

YUKON WATER BOARD
REASONS FOR DECISION
Water Use Application PM05-505, amend. to PM04-445
Paydirt Holdings (1982) Ltd.

The Yukon Water Board (the board) has made licensing decisions with respect to water use application PM05-505 for a type B licence for a placer mining undertaking.

The purpose of the application is to amend existing licence PM04-445 for the purpose of adding grants.

Notice of the application was provided in accordance with the requirements of the *Waters Act*. In response, the board received an intervention from Fisheries and Oceans Canada (DFO).

The board did not receive a request for a public hearing. The applicant did not respond to the intervention.

This application required an environmental assessment under the *Yukon Environmental and Socio-economic Assessment Act* (YESAA).

Prior to making licensing decisions, the board reviewed the YESAA Decision Document (Decision Document) that is included in the water use register. As per section 86 of YESAA, the board is satisfied that the licence is not contrary to the Decision Document.

In making licensing decisions pertaining to this application, the board took into account the *Waters Act*, *Waters Regulation*, the application, the Decision Document, recommendations from the intervener, the board's standard licence requirements, Territorial Resources Base Maps 1150/10 and 1150/7, the Umbrella Final Agreement and board policies.

DFO

The effluent standard recommended by DFO is the same standard as referenced in the Yukon Placer Authorization (YPA). The YPA is an authorization under the *Fisheries Act* for the harmful alteration, disruption or destruction of fish and fish habitat in certain streams, or portions of streams, in the Yukon for placer mining works and undertakings, subject to compliance with the standards of allowable sediment discharge. The board has adopted the YPA as policy for the minimum allowable discharge standard. The effluent discharge standards and operating standards, which are stipulated in the YPA and the Fish Habitat Restoration Plan, have been incorporated in the licence.

DFO provided area definitions for Black Hills Creek and Oil Gulch based on stream classifications. For the purpose of clarity the board has included these definitions in Part A of the licence.

DFO provided specific recommendations for the use of the creek as a conduit and instream settling; however, the applicant does not propose to use the creek as a conduit or to instream settle. The licence only authorizes those undertakings described in the application, therefore, the licence does not permit either of these activities.

DFO provided standard recommendations for fuel, lubricants, cleansers, solvents and similar

chemicals or substances to be transported, stored and disposed of in such a way as to ensure that they are not deposited in, or allowed to be deposited in, waters. The typical condition to transport, store and dispose of fuels, lubricants, cleansers, solvents and similar chemicals or substances in such a way as to ensure that they are not deposited in, or allowed to be deposited in, waters has been included in the licence.

DFO has provided standard recommendations that all diversions, ditches, drains, dams, or any structure built or otherwise effected is able to withstand seasonal floods. The typical condition that requires all diversions, ditches, drains, dams or any structure built or otherwise effected to withstand seasonal floods has been included in the licence.

DFO has provided standard recommendations to ensure that spring freshet is not routed through work areas. The typical condition not to allow spring freshet to be routed through work area has been included in the licence.

DFO has provided recommendations for the use of fish screens on all water intakes when withdrawing water from Area A and C. The board has included fish screens in all licences when withdrawing water from a fish stream.

DFO provided specific recommendations for diversions channels. The board has included DFO's recommendations in the licence pertaining to diversion channel width, depth, grade, habitat structures and stability of the banks.

Chapter 14 of the Umbrella Final Agreement

The board examined the proposed use of water as it relates to Chapter 14 of the Umbrella Final Agreement, as to quantity, quality, or rate of flow of water flowing on, through or adjacent to Settlement Land, including seasonal rate of flow, as follows:

Territorial Resources Base Maps 115O/10 and 115O/7, as referenced in the Tr'ondëk Hwëch'in Final Agreement, were reviewed for site specific settlement land. Map 115O/7 indicates the presence of settlement land parcel R-18A, located approximately 21.6 km downstream of the proposed operation on Black Hills Creek. The applicant indicates there is 172,800 m³/d of water available during the mining season and is proposing to use 19,640 m³/d for mining purposes. This represents approximately 11.3% of the available flow. Therefore, the board concluded the quantity and rate of flow of water flowing on, through or adjacent to settlement land, including seasonal rate of flow will not be substantially altered.

The effluent standard recommended by DFO and stipulated in the YPA of 5.0 ml/L of settleable solids, being deposited into Black Hills Creek and Oil Gulch, will ensure that the quality of water flowing on, through or adjacent to settlement land is not substantially altered.

Original signed by Bruce Willis
Chairperson
Yukon Water Board

September 20, 2006
Date