



February 19, 2007

File: 0321207

Sunshine Valley Developments Ltd
PO Box 88626 Newton Town Centre
Surrey BC V3W 0X1

Via Fax: 604-599-3861

Attention: Kerry Rawlick, President

**Re: Application for Rate Increase and
Certificate of Public Convenience and Necessity (CPCN)**

I refer to the letter dated December 18, 2006, from H. Reed Consulting Ltd. This letter was in response to my letter dated November 8, 2006, which required the Utility to provide a proposal, from a qualified engineering firm, to undertake a study of both water systems. H. Reed Consulting Ltd., a groundwater specialist, proposes to carry out a groundwater assessment. This proposal does not meet the requirements set out in my letter of November 8, 2006.

Therefore, the Utility is directed to engage the services of a qualified, independent engineering firm to carry out a state of the system analysis of both water systems. That study is to include, but not be limited to, an assessment of the existing sources of supply to determine if the sources are capable of providing sufficient and potable water supply to meet the current demands of customers of both water systems. It is also required that the study assess all physical components of the water systems to determine their state of repair and capacity to adequately deliver water service. The study is to detail any required upgrades, including the estimated costs, of bringing this water system up to current standards. If it is determined that the sources of supply are inadequate and/or the required upgrades would be very costly, you may then request approval to undertake a groundwater assessment as a possible alternate source of supply.

You are to provide evidence by March 5, 2007, that you have received and accepted a proposal from an engineering firm to undertake the study of both water systems. Failure to comply by this deadline will result in the water rates being rolled back to \$14.50 per month effective January 1, 2007.

Yours truly,

Pieter J. Bekker
Deputy Comptroller of Water Rights

pc: Don Bender, Chairman, SVRA Water Committee
Richard Gagnon, President, Sunshine Valley Ratepayers Assoc.
✓ Kate Zabell

**Ministry of
Environment**

Water Stewardship Division
Water Management Branch
Utility Regulation Section

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