>To facilitate active research in emerging technologies towards finding a permanent solution for dealing with arsenic at the Giant mine site, the Developer will fund research activity as advised by stakeholders and potentially affected Parties through the Oversight Body. The ongoing funding for this research activity <b>and the additional resources required to manage its operation</b> will be negotiated and included as part of the environmental agreement specified in Measure 7 and will make best use of existing research institutions and programs. The Oversight Body will ensure through research activity, on a periodic basis:</p> <ol style="list-style-type: none"> <li>1. reports on relevant emerging technologies are produced;</li> <li>2. research priorities are identified;</li> <li>3. research funding is administered;</li> <li>4. results of research are made public, and</li> <li>5. results of each cycle are applied to the next cycle of these steps.</li> </ol>

<b><i>Measure #5 Ministers' Suggested Modification</i></b>	<b><i>City of Yellowknife Proposed Wording</i></b>
<p>In order to mitigate significant adverse impacts that are otherwise likely, the Developer will commission an independent quantitative risk assessment. A preliminary report, including study design, will be completed prior to receiving regulatory approvals. The final report will be completed and submitted to regulators and the Oversight Body within two years after the Project receives regulatory approvals. This will include:</p> <ol style="list-style-type: none"> <li>1. explicit acceptability thresholds, determined in consultation with potentially affected communities</li> <li>2. an examination of risks from a holistic perspective, integrating the combined environmental, social, health and financial consequences.</li> <li>3. possible events of a worst-case/ low frequency high consequence nature</li> <li>4. additional considerations specified in Appendix D of the Report of EA</li> </ol> <p>From this, the Developer will identify any appropriate Project improvements and identify management responses to avoid or reduce the severity of predicted unacceptable risks.</p>	<p>In order to mitigate significant adverse impacts that are otherwise likely, the Developer will commission an independent quantitative risk assessment, <b>to be carried out concurrently with application for regulatory approval and</b> to be completed before the Project receives regulatory approvals. This will include:</p> <ol style="list-style-type: none"> <li>1. explicit acceptability thresholds, determined in consultation with potentially affected communities</li> <li>2. an examination of risks from a holistic perspective, integrating the combined environmental, social, health and financial consequences.</li> <li>3. possible events of a worst-case/ low frequency high consequence nature</li> <li>4. additional considerations specified in Appendix D of the Report of EA From this, the Developer will identify any appropriate Project improvements and identify management responses to avoid or reduce the severity of predicted unacceptable risks.</li> </ol>

<b><i>Measure # 7 Ministers' Suggested Modification</i></b>	<b><i>City of Yellowknife Proposed Wording</i></b>
<p>The Developer will negotiate a legally-binding environmental agreement with, at a minimum, the members of the Oversight Working Group, and other appropriate representative organizations, to create an independent oversight body for the Giant Mine Remediation Project. These negotiations will build on the existing discussion paper and draft environmental agreement of the Giant Oversight Working group. Every effort will be made to have the Oversight Body in place as early as possible. However, the existing Oversight Working Group and its members could fulfill all Oversight Body duties in the interim. The environmental agreement will include a dispute resolution mechanism to ensure compliance with the agreement and a stable funding mechanism for the oversight body.</p>	<p>The Developer will negotiate a legally-binding environmental agreement with, at a minimum, the members of the Oversight Working Group, and other appropriate representative organizations, to create an independent oversight body for the Giant Mine Remediation Project. These negotiations will build on the existing discussion paper and draft environmental agreement of the Giant Oversight Working group. Every effort will be made to have the Oversight Body in place as early as possible. <b>The Parties will appoint a facilitator to assist with the negotiation of the Environmental Agreement within two weeks of the Responsible Ministers' acceptance of the Environmental Assessment. If an Agreement has not been reached within six months of negotiation, the Parties shall enter into formal mediation. If an agreement has not been reached nine months after the acceptance of the report of the Environmental Assessment by the Responsible Ministers, the Parties shall enter binding arbitration. The Developer shall cover all costs related to the facilitation, mediation and arbitration of the negotiated Agreement.</b> The environmental agreement will include a dispute resolution mechanism to ensure compliance with the agreement and a stable funding mechanism for the oversight body.</p>

<b><i>Measure #10 Ministers' Suggested Modification</i></b>	<b><i>City of Yellowknife Proposed Wording</i></b>
<p>The Developer will commission a comprehensive quantitative human health risk assessment by an independent, qualified human health risk assessor selected in collaboration with Health Canada, the Yellowknives Dene, the City of Yellowknife, and the Developer. A preliminary report, including study design, will be completed prior to receiving regulatory approvals. The final report will be completed and submitted to regulators and the Oversight Body within two years after the Project receives regulatory approvals. It will:</p> <ol style="list-style-type: none"> <li>1. Include a critical review of the 2006 Tier II human health risk assessment and the previous screening reports;</li> <li>2. Consider additional exposures and thresholds (as specified in Appendix F of the Report of EA);</li> <li>3. Decide whether a Tier III risk assessment is</li> </ol>	<p>The Developer will commission a comprehensive quantitative human health risk assessment by an independent, qualified human health risk assessor selected in collaboration with Health Canada, the Yellowknives Dene, the City of Yellowknife, and the Developer, <b>to be carried out concurrently with application for regulatory approval and to be completed before the Project receives regulatory approvals. It will:</b></p> <ol style="list-style-type: none"> <li>1. Include a critical review of the 2006 Tier II human health risk assessment and the previous screening reports;</li> <li>2. Consider additional exposures and thresholds (as specified in Appendix F of the Report of EA);</li> <li>3. Decide whether a Tier III risk assessment is appropriate;</li> <li>4. Provide a plain language explanation of the results</li> </ol>

