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July 2, 2026

File: MV2026L8-0005

Mark Cliffe-Phillips
Mackenzie Valley Review Board
200 Scotia Centre
Box 938, 5102-50th Avenue
Yellowknife, NT X1A 2N7

Sent by email

Dear Mark Cliffe-Phillips,

Re: SMS Limited – Notice of Preliminary Screening Determination – Application for Water Licence – Miscellaneous – Hay River, NT

The Mackenzie Valley Land and Water Board (Board) met on June 25, 2026, and considered the Application Package from SMS Limited for Water Licence (Licence) MV2026L8-0005 for the closure and reclamation of the Soil and Water Treatment Facility in Hay River (Project) in accordance with the *Mackenzie Valley Resource Management Act* (MVRMA).

The Board conducted a preliminary screening based on the public record for the proceeding. Based on the evidence provided, the Board is satisfied the screening has been completed according to section 125 of the MVRMA and has decided **not to refer** the proposed changes to the Project to environmental assessment. The Board's Preliminary Screening Determination and Reasons for Decision, as required by section 121 of the MVRMA, is attached.

If the Board does not receive notice of referral to environmental assessment, it can proceed with issuance of Licence MV2026L8-0005 on **Monday July 12, 2026**.

The Board and staff look forward to continued communications throughout the pause period. Please contact Kathy Racher via [email](#) or at (867) 766-7457 with any questions or concerns regarding this letter.

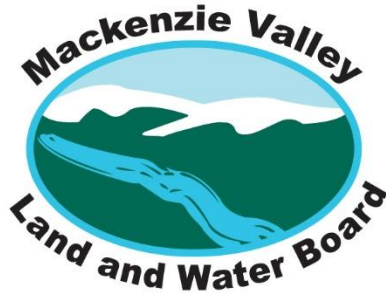
Yours sincerely,

A handwritten signature in blue ink that reads "Tanya MacIntosh". The signature is written in a cursive, flowing style.

Tanya MacIntosh
Chair, Mackenzie Valley Land and Water Board

BCC'd to: Dehcho Distribution List
Melanie Carter – SMS Limited

Attached: Preliminary Screening Determination and Reasons for Decision



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Preliminary Screening Determination and Reasons for Decision

Water Licence Application	
File Number	MV2026L8-0005
Company	SMS Limited
Project	Soil and Water Treatment Facility
Location	Hay River, NT
Activity	Miscellaneous – Closure and Reclamation
Date of Decision	June 25, 2026

1.0 Decision

In accordance with subsection 124(1) of the [Mackenzie Valley Resource Management Act](#) (MVRMA), the Mackenzie Valley Land and Water Board (MVLWB/Board) met on June 25, 2026, to make a preliminary screening determination on the Type B Licence Application from SMS Limited (Applicant) for Water Licence MV2026L8-0005 (Licence)¹ for the Closure and Reclamation of the Soil and Water Treatment Facility in Hay River, NT (Project).²

The Board has decided not to refer the propose Project to the Mackenzie Valley Environmental Review Board (the Review Board) for Environmental Assessment because, based on the evidence, it is the Board’s opinion that the proposed changes to the Project will not have a significant adverse impact on

¹ See MVLWB Online Registry for [SMS Limited – Soil and Water Treatment Facility – Application Form – Apr 13 26](#).

² The Project is the closure and reclamation of the Soil and Water Treatment Facility, which is the proposed development, where “development” is defined in Part 5 of the [MVRMA](#) as:

“any undertaking, or any part or extension of an undertaking, that is carried out on land or water and includes an acquisition of lands pursuant to the *Historic Sites and Monuments Act* and measures carried out by a department or agency of government leading to the establishment of a park subject to the *Canada National Parks Act* or the establishment of a park under a territorial law.”

the environment or be a cause of public concern.

The Board’s determination, including reasons for its decision, are detailed in sections [3.0](#) and [4.0](#).

