

***Independent Environmental Monitoring Agency
69th Meeting of the Board of Directors
Yellowknife, NWT
March 30-31, 2010
Summary of Discussion***

Revised: June 29, 2010

Directors

Tim Byers
Laura Johnston
Jaida Ohokannoak
Tony Pearse
Kim Poole
Bill Ross

Guests

Marc Lange, Department of Indian Affairs and
Northern Development
Dave White, Snap Lake Environmental
Monitoring Agency

Staff

Monica Krieger, Communications and Environmental Specialist
Kevin O'Reilly, Executive Director

AGENCY BUSINESS

Information Updates

Bill—Regular Agency business, including the Environmental Impact Report (EIR) 2009 review.

Kim—Met with staff at ENR to discuss caribou issue day before the Board meeting.

Tim— Participated in the three-year Aquatic Effects Monitoring Program (AEMP) review, the EIR 2009 comments and involved in the interviewing for the Communications and Environmental Specialist position.

Jaida—Reviewed the 2008 Air Quality Monitoring Program (AQMP) report, dealt with financial matters including the 2010-12 Agency budget and work plan, and involved in the new staff recruitment.

Laura—Participated in the AEMP review.

Tony—Reviewed the Wastewater and Processed Kimberlite Management Plan (WPKMP) and the EIR 2009.

Kevin—Participated in the staff recruitment, prepared a 2010-12 draft budget and work plan, attended and reported on the judicial review court hearing, attended the AEMP review workshop hosted in the Agency's boardroom, submitted the Agency's comments on the AEMP review and the WPKMP using the Wek'eezhii Land and Water Board's

(WLWB) new on-line system, made a presentation to the North Slave Metis Alliance at a March 8 Ekati workshop, arranged for SENES to conduct a peer review of the 2008 AQMP report, and met with Outcrop regarding the Agency's Annual Report.

Monica—Happy to observe the Board meeting and learn more about the Agency

Financial Report

A draft financial management policy for the Agency was reviewed by the Directors. It addresses some observations made by the accountant during the most recent audit including new requirements for an expense allocation policy and approval of general journal entries by Agency representatives to avoid uncertainties at audit time.

The Board of Directors approve the Agency Financial Management Policy.

Moved by Tony Pearse. Seconded by Laura Johnston. Carried unanimously.

Kevin reported on a conversation with Eric Denholm of BHPB where it was stated that the Agency would not require any additional funding for 2009-10, even with the judicial review, as the Agency had reallocated other funding to cover the Separate Fund expenses.

The Directors reviewed the Agency 2010-12 draft budget and work plan. It was noted that there may be opportunities for cost savings by combining Board meetings held in 2011 if necessary.

The Board of Directors approve the Agency 2010-12 Budget and Work Plan.

Moved by Tim Byers. Seconded by Kim Poole. Carried unanimously.

Recruitment of New Staff

The Directors welcomed Monica Krieger as the new Communications and Environmental Specialist. It was suggested that Monica should prepare a quick summary for the Directors of any incoming technical documents and flag any important issues. Charting of some key variables from the Surveillance Network Program monthly reports was also raised. The Directors encouraged Monica to contact them directly for assistance with any issues or in reviewing materials. A large focus of Monica's work will be to help implement some of the recommendations from the SENES external review of the Agency to improve communications and consultation with communities and the general public.

Agency 2009-10 Annual Report

The Directors and staff discussed some of the key issues for inclusion in the Agency's 2009-10 Annual Report including the following:

- Agency pleased that BHPB plans to assist with the wolverine DNA hair snagging, and hopes that full coverage of its study area will be undertaken.
- BHPB has indicated that it will conduct a trial of some grizzly bear hair snagging posts in its study area this summer. Agency disappointed that only a trial is being undertaken and that there does not appear to be any coordination with Diavik.
- The ICRP jurisdictional challenges by BHPB to the WLWB and Supreme Court of the NWT should be covered.
- BHPB should update its CALPUFF air dispersion model as a result of the 2008 Air Quality Monitoring Program data and findings, while investigating links between dust deposition and effects on caribou.
- Need for further progress on water quality objectives and the adaptive management plan required under the water licence.
- Discussion of the adoption of the nitrate Ideal Performance Standard (IPS) for water discharge from the LLCF.

Action Item #1 Kevin to draft a letter to BHPB raising concern with the adoption of the nitrate IPS for discharges downstream of the Long Lake Containment Facility.
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It was agreed that the Agency would hire Charlotte Babicki to assist with the plain language version of the Agency's Annual Report.

Action Item #2 Kevin to contact Charlotte Babicki regarding her availability and interest in assisting with the plain language version of the Annual Report.
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FOLLOW-UP ITEMS

Environmental Impact Report (EIR) 2009

The Directors discussed the two reports submitted by BHPB (the Close-Out Report and Technical Addendum) as a result of the Minister's Report under the Environmental Agreement. BHPB has made some compromises on issues such as the false positive impacts of the project and detailed the uncertainties in some of the monitoring results and conclusions reached.

