

020402

YUKON TERRITORY WATER BOARD

R E A S O N S F O R D E C I S I O N

IN THE MATTER OF
APPLICATION FOR AMENDMENT OF
LICENCE NO. Y-IN85-05AL
BY
CURRAGH RESOURCES

JULY 1986

The Yukon Territory Water Board has amended the water use licence held by Curragh Resources in connection with the Company's lead-zinc mining and milling operation near Faro, Yukon. The licence is designated Licence No. Y-IN85-05AL and the amendment is Amendment No. 1 to that licence.

This application came before the Board at a public hearing on July 3, 1986. The Company proposed to raise the dam on the storage reservoir in Rose Creek by approximately 6.5 meters, thus enlarging the reservoir and allowing for the withdrawal of water at a rate of approximately 6550 imperial gallons per minute, an increase of some 1500 imperial gallons per minute over the present authorized rate. This increased use of water was necessary in order to optimize the operation of the mill. However, representatives of the Company testified (Transcript, Pages 32-34) that, whereas the increased rate of water use would be required by the end of July, 1986, the dam could not be completed before 1987. The present reservoir would provide the necessary flow for the increased rate of withdrawal until the fall of 1986, but alternative sources of water were also being investigated to meet the need until the dam was completed. Should those alternative sources prove economical, they would be used rather than the dam over the long term as well.

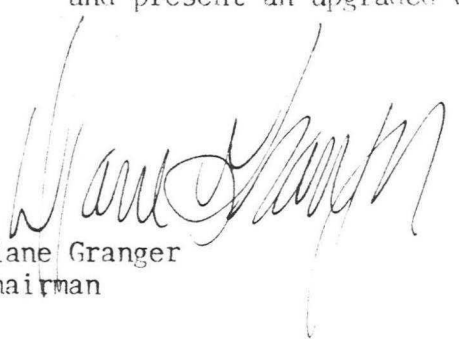
In considering this application, the Board had before it written submissions from a number of groups:

1. The Board itself had requested an independent assessment of the application and the adequacy of the information provided. This assessment was performed by M. Stepanek of Geo-Engineering. He recommended (Exhibit V(h)) that any structure of this type should incorporate a minimum safety factor of 1.5 and stated that, because of an inadequate analysis of seepage data and inappropriate assumptions regarding the stability of the structure this safety factor could not be assured. He also stated that inadequate detail on modifications to the toe of the existing dam necessitated by the new construction and on the spillway of the new structure had been provided.
2. The Ross River Indian Band submitted a portion of a study (Exhibit VIII) on the effects of the Curragh Mine on the Band. They testified at the hearing that the mine was within the area claimed by the Band and that the Band had not been consulted regarding the Company's use of the resources. It therefore recommended that the Board reject the application, until these problems had been rectified.
3. Early in the development of the application, a number of groups submitted statements (Exhibits V(a) to V(f)) in favour of the speedy granting of the amendment, basing their position on the economic importance of the Curragh Mine to the well being of Yukon.

4. The Water Resources Division of Indian and Northern Affairs Canada (Exhibit VII(b)) referred to the report (Exhibit V(h)) of the Board's Consultant and recommended that, since the dam raising could not take place in 1986, the Company be required to carry out the necessary work to ensure the stability of the structure and present an upgraded design to the Board prior to approval.

As can be seen from the above summary, the only opposition to the amendment application was voiced by the Ross River Indian Band. This opposition was directed, not so much at the specific request for increase in water use, but more broadly at the granting of regulatory approvals by government bodies prior to formal consultation of the Band by the proponent and/or the resolution of aboriginal claims. The Board is of the opinion that it is not in a position to suspend its licensing activities under the Northern Inland Waters Act while resolution of the issue of aboriginal claims and the Band's role in resource management - an issue much broader than the Board's mandate under the Act - is negotiated. Although the Ross River Indian Band raised concerns with respect to the effects of the Curragh development on aquatic fur-bearers, (Transcript Pages 44-45) no data were presented to quantify those effects or to relate them to increased water withdrawals from Rose Creek. Accordingly, the Board has authorized the increase.

However, for the reasons set out in Mr. Stepanek's report (Exhibit V(h)) the Board is not in a position to approve the raising of the reservoir dam. The withholding of this approval is not expected to place any undue hardship upon the licensee, as, by its own testimony, the dam could not be built until at least 1987. Time is thus available to the Company to complete its analysis of the data and present an upgraded design to the Board, if it chooses to do so.



Diane Granger
Chairman