<p>appropriate;                  4. Provide a plain language explanation of the results in terms that are understandable to the general public, and communicate this to potentially affected communities in a culturally appropriate manner;                  5. Provide interpretation of results and related guidance; and                  6. Inform the broad health effects monitoring program (described in Measure 9 above).</p> <p>Based on the results of this human health risk assessment, and on the results of the health effects monitoring program (described in Measure 9 above), the Developer will, if necessary in response to this information, identify, design and implement appropriate design improvements and identify appropriate management responses to avoid or reduce the severity of any predicted unacceptable health risks.</p>	<p>in terms that are understandable to the general public, and communicate this to potentially affected communities in a culturally appropriate manner;                  5. Provide interpretation of results and related guidance; and                  6. Inform the broad health effects monitoring program (described in Measure 9 above).</p> <p>Based on the results of this human health risk assessment, and on the results of the health effects monitoring program (described in Measure 9 above), the Developer will, if necessary in response to this information, identify, design and implement appropriate design improvements and identify appropriate management responses to avoid or reduce the severity of any predicted unacceptable health risks.</p>
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<b><i>Measure #11 Ministers' Suggested Modification</i></b>	<b><i>City of Yellowknife Proposed Wording</i></b>
<p>The Developer will thoroughly assess options for, and the environmental impacts of, diversion of Baker Creek to a north diversion route previously considered by the Developer, or another route that avoids the mine site and is determined appropriate by the Developer. Within one year of the project receiving its water license, a report outlining a comparison of options, including the current on-site re-alignment, will be provided to the appropriate regulatory authorities, the Oversight Body and the public. Once informed by the advice of the Oversight Body and the regulatory authorities, the Developer will determine the final alignment for Baker Creek. If off-site diversion is selected, the Developer will seek required regulatory approvals to implement the diversion within 5 years of receiving its initial water license.</p>	<p>The Developer will, <b>with the participation of the Parties and the community</b>, thoroughly assess options for, and the environmental impacts of, diversion of Baker Creek to a north diversion route previously considered by the Developer, or another route that avoids the mine site and is determined appropriate by the Developer. Within one year of the project receiving its water license, a report outlining a comparison of options, including the current on-site re-alignment, will be provided to the appropriate regulatory authorities, the Oversight Body and the public. Once informed by the advice of the Oversight Body and the regulatory authorities, the Developer will determine the final alignment for Baker Creek. If off-site diversion is selected, the Developer will seek required regulatory approvals to implement the diversion within 5 years of receiving its initial water license.</p>

<b><i>Measure #15 Ministers' Suggested Modification</i></b>	<b><i>City of Yellowknife Proposed Wording</i></b>
<p>The Developer and regulators will design and manage the Project so that, with respect to arsenic and any other contaminants of potential concern:                  1. Water quality at the outfall will meet the Health Canada Guidelines for Canadian Drinking Water Quality; and,</p>	<p>The Developer and regulators will design and manage the Project so that, with respect to arsenic and any other contaminants of potential concern:                  1. Water quality at the outfall will meet the Health Canada Guidelines for Canadian Drinking Water Quality; and,</p>

<p>2. The following water quality objectives in the receiving environment are met:</p> <ul style="list-style-type: none"><li>e) Water quality changes due to effluent discharge will not reduce benthic invertebrate and plankton abundance or diversity at 500 metres from the outfall;</li><li>f) Water quality changes due to effluent discharge will not harm fish health, abundance or diversity;</li><li>g) Water quality changes due to effluent discharge will not adversely affect areas used as drinking water sources; and,</li><li>h) There is no increase in arsenic levels in Yellowknife Bay water or sediments at 500 metres from the outfall.</li></ul>	<p>2. The following water quality objectives in the receiving environment are met:</p> <ul style="list-style-type: none"><li>e) Water quality changes due to effluent discharge will not reduce benthic invertebrate and plankton abundance or diversity <b>at and beyond</b> 200 metres <b>from</b> the outfall;</li><li>f) Water quality changes due to effluent discharge will not harm fish health, abundance or diversity;</li><li>g) Water quality changes due to effluent discharge will not adversely affect areas used as drinking water sources; and,</li><li>h) There is no increase in arsenic levels in Yellowknife Bay water or sediments <b>at and beyond</b> 200 metres <b>from</b> the outfall.</li></ul>
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