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October 27, 2026

Fisheries and Oceans Canada
Arctic Region
301 – 5204 50th Ave.
Yellowknife, Northwest Territories
X1A 1E2

Attention: Sarah Pakozdi, Biologist, Fish and Fish Habitat Protection Program

Municipality of Pond Inlet, Amendment Renewal Application, File Number 3BM-PON2025

Dear Ms. Pakozdi,

This memo provides responses to regulatory comments submitted by Fisheries and Oceans Canada (DFO) regarding the Type B Water Licence Renewal and Amendment application for the Municipality of Pond Inlet (Licence No. 3BM-PON2025).

To clarify the scope of this regulatory process, the Licensee is applying for a two-year licence term to support ongoing infrastructure construction, civil site preparation, and raw water reservoir expansion while maintaining the existing operational water withdrawal limits.

Key operational parameters under this two-year licence application include:

- Annual Water Withdrawal Cap: Maintaining the existing limit of 75,000 m^3/year.
- Maximum Daily Salmon Creek Withdrawal: Maintaining the existing allowable limit of 299 m^3/day.

Table 1 outlines the comparative capacity metrics, water balance components, and withdrawal thresholds across existing conditions, the proposed two-year renewal term, and the future 20-year design horizon, which will fall under a future licence amendment application.

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Table 1 Water Infrastructure, Withdrawal Metrics, and Hydrological Balance Summary

Metric / Parameter	Existing Licence	Proposed 2-Year Licence Renewal Term (current licence application)	Future 20-Year Design Horizon (Reference Only – this will be covered under a future licence amendment application)
Licence Type	Type B (3BM-PON2025)	Type B (2-Year Term)	Type A Amendment (Future Application)
Raw Water Reservoir Capacity	120,000 m^3	120,000 m^3	207,462 m^3
Annual Total Water Limit Required (withdrawal total from the reservoir)	75,000 m^3/year	75,000 m^3/year	166,846 m^3/year
Max Daily Pumping Rate (from Salmon Creek)	299 m^3/day	299 m^3/day	2,851 m^3/day (0.099 m^3/s @ 8 hrs/day)
Max Annual Supplemental Pumping Volume (from Salmon Creek)	16,744 m^3	16,744 m^3	113,803 m^3
Estimated Annual Natural Recharge to Reservoir	60,269 m^3/year	60,269 m^3/year	60,269 m^3/year

Fisheries and Oceans Canada (DFO) Technical Responses

DFO-01:

Please verify if there are additional water sources used to fill the reservoir (groundwater, runoff etc.), or if the total 120,000 m^3 is coming from Salmon Creek. Please confirm how much water is being withdrawn per day from the Salmon Creek, over the 8- week period, in order to fill the reservoir. Please also confirm the time of year that this 8-week withdrawal activity is taking place.

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Response:

The reservoir receives natural recharge of approximately 60,269 m³/year from direct precipitation and watershed runoff. At the requested two-year licence term, the withdrawal from Salmon Creek is expected to be up to a maximum of 299 m3/day to provide the supplemental annual requirement that is not met by annual natural recharge, as in the previous water licence 3BM-PON2025. The resupply period takes place during the summer season, from approximately July to September.

DFO-02:

Please verify if water withdrawal from Salmon Creek (limit of 299 m^3/day), is occurring year-round, or seasonally. In addition, please distinguish what amounts of water is being withdrawn from Salmon Creek and what amount is being withdrawn from the reservoir, year-round.

Response:

Salmon Creek is a seasonal supplemental source used only during the open-water period, generally July through September. Water Lake Reservoir is the municipal supply reservoir used year-round. The peak annual withdrawal from at the two-year licence term will be 75,000 m^3. Based on the watershed analysis, it is expected that up to 16,744 m^3 of this will be pumped from Salmon Creek into the reservoir during the seasonal resupply period, with a peak daily withdrawal rate of 299 m^3.

