



July 22, 2022

Jyoti Upadhyaya
Infrastructure Resource Officer
Infrastructure & Engineering
Ministry of Municipal Affairs
PO Box 9838 Stn Prov Govt
Victoria, BC V8W 9T1

Sent Via Email: Jyoti.Upadhyaya@gov.bc.ca

Dear Jyoti Upadhyaya:

RE: ENVIRONMENTAL QUALITY PROGRAM

Good afternoon Jyoti. Justin has no doubt informed you that qathet Regional District would be providing an update to our Infrastructure Grant application today.

Attached for your consideration please find a cover letter and an Engineering report detailing options and providing updated costs for renewal of the water system servicing the community of Lund. The report examines two alternatives, the first at a site where land tenure is not guaranteed, and the second on land already owned by Lund Waterworks District and qathet Regional District.

After much consideration, and discussion with the Restructure Branch of your Ministry, qathet Regional District is prepared to accept a Phased approach to resolving the critical water issue in Lund. While the entirety of the Lund Water system needs renewal, it is recognized that the most critical components are treatment, primary storage, and fire protection.

Therefore, qathet Regional District is prepared to confirm, should the entire original amount not be available, the acceptability of a First Phase Grant in support of a project totalling \$15,024,380.

qathet's acceptance of a Phased approach is contingent on the following:

1. qathet Regional District and the Provincial Government acknowledge that in June of 2021, a 5,600 imperial gallon water tank on Larson Road became compromised, began leaking and was replaced in emergency fashion.
2. qathet Regional District and the Provincial Government acknowledge that on July 19, 2022, a severe leak in an underwater distribution line was detected in Finn Bay and efforts are currently underway to resolve.
3. Protection for the citizens, qathet Regional District and the Provincial Government is paramount and mitigating risks associated with the state of disrepair of the critical infrastructure components is of the utmost importance.
4. The funding be for Alternative 2 in the study where there is plentiful land area available and land tenure is guaranteed.
5. Alternative 2 assures a risk free critical infrastructure base from which to expand and distribute the water system from without fear or concern regarding these components being compromised, having integrity issues, or failing.
6. qathet Regional District only be appointed as Receiver of the Lund Waterworks District until such time as all Phases of the improvements to Lund Water System have been completed, when the restructure process can commence.
7. That the Provincial Government recognizes funding for the Second Phase will be significantly more expensive than the current estimate given the duplication of some costs of construction and inflation.

Please thank Justin for his assistance in this matter.

Sincerely,



Al Radke, BSBA, CLGM
Chief Administrative Officer