



Canadian Nuclear
Safety Commission

Commission canadienne
de sûreté nucléaire

Record of Proceedings, Including Reasons for Decision

In the Matter of

Proponent Cameco Corporation

Subject Environmental Assessment Guidelines (Scope
of Project and Assessment) for the Proposed
Cigar Lake Water Inflow Management Project

Hearing Date December 11, 2009

RECORD OF PROCEEDINGS

Proponent: Cameco Corporation

Address/Location: 2121 - 11th Street West, Saskatoon, Saskatchewan, S7M 1J3

Purpose: Environmental Assessment Guidelines (Scope of Project and Assessment) for the Proposed Cigar Lake Water Inflow Management Project

Application received: December 17, 2008

Date of Hearing: December 11, 2009

Location: Canadian Nuclear Safety Commission (CNSC) Hearing Room, 280 Slater St., 14th. Floor, Ottawa, Ontario

Members present: M. Binder, Chair

Secretary: K. McGee
Recording Secretary: M. Young

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Introduction

1. Cameco Corporation (Cameco) has notified the Canadian Nuclear Safety Commission¹ (CNSC) of its intention to modify the current water inflow management at the Cigar Lake Project to handle increased quantities of water inflow. Cameco holds a uranium mine construction licence, UMCL-MINE-CIGAR.021/2009, for the Cigar Lake Project. The Cigar Lake Project is located within the Athabasca Basin in northern Saskatchewan.
2. Cameco submitted the project description for the proposed Water Inflow Management Project in December 2008. The proposed activities may require a minor adjustment to the current Cigar Lake surface lease boundaries. The proposed project consists of the following changes to the existing water inflow management system:
 - modification of the water handling and effluent treatment release facilities; and
 - construction of two new parallel discharge pipelines that will deliver treated water to a discharge point within Seru Bay of Waterbury Lake.
3. Before the Commission can consider authorizing the proposed project to go forward pursuant to the *Nuclear Safety and Control Act*² (NSCA), the Commission must, in accordance with the requirements of the *Canadian Environmental Assessment Act*³ (CEAA), make a decision on an environmental assessment (EA) of the proposal.
4. The CEAA requires that an EA be completed if there is both a “project” and a prescribed action by a federal authority (commonly referred to as a “trigger”). The proposal involves an undertaking in relation to a physical work and as such is a “project” for the purposes of the CEAA.
5. Cameco’s proposal would require approval to deviate from the requirements of an existing licence that would require the approval of the Commission pursuant to section 24(2) of the NSCA, which is prescribed in the *Law List Regulations*⁴. Therefore, there is a “trigger” for an EA. The project is not of a type listed in the *Exclusion List Regulations*⁵ of the CEAA.
6. At this time both the Commission and Fisheries and Oceans Canada (DFO) have been identified as the responsible authorities⁶ (RA) for this EA. Transport Canada (TC) may also be an RA for this EA and its role will be clarified as more information becomes available. As a responsible authority under the CEAA, the Commission and DFO must first determine the *scope of the project* and the *scope of the assessment for the project*. To assist the Commission in this regard, CNSC staff prepared a draft Environmental Assessment Guidelines document (EA Guidelines) in consultation with other government departments, the public and other stakeholders.

¹ The *Canadian Nuclear Safety Commission* is referred to as the “CNSC” when referring to the organization and its staff in general, and as the “Commission” when referring to the tribunal component.

² Statutes of Canada (S.C.) 1997, chapter (c.) 9.

³ S.C. 1992, c.37.

⁴ Statutory Orders and Regulations (S.O.R.)/94-636.

⁵ S.O.R./2007-108.

⁶ Responsible Authority in relation to an EA is determined in accordance with subsection 11(1) of the CEAA.

7. The draft EA Guidelines “*Proposed Project-Specific Guidelines for the Preparation of an Environmental Impact Statement – Cigar Lake Water Inflow Management Project*” contains draft statements of scope for the approval of the Commission. The draft EA Guidelines also contain recommendations and instructions for the approach to be used in completing the EA, including for the conduct of further public and stakeholder consultations. The draft EA Guidelines are presented in the CNSC staff document CMD 09-H129.