2.0 List of Defined Terms and Acronyms

Applicant	SMS Limited
Application	The complete application package submitted by the Applicant for Water Licence MV2026L8-0005
GNWT	Government of the Northwest Territories
GNWT-ECC	Government of the Northwest Territories – Environment and Climate Change
Inspector	An Inspector designated under subsection 65(1) of the Waters Act
Licence	Water Licence MV2026L8-0005
LWBs	Land and Water Boards of the Mackenzie Valley
MVLWB or Board	Mackenzie Valley Land and Water Board
MVRMA	Mackenzie Valley Resource Management Act
Minister	Minister of the Government of the Northwest Territories – Environment and Climate Change
ORS	Online Review System (www.new.onlinereviewssystem.ca)
Party	As per the LWB Rules of Procedure , an applicant, a person, or an organization participating in the regulatory proceeding for the Application.
Project	Closure and reclamation of the Hay River Soil and Water Treatment Facility, which is the proposed development (as defined in Part 5 of the MVRMA).
Review Board	Mackenzie Valley Environmental Impact Review Board
Standard Licence Conditions	LWB Standard Water Licence Conditions Template

3.0 Background and Scope of Screening

On April 13, 2026, SMS Limited submitted a complete application for a type B Water Licence (Licence) for the closure and reclamation of the Hay River Soil and Water Treatment Facility (Project). This is the same application previously submitted by Carter Industries Limited (MV2026L8-0002), which was withdrawn because ownership of the Project changed from Carter Industries Limited to SMS Limited.

The Soil and Water Treatment Facility is closed, and the proposed activities are for closure and reclamation. This involves removing one engineered cell liner, a gravel berm surrounding the cell area, and four water wells that make up the Project. All soil and water have been removed following conditions of the previous Licence MV2016L8-0007 (which was under Carter Industries Limited). SMS Limited has requested a one-year term for the Licence.

The cell liner is a large membrane, in one piece. It will be discarded in the Town of Hay River municipal land fill if no contamination is found on site. In the event that contamination is detected, the liner, as well as the contaminated materials, will be hauled to the nearest landfill that accepts hydrocarbon waste. This currently is the Town of High Level’s municipal landfill.

Testing of samples in the liner are anticipated to occur during spring months. Removal of sand and gravel within the liner was to begin when the ground was dry. The liner will also be removed once dry conditions are present, with further testing on the underside of the liner taking place once the liner was removed. Once confirmed that no contaminated soil was on site, the berm will be recontoured to a positive drainage slope, and the water wells would be filled in. Completion of work with no signs of contamination was anticipated by July 2026; if hauling and disposal of contaminated soil, or further testing was to be required, reclamation was projected to carry on into late summer or fall.

An Engagement Plan and Log V1.0 was included with the Application. Pre-submission engagement was conducted between November 7, 2025, and December 16, 2025. The Applicant noted they engaged with the following Parties:

- Arcan Construction
- CIRNAC-CARD NWT Region
- Dehcho First Nations
- GNWT ECC
- Katlodeeche First Nation
- NWT Metis Nation
- Town of Hay River
- West Point First Nation

In accordance with paragraph 125(2)(a) of the [MVRMA](#), the Board must conduct a preliminary screening of the proposed Project to determine and report to the Review Board whether, in its opinion, the proposed Project is likely to have a significant adverse impact on air, water, and/or renewable resources, or might be a cause of public concern. The details of the Board's analysis are set out in section [4.0](#) below.

3.1 Scope of Screening

On April 13, 2026, SMS Limited submitted an application for a Type B Water Licence. The proposed activity is reclamation of the site, namely removing one engineered cell liner, a gravel berm that surrounds the cell area and four water wells that make up the treatment facility. All previously accepted soil and water have been removed from the site. Hence, screening for the operational aspects of this Project was conducted under the previous Licence MV2016L8-0007³ and the focus of this screening is closure and reclamation specific.

3.2 Public Record and Regulatory Proceeding

To assist the Board in its preliminary screening determination for the Project, the Board distributed the Application and a draft Licence for public review on May 19, 2026, inviting reviewers to provide comments and recommendations on the Application and the preliminary screening (e.g., on impacts and mitigation measures) using the Online Review System. Comments were due June 8, 2026, with responses from the Applicant due June 10, 2026. The Board received comments and recommendations from Fisheries and Oceans Canada, and the Government of Northwest Territories, Department of Environment and Climate Change – Environmental Regulatory Analyst.⁴

³ See MVLWB Online Registry for [Carter Industries Ltd. – Issuance – Preliminary Screening – Apr 6 17.](#)

⁴ See MVLWB Online Registry for [SMS Limited – Review Comment Table – New Application and Draft Conditions – Jul2 26.](#)

Since there were no requests to extend the reviewer comment deadlines, the Board is satisfied that a reasonable period of notice was given to affected communities and First Nations, as required by subsection 63(2) of the [MVRMA](#).

Pursuant to Schedule 4.1 of [Northwest Territory Métis Nation \(NWTMN\) Interim Measures Agreement](#),⁵ the Board determined that written notice was given to the NWTMN and that a reasonable period of time was allowed for NWTMN to make representations with respect to the Application.