The big issues for the Agency are:

- how to resolve the methodology for future EIRs;
- developing a sound definition and examples of adaptive management; and
- agreement on the purpose and focus of the EIR.

It was decided that rather continue to dispute BHPB's findings and conclusions, efforts would be better directed to the future EIRs by building a common understanding. The Agency will help facilitate this by releasing a discussion paper in the fall of 2010.

Action Item #3 Kevin to draft a letter to DIAND indicating that the Agency still has some outstanding issues with the EIR but that further effort would be better directed at improving future EIRs.

Interim Closure and Reclamation Plan

There was an *in camera* discussion of the Agency's role in the upcoming public hearing on the ICRP now that the Supreme Court of the NWT has issued its decision.

NWT Environmental Audit

The Agency has received an invitation to participate in the 2010 Environmental Audit from SENES Consulting. A response to a questionnaire is the method by which the Agency has been asked to participate. After some discussion, it was agreed that the Agency would respond to some of the more relevant parts of the questionnaire (e.g. questions 17-20 and 25).

Action Item #4 Jaida and Tony to draft and circulate Agency responses to parts of the questionnaire on the NWT Environmental Audit.

SENES Review of the 2008 Air Quality Monitoring Program Report

The Directors were pleased with the review of the 2008 Air Quality Monitoring Program (AQMP) report completed by SENES Consulting. It appears that some of the concerns and issues could be better addressed through a direct conversation between SENES and Rescan and/or BHPB. It was agreed that the Agency will provide BHPB with a draft of the review with the request for a meeting to further discuss and improve the Air Quality Monitoring Program. It was agreed that the Agency would cover reasonable expenses for SENES to participate via teleconference for any meetings with BHPB.

Action Item #5 Kevin to check with SENES regarding distribution of the draft report to BHPB. Kevin to draft an e-mail for Bill to send to BHPB suggesting a meeting to discuss the draft review of the 2008 AQMP.

MEETING WITH DAVE WHITE, SNAP LAKE ENVIRONMENTAL MONITORING AGENCY

Dave White provided an update on the DeBeers Snap Lake diamond mine. Production is up a bit but still less than 50% of capacity. A new permitting coordinator was recently hired by DeBeers, Jason Asch, who previously worked at the Mackenzie Valley Land and Water Board (MVLWB). The 2009 Aquatic Effects Monitoring Program (AEMP) report was late and the inspector issued a direction for the company to produce the document.

De Beers has applied to the MVLWB to forego the five-year review of the AEMP. SLEMA took issue with this request and asked for a decision to be delayed until September 2010. The water licence for the mine is up for renewal in January 2011. The MVLWB agreed with SLEMA and has postponed a decision on the review of the AEMP. Barry Zajdlik has been retained to assist SLEMA with the review of the AEMP whenever it occurs.

A dust fall monitoring program will be carried out this fall at some Traditional Knowledge camps. Three plots (upwind and downwind) will be used and lichen will also be collected.

Levels of Total Dissolved Solids in Snap Lake may be coming down. The processed kimberlite storage area will be increased in size. The permanent camp for the mine will also be constructed this summer. Skirting of buildings to help prevent wolverine problems may be suggested by SLEMA to De Beers. No response to date from De Beers on the joint diamond monitoring bodies' letters on the review of the wildlife monitoring programs.

MEETING WITH MARC LANGE, DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

The Directors asked about the internal funding for DIAND to continue to carry out its obligations with regard to the Ekati Mine. Although there is no longer any dedicated funding for the diamond mine projects, Marc provided some assurance that DIAND will continue to remain engaged. The Department is keen on coordinating with other regulators and avoiding duplication. He stated that DIAND will remain as full participant during the ICRP process. Because BHPB Diamonds has officially changed its name to BHPB Canada, DIAND is reviewing the securities held under the water licence and land use permits.

The Directors were encouraged to hear that \$8 million has been identified in the last federal budget for the implementation of the Cumulative Impact Monitoring Program (CIMP) and Nunavut General Monitoring Program over the next two years. The Department will fine tune some proposals for the federal Treasury Board to get the funding flowing, probably by the summer. Marc mentioned that the Department is working on a CIMP discussion paper that will likely be released in the next few months. He offered to do a presentation for the Directors after its release.

FUTURE BOARD MEETINGS

The dates of the future Agency Board meetings were reviewed and approved as follows:

May 11-13, 2010 (Agency Annual Report writing session, Canmore, Alberta)

Week of September 13-17, 2010 (Visit to Kugluktuk and the mine site)

November 16-17, 2010 (possible Agency Environmental Workshop and Board meeting)

November 18, 2010 (Agency Annual General Meeting)

Action Item #6 Jaida to check with the Kitikmeot Inuit Association staff regarding the timing for a visit to Kugluktuk.

MEETING TERMINATED at 1:00 pm

A handwritten signature in black ink, appearing to read "Jaida Ohokannoak", with a long horizontal stroke extending to the right.

Summary of Discussion Approved by
Jaida Ohokannoak, Secretary Treasurer.