Issues

8. In considering the EA Guidelines, the Commission was required to decide, pursuant to subsections 15(1) and 16(3) of the CEAA respectively:
 - a) the *scope of the project* for which the EA is to be conducted; and
 - b) the *scope of the factors* to be taken into consideration in the conduct of the EA.
9. The Commission also considered whether it would, at this time, recommend to the federal Minister of the Environment, pursuant to section 25 of the CEAA, to refer the project to a mediator or a review panel.
10. The Commission considered whether it would, pursuant to subsection 17(1) of the CEAA, delegate the conduct of technical support studies to Cameco.
11. Furthermore, the Commission undertook to decide whether or not the Commission’s consideration of the completed EA Screening Report (Screening Report) would be by way of a public or closed hearing held by the Commission.

Hearing

12. Pursuant to section 22 of the NSCA, the President of the Commission established a Panel of the Commission to review the application. The Commission, in making its decision, considered information presented for a hearing held on December 11, 2009 in Ottawa, Ontario. The hearing was conducted in accordance with the Commission’s process for determining matters under the CEAA. During the hearing, the Commission considered written submissions from CNSC staff (CMD 09-H129) and Cameco (CMD 09-H129.1).

Decision

13. Based on its consideration of the matter, as described in more detail in the following sections of this *Record of Proceedings*,

the Canadian Nuclear Safety Commission, pursuant to sections 15 and 16 of the CEAA, approves the *Proposed Project-Specific Guidelines for the Preparation of an Environmental Impact Statement – Cigar Lake Water Inflow Management Project*.

14. The Commission decides that it will not, at this time, refer the project, pursuant to section 25 of the CEAA, to the federal Minister of the Environment for his referral to a mediator or review panel. The Commission notes that it may make such a referral at any time during the course of the EA process if warranted.
15. The Commission decides that it will delegate the conduct of technical support studies to the proponent, Cameco.
16. The Commission decides that it will adopt a streamlined approach for consideration of the completed EA Screening Report and licensing application in the context of a closed session of the Commission, subject to no negative findings or other circumstances that warrant holding the hearing in a public session.

Issues and Commission Findings

Type of Environmental Assessment Required

Screening vs. Comprehensive Study, Review Panel or Mediation

17. The project is not of a type identified in the *Comprehensive Study List Regulations*⁷. Therefore, pursuant to subsection 18(1) of the CEAA, the CNSC is required to ensure that a screening EA of the project is performed and a Screening Report prepared before a licensing decision to allow the project to proceed in whole or in part can be made by the Commission under the NSCA.
18. Based on information included in Cameco and CNSC staff's submissions, there are not, at this point in time, potential significant environmental effects or public concern associated with the project that would warrant having the project referred to a mediator or a review panel. The Commission concludes that, pursuant to the CEAA, a screening EA of the project is satisfactory.

⁷ S.O.R./94-638.

Consultations on the Draft EA Guidelines

19. As part of its review of the adequacy of the draft EA Guidelines and, in particular, to assess the level of public concern about the project for the purpose of considering the aforementioned options for mediation or review panel, the Commission took account of the views of the public and other stakeholders. In this regard, the Commission considered whether the consultations carried out thus far by CNSC staff and the proponent provided the public and other stakeholders with adequate opportunity to become informed and express their views about the EA.

Public Consultation

20. With respect to public consultation on the draft EA Guidelines, CNSC staff reported that it had established a public registry for the assessment as required by Section 55 of the CEAA, and identified in the Canadian Environmental Assessment Registry (CEAR) with the following number: 09-01-46666. CNSC staff stated that milestone activities will be posted on the CEAR and on the CNSC Web site throughout the EA process. As part of the public registry, the CNSC maintains a list of documents pertaining to the EA and these documents are available to interested parties on request.
21. CNSC staff stated that, based on the participation criteria and rationale provided in Appendix B of its CMD, Cameco's proposal was determined to require a 'low' level of public participation. CNSC staff stated that the EA Guidelines will be available for information purposes and the draft EA Screening Report will be available for a minimum 20-day review and comment period.
22. CNSC staff stated that Aboriginal groups have been provided with information on the project. CNSC staff stated that the project is being conducted jointly with the Saskatchewan Ministry of the Environment (MOE) and is subject to provincial public participation processes. CNSC staff noted that the province conducted a 30-day review period in July 2009 concerning the EA Guidelines and comments were submitted by Métis Nation – Saskatchewan and the Prince Albert Grand Council. CNSC staff stated that all comments were considered and the EA Guidelines were revised to include comments within the scope of the project.
23. CNSC staff further stated that the CNSC will engage with any interested Aboriginal groups and members of the public to share information and address concerns. CNSC staff noted that the EA process is flexible and intended to ensure that all concerns raised will be addressed.