Pursuant to section 27, paragraphs (a) and (b) of the [Dehcho First Nations \(DCFN\) Interim Measures Agreement](#),⁶ the Board has determined that written notice was given to the DCFN, and that a reasonable period of time was allowed for DCFN to make representations with respect to the Application.

4.0 Potential Impacts and Proposed Mitigations

Table 1 below summarizes:

- the potential impacts of the proposed Project;
- the concerns that were identified during the regulatory proceeding and how the Applicant addressed those concerns;
- the proposed and potential mitigations for the potential impacts; and
- the Board's analysis of the potential impacts and proposed mitigations.

⁵ See MVLWB Land Claims, IMAs, and Land Use Plans webpage to access the [Northwest Territory Métis Nation Interim Measures Agreement](#).

⁶ See MVLWB Land Claims, IMAs, and Land Use Plans webpage to access the [Dehcho First Nations Interim Measures Agreement](#).

Table 1: Potential Impacts and Proposed Mitigations for the Proposed Project

Potential Impact	Activity	Proposed Mitigations <i>Description of measures to reduce potential impacts, including consideration of cumulative impacts and climate change.</i>	Board Analysis and Determination
Soil contamination	Ground disturbance	<p>The Applicant proposed the following mitigation measures:</p> <ul style="list-style-type: none"> • lab testing will be completed to assure no signs of contamination before ground disturbance occurs. • In the event of contamination being found, soil will be dug out and transported to a hydrocarbon treatment center in High Level, Alberta. • The Closure and Reclamation Plan submitted with this application describes additional mitigations to be implemented. 	<p>Based on the described mitigations, and identified proponent commitments (i.e., Closure and Reclamation Plan) it is the Board’s opinion that the proposed activities are not likely to have significant adverse impacts on the environment and/or will not be a cause of public concern.</p>
Drainage pattern changes	Ground disturbance	<p>The Applicant will ensure recontouring of the industrial area lot is done with positive drainage to the existing drainage ditches.</p> <ul style="list-style-type: none"> • The Closure and Reclamation Plan submitted with this application describes additional mitigations to be implemented. 	<p>Based on the described mitigations, and identified proponent commitments (i.e., Closure and Reclamation Plan) it is the Board’s opinion that the proposed activities are not likely to have significant adverse impacts on the environment and/or will not be a cause of public concern.</p> <p>Effectively, environmental impacts will be minimal. The lot originally was a gravel storage area in the industrial area. All treated soil and water have been tested, inspected, and removed from site. No disturbance of gravel or sand that is inside the treatment cell liner will take place until testing for contaminants is complete. The lot will be rehabilitated back to a gravel storage lot.</p>

4.1 Consideration of Potential Impacts

Based on the potential impacts and proposed mitigations identified above in Table 1, the Board considered whether the Project might have a significant adverse impact on the environment. In general, impacts of the Project on the environment can be mitigated through the use of standard licence conditions and/or project-specific conditions established by the Board as per the LWB [Standard Process for Creating New Conditions](#). These conditions may include requirements for management and monitoring plans that provide detailed information regarding the implementation of mitigation measures and the evaluation of their effectiveness.

4.2 Consideration of Public Concern

In addition to considering the potential impacts of the Project, the Board considered whether the Project might be a cause of public concern.

Based on the evidence provided during the regulatory proceeding, the Board did not identify any comments or issues that indicate that the Project is a cause of public concern.

5.0 Conclusion

A preliminary screening was conducted on April 6, 2017;⁷ however, the Application includes proposed changes to the Project as previously screened. Accordingly, the Board has determined that Project activities that have already been subject to Part 5 of the [MVRMA](#) are exempt from preliminary screening under Part 1, Schedule 1, section 2.1 of the Exemption List Regulations to the MVRMA. The Board has conducted a preliminary screening of the proposed changes to the Project.

The Board has reviewed all the evidence received during the regulatory process with respect to the Preliminary Screening of the proposed changes to the Project. Based on the evidence, it is the Board's opinion that the proposed changes to the Project will not have a significant adverse impact on the environment or be a cause of public concern as set out in paragraph 125(1)(a) of the [MVRMA](#). The Board has therefore decided not to refer the proposed Project to Environmental Assessment. If the Board does not receive a notice of referral to environmental assessment by July 12, 2026, the Board can issue the Permit on July 13, 2026.

SIGNATURE



Tanya MacIntosh, Chair
Mackenzie Valley Land and Water Board

July 2, 2026

Date

⁷ See MVLWB Online Registry for [Carter Industries Ltd. – Issuance – Preliminary Screening – Apr 6 17](#).