

Mr. Donald W. Bender  
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Delta, B.C. V4C 2T3

March 10, 2007

Mr. Pieter J. Bekker  
Deputy Comptroller of Water Rights  
PO Box 9340 Stn Prov Govt  
Victoria, B.C. V8W 9M1

**Re: Application for Rate Increase and  
Certificate of Public Convenience and Necessity (CPCN)  
File: 0321207**

This is in response to your letters of November 8, 2006 and March 2, 2007 to Sunshine Valley Developments Ltd.

I am chairman of the customer user committee looking into the proposed water increase at Sunshine Valley relating to the SUNSHINE VALLEY PARK WATER SYSTEM (SVPWS)-commonly referred to as the Trites Creek water system. We do not purport to represent the Huckleberry Water System or any other water license in Sunshine Valley, past, present or future. (At least, not at this time).

Sunshine Valley water users were given 28 days to submit objections to the water rate increase. A short extension was granted to Sept. 19, 2005.

Repeated requests for full disclosure and specific information from your Department and the water purveyor have, to date, been unanswered. Sufficient information was provided in 2005 to raise doubt about the need for a monthly interim increase of any kind except perhaps inflation concerning the Sunshine Valley Park Water System. To date, the interim rate increase of \$14.50 to \$30.00 per month remains unsubstantiated and without merit. The application increase of \$37.00 per month for SVPWS alone is inconceivable and cannot be taken seriously.

The financial statement submitted by Sunshine Valley Developments Ltd. (SVDL) with their audit report referred to costs for all water systems in Sunshine Valley. We believe the audit included the cost of Huckleberry Village, new exploration for Suntip No.1 and Suntip Spring No.2 and/or future development. We believe that only a small portion of the overall cost relates to SVPWS because the figures presented are grossly inconsistent with work done on the Trites Creek system.

An inspection of the SVPWS water system was requested at the outset and we fail to understand why it has taken until now to start this process. We understand that the Fraser Valley Regional District recently offered, free of charge, to send their water engineer to conduct an inspection which was declined by the owner.

Our request for the following remains outstanding. This information was requested 1-1/2 years ago.

- Amendments to the Tariff to include removal of all items that do not relate to the water such as Sunshine Community Cooperative Club, Sunshine Valley Utilities Ltd., covenants, strata and lease agreements etc. We strongly oppose some of the increased service rates as well and want this to be addressed before this matter is finalized.
- Copy of insurance documents to determine if there is adequate coverage for personal liability and property damage liability and coverage for vandalism to the water system.
- Accounting of the income that is not shown in the financial statements such as income for new hook-ups, fines, late fees, turning water off and on, repairs, commercial rates, etc.
- Receipt for the purchase of a new chlorination system allegedly installed on the SV Park Water System. (\$14,500.00 was released from the Replacement Reserve Trust Fund for this purpose). We want to know the date of installation, the name, address and phone number of the installer and a copy of the receipt for the cost of installation.
- We request that all financial records, receipts, tax return information, time sheets, work and maintenance logs be provided relating to the SVPWS.

We do not wish to be limited to the generality of the foregoing requests and reserve the right to request further and better particulars should the need arise.

It is our belief and understanding that SVDL ownership has gone from Mr. Don Low to Rota Developments Inc. and back to Mr. Low. It was then sold to Mr. Kerry Rawlick, the current owner and applicant of the water rate increase. Throughout these transfers of ownership and to this date, Mr. Low has been our only contact source, if at all.

We respectfully request the following information be provided to us:

- Auditor's reports and financial statements from SVDL for 2005 and 2006
- A list of B.C. communities that pay \$20 or less per month for water (apparently our neighbors in Hope pay \$13 per month and Yale users pay \$200 per year)
- An accounting of the Replacement Reserve Trust Fund for the last five years.
- All correspondence between your Department and SVDL over the last 3 years.
- List of all property owners that pay for water in the Sunshine Valley Park Water System including lot numbers. List of commercial/industrial users.

In an E-Mail message from Mr. Rick Couroux to Kate Zabell on October 6, 2005 it stated: “Now that the deadline for making submissions has past we have begun our review of the numerous submissions received. Upon completion of that review a report will be made to the Deputy Comptroller and a decision made on whether or not to conduct an oral public hearing or continue with a written hearing process. We expect that decision will be made by the end of next week”.

It appears that a decision in this regard has not been made, answers do not seem to be forthcoming and there continues to be no progress and little compliance from the owner. We are well into our second year and the onerous and highly prejudicial rate of \$30.00 per month continues. Extensions at the \$30.00 per month rate continue unabated despite the obvious inequity. Users of the water system portray a sense of betrayal not only by the water provider but also by your Department.

On August 15, 2005 Mr. Couroux wrote: “Water rates are approved on the basis of what it costs to operate the water system.” No evidence has been submitted by SVDL to account for the cost of the SV Park Water system alone, so the rates should have been rolled back long ago and the numerous extensions should not have been granted in the opinion of water users of this system. They know very well that such an onerous increase of 258% cannot possibly be justified. You say you will roll back the rates to where they were at the time of the application in 2005 but you do not follow through. The users are asking to have it rolled back immediately. One user so aptly submitted the following: “If the present rate (\$14.50) is so inadequate, SVUL should turn over the system to the Regional District thus relieving themselves from the obligations and responsibilities of operating a water system.”

We wish to thank you for the assistance you may give in this matter.

Yours truly,

Donald W. Bender,  
Chairman for the water user committee (SVPWS)

CC

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E-Mail only to Mr. Rick Couroux