Government Consultation

24. CNSC staff reported that, in accordance with the *CEAA Regulations Respecting the Coordination by Federal Authorities of Environmental Assessment Procedures and Requirements*⁸, it had identified DFO, TC, Health Canada, Natural Resources Canada, Indian and Northern Affairs Canada, and Environment Canada as Federal Authorities (FAs). CNSC staff noted that DFO and TC may also be RAs for this EA and their roles will be clarified as more information becomes available. CNSC staff stated that, aside from DFO and TC, no other federal departments identified themselves as RAs for the EA.
25. CNSC staff stated that it has also consulted the Saskatchewan MOE, which has confirmed that the *Environmental Assessment Act*⁹ applies to this project and a provincial EA is required for Cameco's proposal. The Saskatchewan MOE and the CNSC will conduct a joint EA based on the *Canada-Saskatchewan Agreement on Environmental Assessment Cooperation (2005)*¹⁰, directed respectively by the CEAA and the *Environmental Assessment Act*.

Conclusion on the EA Guidelines Consultation

26. CNSC staff noted that all comments received during the above consultations were taken into consideration in the preparation of the draft EA Guidelines attached to CMD 09-H129.
27. The Commission is satisfied that the public and other stakeholders have been adequately consulted during the preparation of the draft EA Guidelines. The Commission is satisfied that CNSC staff has taken an active role in consulting the public. The Commission is satisfied that, for the purpose of considering whether to refer the project to the Minister for a review panel or mediation, it had sufficient information to assess the current level and nature of public concern about the project. The Commission is satisfied that to ensure transparency of the process to the public during the EA, milestones activities will be posted on the CEAR and on CNSC Web site.

Environmental Assessment Studies and EA Screening Report

28. The Commission determines the process to be followed for the EA Screening Report, including if the EA Screening technical studies are to be delegated to Cameco and if the Screening Report will be reviewed in the context of a public hearing of the Commission.

⁸ S.O.R./97-181.

⁹ Statutes of Saskatchewan (S.S.) 1979-1980, c. E-10.1.

¹⁰ Canada-Saskatchewan Agreement on Environmental Assessment Cooperation (2005), Canadian Environmental Assessment Agency.

29. CNSC staff recommended that, pursuant to Subsection 17(1) of the CEEA, the technical studies required by CEEA be delegated to Cameco. Cameco will be provided with the guidelines to carry out the EA studies and will later submit to CNSC staff a detailed Environmental Impact Statement (EIS) report detailing the studies and results. The EIS report will undergo CNSC staff and other FAs' review before CNSC staff prepares the EA Screening Report and submits it to the Commission for consideration.
30. CNSC staff recommended that the EA Screening Report be considered by the Commission in the context of a closed hearing based solely on written submissions. CNSC staff based its recommendation on the low level of public interest and the nature of the Water Inflow Management Project, which has limited environmental interactions on a site that is already well-characterized.
31. Based on CNSC staff's recommendation, the Commission decides to delegate the technical studies for the EA Screening to Cameco. The Commission also decides to hold the Commission's review of the EA Screening Report for this project in a closed session. The Commission is satisfied with the approach and other instructions for conducting the EA, as described in the EA Guidelines attached to CMD 09-H129.

