



March 24, 2016

Ms. Shelagh Montgomery
Arcadis Canada Inc.
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YELLOWKNIFE NT X1A 3S5

Via email

Dear Ms. Montgomery:

Response to 2015 NWT Environmental Audit Recommendations

Further to your request of February 29, 2016, below are the Land and Water Boards' (LWBs) responses to the recommendations in the 2015 NWT Environmental Audit (Audit) that are specific to the LWBs. For easy reference, we have re-iterated the Audit recommendations below.

Recommendation 5: *LWBs should develop a plan to periodically and formally engage proponents, regulators, Aboriginal Governments and organizations and community members in ongoing refinements and optimization to the land use permitting and water licencing system and to develop guidelines for monitoring data that enhances data recording and reporting in a more consistent, available and easier to use format.*

LWBs' Response: The Mackenzie Valley Land and Water Board (MVLWB or Board) formed the Standard Procedures and Consistency Working Groups in early 2008. At that time, the Board approved a Terms of Reference to guide the formation and operations of the Working Groups. The Working Groups focused on specific regulatory improvements identified by the LWBs to improve clarity and consistency among the Boards. Though the Working Group initiative was successful, lessons have been learned and improvements are necessary to ensure continued success in areas of collective LWB product development.

On December 17, 2015, the MVLWB approved the Terms of Reference for a new Areas of Operation initiative. In particular, three of the following Areas of Operation will help address the issues and concerns listed under item 2.32 of the Audit:

- The Regulatory Improvement Area of Operation will develop policies, guidelines, and procedures to ensure that the Boards' regulatory process is transparent, consistent, robust, and efficient;
- The Information and Communications Technology Area of Operation will focus on the information management systems used by the LWBs (e.g., Online Registry, websites, Online Review System, etc.); and, most importantly,

- The Outreach and Engagement Area of Operation will focus on external initiatives and engaging stakeholders to frame and guide Board initiatives. This group will also focus on developing the process for and facilitating the ongoing evaluation of the Boards' policies, procedures, and programs developed collaboratively.

Under the Regulatory Improvement Area of Operation, various guidelines and initiatives are underway to support water management in the Mackenzie Valley. These will help improve the monitoring programs that are developed and the quality of data received, and will clarify monitoring expectations for proponents. These include:

- Mixing Zone Guidelines (working with GNWT);
- Surface and Groundwater Monitoring Guidelines (applicable to hydraulic fracturing operations);
- Standardized Water Licence conditions;
- Public Guide to the Water Licensing Process; and
- Initiatives to work with municipalities to improve water licence compliance and capacity through the development of templates, training programs, and information sessions.

Under the Information and Communications Technology Area of Operation, initiatives are underway that will help identify best practices for data collection, and will outline the Board's expectations for data submission. These include the:

- Online Application System;
- Data Management Policy; and
- GIS Submission Standards Guideline.

The GIS Submission Standards Guideline in particular will ensure that GIS data submitted is more comprehensive and in a format that would allow for the integration of monitoring data. This would enable users to view water quality information on maps to see spatial distribution of attributes or trends relating to cumulative effects.

Policies, guidelines, and other products released by the LWBs undergo thoughtful internal and external reviews before finalization. Under the Outreach and Engagement Area of Operation, this practice will be formalized such that all proponents, regulators, Aboriginal Governments and organizations and community members are formally engaged on LWB products. The LWBs are also developing a survey that will be circulated to seek input on potential guidance tools that would support improved efficiency and understanding of the regulatory system.

An example of an external initiative was the MVRMA workshop that was held jointly by the LWBs, the Mackenzie Valley Environmental Impact Review Board, and the GNWT in January of 2016 for all participants in the MVRMA system. The purpose of the workshop was to provide information about the different parts of the MVRMA system, how the parts work together, and

how parties can be involved. Feedback on LWB policies and guidelines was also solicited during this informative and interactive workshop. This workshop was the second of its kind – the first one was held in 2015. LWB staff is involved in ongoing planning efforts to make this workshop an annual event, and to ensure topics that are relevant to ongoing refinements and optimization of the land and water regulatory regime are included.

Recommendation 12: *Continued work is required between the LWBs and inspection agencies to balance the need for flexibility in the field and the need for proponents to have a clear understanding of what their permits and licences allow them to do and what they don't allow them to do.*

LWBs' Response: A number of initiatives will help address this recommendation, including:

- The LWBs are working with the GNWT and INAC to help clarify the *Field Operations Directive 5.0 – Compliance Levels and Reporting*, which deals with administrative compliance and outlines lines of communication with respect to compliance issues;
- The LWBs have developed standard land use permit conditions and are now working on standard water licence conditions. When drafting new conditions and/or revising conditions, the Inspectors are involved in the LWBs' review process of these conditions;
- The LWBs, the GNWT, and INAC have started to meet on a regular basis to discuss issues, including compliance and enforcement; and,
- As outlined in the response to item 2.32 of the Audit, the LWBs have set up Areas of Operation (i.e. Regulatory Improvement and Outreach and Engagement) that will help clarify what activities their permits and licences authorize them to carry out.

Recommendation 16: *LWBs and MVEIRB should work with interested parties to identify approaches to better utilize and integrate TK information into the decision making processes.*

LWBs' Response: TK is used meaningfully when present. Typically, TK information that is incorporated into an applicant's submission is very high level or limited to specific areas within the program. Examples would be: "these are fish lakes", "moose live here", and "cabin located here". Scientific information presented in an applicant's submission ranges from high level to granular for all areas in a program and for all components of the ecosystem. The volume of scientific information presented usually grossly outweighs that of TK. When TK information is present, it is incorporated into the permitting or licencing process. For example, more extensive mitigation measures and reporting requirements may be imposed to protect the fish lakes. Although the volume and extent of the TK data vs scientific data is different, the merit and weight of the evidence is equal in the Boards' process. Meaningful improvements can be made, TK information collection is typically application driven, as such the context of the greater environment and use of traditional territories is limited. Presenting the local and

traditional knowledge of the area in conjunction with program or project specific data may elaborate its use and context.

Thank you for the opportunity to provide a response to the Audit recommendations involving the LWBs. Should you have any questions about the responses above, please contact Angela Plautz at aplautz@mvlwb.com or (867) 766-7461.

Sincerely,



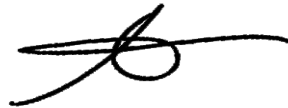
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