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UTILITIES Owners Association

PO Box 1872 Vernon, BC V1N 8Z7

February 20, 2018

Attention: Mike Waberski

In response to your 2 letters, I will address each issue separately.

Regarding the differences in the water usages, there are 2 main reasons for excess sources of water. One being the snow that is piled up at the corners of the parking lot, when it melts goes down the manhole to the plant, the other being the snow that piles up at the ponds again when it melts goes to the plant. There is no way to prevent either of these sources of water from going to the plant for treatment.

The calculation as to how commercial fixed fee is determined can be a complicated process. To simplify the information it is broken down into 2 parts. The meter fee which is equally distributed among all customers and the demand fee which is distributed among customers as \$xx.xx per IG/D based on their demand rating. The demand ratings are determined based on the type of commercial unit and its type of use, such as hotel pillows, coffee shop etc.

During the summers of 2012-2014 essential upgrades were completed in the Wastewater Treatment Plant to improve the effluent quality. A few of the major upgrades include:

- An advance primary filtration mechanism
- Four large steel process tanks
- Fine membrane filtration system, known as a Membrane Bioreactor was added.

The CURF proceeds received went directly to offset the expenses incurred, which includes materials, labor and engineering costs.

To better understand the complexity of the plant and its operations, book a tour and our operators will guide you through the plant.

The other point to consider is all the time we spend answering your inquiries and other inquiries is time charged to Silverhawk which then goes into the rates.

Regards

Jackie van Kessel,

Controller