Scope of the Project

32. CNSC staff reported, in section 4.3 of the EA Guidelines, the following physical works involved in the project:
 - the construction of two new parallel discharge pipelines that would deliver treated water to the same discharge point into Seru Bay of Waterbury Lake;
 - modifications to the current water handling and effluent treatment release facilities;
 - operation of the project; and
 - decommissioning of the project.
33. Regarding the construction of two new parallel discharge pipelines, CNSC staff explained that the smaller discharge pipeline will transfer treated routine water from routine inflows, while in non-routine circumstances, a combination of the two pipelines would be used as required. CNSC staff further stated that the modifications to the current facilities are limited to the upgrading and installation of pumps and piping as necessary to connect the proposed discharge pipelines to the existing water treatment facility infrastructure and ponds.
34. CNSC staff included in the draft EA Guidelines a list of factors to be considered pursuant to subsection 16(1) of the CEEA to assess effects on the environment of the project including the effects of malfunction and accidents and cumulative effects. The guidelines also provide the proposed format of the EA Screening Report and identify specific information requirements and the methodology to be used in the assessment.

35. Based on the information received, the Commission accepts CNSC staff's recommendations concerning the *scope of the project* and approves the definition of the project scope as set out in section 4.3 of the draft EA Guidelines without change.

Scope of the Assessment (Scope of the Factors)

36. The mandatory factors in subsection 16(1) of the CEAA are: the environmental effects of the project, including the environmental effects of malfunctions or accidents that may occur in connection with the project and any cumulative environmental effects that are likely to result from the project in combination with other projects or activities that have been or will be carried out; significance of these effects; the comments from the public that are received in accordance with the CEAA and its regulations; and measures that are technically and economically feasible and that would mitigate any significant adverse environmental effects of the project.
37. As allowed by paragraph 16(1)(e) of the CEAA, CNSC staff recommended that the CNSC would also require consideration of:
- the need for, and requirements of a follow-up program in respect of the project; and
 - the capacity of renewable resources that are likely to be significantly affected by the project to meet the needs of the present and those of the future.
38. CNSC staff recommended that the Commission approve the scope of the assessment as outlined in the EA guidelines.

Temporal and Spatial Scope of the Project

39. CNSC staff stated that the timeframe for the assessment encompasses the construction period for the project as well as the operating life and decommissioning period for the Cigar Lake mine, approximately 40 years.
40. CNSC staff also provided information regarding the geographic study areas for the assessment, including the site study area, the local study area and the regional study area. CNSC staff explained that the site study area is where the physical works would be located. CNSC staff further stated that the local study area is the land surface that would be disturbed by the construction of the pipeline and all access ways, and Seru Bay, where effluent would be released. In addition, CNSC staff stated that the regional study area is Waterbury Lake, where the effects of the project may interact with the effects of additional operating or proposed mines, resulting in potential cumulative effects at the regional level.

Conclusion on the Scope of the Assessment

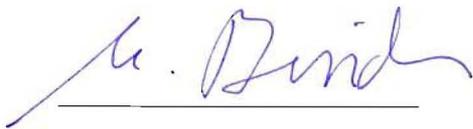
41. Based on the above information and considerations, the Commission concludes that the *scope of the assessment*, as described in section 4.4 of the draft EA Guidelines, is appropriate for the purpose of the EA of the proposed project.

Public Concern on the Project

42. No concerns from the public were raised during the public consultation on the EA Guidelines.

Conclusion

43. The Commission has considered the submissions of CNSC staff as presented for reference on the record for the hearing.
44. The Commission, pursuant to sections 15 and 16 of the CEAA, approves the *Proposed Project-Specific Guidelines for the Preparation of an Environmental Impact Statement – Cigar Lake Water Inflow Management Project*, presented in CMD 09-H129.
45. The Commission concludes that, at this time, it will not refer the project to the federal Minister of the Environment for referral to a mediator or review panel in accordance with the provisions of the CEAA.
46. The Commission decides that, pursuant to subsection 17(1) of the CEAA, the conduct of technical support studies will be delegated to Cameco.
47. Furthermore, the Commission decides that it will adopt a streamlined approach for consideration of the completed EA Screening Report and licensing application in the context of a closed session of the Commission, subject to no negative findings or other circumstances that warrant holding the hearing in a public session.



DEC 11 2009

Michael Binder
President,
Canadian Nuclear Safety Commission

Date