

-----Original Message-----

From: Couroux, Rick ENV:EX
Sent: Wednesday, August 01, 2007 9:03 AM
To: Don Bender
Subject: RE: Sunshine Valley Water

Dear Don Bender,

We have been in contact with Mr. Rawlick who states that he has 100% ownership of Sunshine Valley Developments Ltd. and Low brothers no longer have any interest or involvement in Sunshine Valley Developments.

Mr. Rawlick informed us that he has engaged the Urban Systems, a reputable Waterworks Engineering and Consulting firm, to do an assessment of both the Trites Creek and Huckleberry water systems and expects to have a preliminary report by mid September. Mr. Rawlick says that he will provide us with a copy of that report and based on the findings decide what the next steps will be in order to bring both these water systems into compliance with the requirements of the Fraser Valley Health Authority.

Our position is to wait until we have received and reviewed the engineering study together with Mr. Rawlick's proposal on how he intends to finance the required upgrades before deciding what further action is required by this office.

I also contacted Malcolm McLeod with the Fraser Valley Health Authority who stated that he has also been working with Mr. Rawlick and will also be receiving a copy of the engineering study before deciding on their course of action in order to bring both these water systems into compliance with their requirements.

Rick Couroux
Secretary to the Comptroller

-----Original Message-----

From: Don Bender
Sent: July 27, 2007 12:31 PM
To: Couroux, Rick ENV:EX
Subject: RE: Sunshine Valley Water

Dear Mr. Couroux:

Thank you for your quick response. We fully understand that you have internal problems with a lack of engineers to review this matter. We would like to know where we sit on your priority list to get this matter resolved? It has been more than three years without answers or action. We are essentially no further ahead today than we were at the time of the original application. As you know an engineer's study was requested at the outset and it has still not been done. One was offered free of charge by the Fraser Valley Regional District engineers and declined by SVDL.

The other issue concerns your statement that it takes \$30 per month per customer to run this water system. On what basis did you arrive at \$30

if you have not received annual statements from this water utility over the last 3 years (as you indicated to me over the phone last month)? Your Department did not even know that there were two water systems. The cost of the two systems is no broken down on the only budget provided to you, from four years ago. We have challenged the annual operating budget for the Trites Creek water system from that time. It appears you are taking the word of the utility without any consideration from the users that have seen what little operating costs or maintenance costs have been expended on the Trites Creek water system over the last 5 years and believe firmly that \$30 is excessive under the circumstances. Mr. Rawlick, himself, has stated that the water system was not maintained by the previous owners. There has been no further maintenance done on this system over the last three years under his ownership so how can you justify a cost of \$30 per month per customer to operate the Trites Creek water system? The Huckleberry Water system has been on a permanent boil order for years.

When this matter goes to a public hearing (which was originally to have taken place in Aug. 2005) and "IF" it is determined that the accounting does not support your approved interim increase, will the users be given a refund? I would think that if the money is not available through SVDL then the Province will be on the hook for it? "If" there is evidence of fraud will this water system be taken out of private hands and will appropriate legal action be taken against the perpetrators?

Have you confirmed that Mr. Rawlick owns 20% or more of this utility to date?

You have still not provided me with an invoice for the \$27,000 purchase/expenditure of a new water treatment system that was taken out of the reserve trust fund. No one that I have spoken to believes that a new system was ever installed. We want a copy of the receipt or an explanation from your Department to explain why the funding was released without a receipt or verification that the system was installed. It is requested that the make, model number and serial number of the existing system be provided to us when the inspection is completed by the engineer.

I have said before that we intend to work with you and you must agree that we have been very patient to this point considering that we are virtually no further ahead today than we were more than three years ago.

The time for action is now and we look forward to a more appropriate response as soon as possible. You may grant more extensions but I can almost guarantee that this will be the last before the water users at Sunshine Valley go outside and expose what they believe to be an inexcusably tardy and unacceptable process.

Yours truly,

Donald Bender, Chairman
Sunshine Valley Water Users Committee

-----Original Message-----

From: Couroux, Rick ENV:EX
Sent: Friday, July 27, 2007 8:34 AM
To: Don Bender
Subject: RE: Sunshine Valley Water

Dear Don Bender,

As I explained to both yourself and Kate Zabel we are presently going through a number of changes in our office due to a number of staff departures. It is our intention, next week, to have our engineer take a look at what the Utility has provided to date and determine what is required next in order to have the Utility undertake engineering assessments/studies on both the Huckleberry and Sunshine Valley water systems. It should be noted that the interim rate increase was not to make system improvements but to cover the basic costs of operations and maintenance. If we were to roll back the rates this would mean that the utility would not have the necessary revenue to continue to operate the water system.

Rick Couroux
Secretary to the Comptroller

-----Original Message-----

From: Don Bender
Sent: July 26, 2007 1:19 PM
To: Couroux, Rick ENV:EX
Subject: Sunshine Valley Water

Dear Mr. Coureaux.

Prior to the Sunshine Valley Ratepayers meetings in June and July I asked for a written report on the proceedings with Sunshine Valley Developments Ltd. I gave a verbal report to the ratepayers based on the phone conversations we had prior to each meeting. I did not, however, receive a follow up report on either occasion. I am now requesting a report from you regarding the commissions actions and the manner in which the Department plans to proceed from this point.

After three years, and numerous extensions by your Department, we have still not received the information we have been asking for over the last three years and there has been little or no apparent compliance on the part of SVDL with your Department. We have said repeatedly over the last three years, that until you rollback the rates you will receive no cooperation and so far we have been proven to be right. It is now time for your Department to take some affirmative action and to get some results. Three years of inaction by your Department represents incompetence and perhaps a form of negligence in the eyes of the people of Sunshine Valley and their patience is wearing thin. There is a group of people that want me to go to our MLA (NDP) and to the media to expose what they interpret as inexcusable inaction on the part of your Department and the Provincial Government. The Fraser Valley Regional District offered the services of their water engineer, free of charge to SVDL, to do an inspection of the water system but they turned it down. Since then, you have granted one

extension after the other and we are no further ahead than we were three years ago.

I am providing you with this information so that you can discuss this with the Deputy Minister and provide us with a report prior to our meeting August 1st. We are doing our very best to keep this at a level within your Department and without going outside, to get the action that is long overdue. If we go to the media this could become a very embarrassing situation for the Provincial Government and your Department.

Thank you once again.

Yours sincerely,

Donald W. Bender, Chairman
Sunshine Valley Water Committee