DFO-03:

Please clarify how the reservoir was filled in 2025, if the Salmon Creek was not used for water withdrawal to fill it. Are there other water sources being used? Is there groundwater that flows into the reservoir, and/or runoff that is sufficient to fill the reservoir?

Response:

No water was pumped from Salmon Creek to the reservoir in 2025. The reservoir receives direct precipitation and surface runoff, including snowmelt, from the surrounding watershed. Water remaining in the reservoir from the preceding year, together with these natural inputs, supplied the system in 2025.

DFO-04:

Please clarify how the reservoir, with an increased volume, will be filled annually without changing the amount of water required from Salmon Creek.

Please also verify the following:

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- How long will it take to fill this new volume while using Salmon Creek? (more than the current 8 weeks?) What time of year will this take place?
- How much water per day from the Salmon Creek will be required to achieve this?
- How much water annually will be required from Salmon Creek to fill the 207,462 m3 if the annual allowable amount is currently only 75,000 m3?

Response:

The proposed reservoir expansion from approximately 120,000 m^3 to 207,462 m^3 increases storage capacity for the future build out of the community demand in the 20+ design horizon. Under this 2-year licence renewal no increase to the water taking from Salmon Creek or the reservoir is requested. The questions provided will be answered as part of a future amendment that will be undertaken to accommodate water taking needs at the 20-year design horizon.

DFO-05:

Please provide the documents that support the hydrological study of Salmon Creek supporting water withdrawal limits for review.

Response:

Dillon acknowledges that the hydrology study referenced in the cover letter was not included in the original review package. The study is being provided with this response as a standalone attachment:

Pond Inlet Hydrology Memo_Revised_May 2026.pdf

It should be noted that the drinking water demand in this memo takes into consideration the processes involved in the new water treatment plant that will not be utilized under the 2-year licence currently being applied for. The water demand in this hydrology memo considers the process waste streams from the new plant, which will not be present for the term of this licence.

DFO-06:

In order to comply with the Fisheries Act, it is recommended that the Proponent follow DFO's Measures to avoid and mitigate risks to fish and fish habitat, Standards for routine projects near water, and Codes of practice for routine projects.

Proponents are also asked to respect the NU in-water works restricted activity timing windows (Projects Near Water - Nunavut Restricted Activity Timing Windows for the Protection of Fish and Fish Habitat

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(dfo-mpo.gc.ca) to protect fish during spawning and incubation periods when spawning fish, eggs and fry are vulnerable to disturbance or sediment.

The Proponent should refer to DFO's Interim standard for Water intake end-of-pipe fish screens.

For water withdrawal from watercourses, DFO recommends the Proponent follow the Framework for Assessing the Ecological Flow Requirements to Support Fisheries In Canada (https://waves-vagues.dfo-mpo.gc.ca/Library/348881.pdf) and demonstrates that water withdrawal rate remains <10% of actual (instantaneous) flow and does not result in flows <30% of mean annual discharge (MAD).

In addition, the proponent should follow the DFO Protocol for Winter Water Withdrawal in the NWT (2010) and not withdraw more than 10% of under-ice water volumes (Attachment 1: DFO Winter Water Withdrawal Protocol, 2010).

As of October 15, 2026, DFO will be accepting project submissions through DFO's online Project Submission Tool (Home - PST/OPP). DFO recommends that the proponent review DFO's Applicant's guide to Fisheries Act authorizations for projects near water and DFO's Risk management framework overview.: Fs23-809/2026E-PDF - Government of Canada Publications - Canada.ca to determine if a review is required for the water withdrawal aspects outlined above.

It is also the proponent's Duty to Notify DFO if they have caused, or are about to cause, the death of fish by means other than fishing and/or the harmful alteration, disruption, or the destruction of fish habitat. Such notification should be directed to DFO.ARCEMTriage-TriageGEARC.MPO@dfo-mpo.gc.ca

Response:

These recommendations are acknowledged and applicable fish-protection measures have been incorporated into construction planning, and operating procedures.

Sincerely,

Dillon Consulting Limited



Kayla Clouter, CET
Project Manager
Our file: 26-4282