



July 21, 2010

File: 1718.0015.02

Ministry of Environment
1259 Dalhousie Drive
KAMLOOPS, BC V2C 5Z5

Attention: Don Vergamini, Environmental Protection Officer

RE: SUN PEAKS UTILITIES CO. LTD. NOTIFICATION OF OPERATION OF A COMPOST FACILITY

Please find attached the documentation for registration under the Organic Matter Recycling Regulation, as discussed at our pre-registration meeting on the 6th April, 2010. Sun Peaks Utilities Co. Ltd. has been working towards developing a long-term strategy for the management of the biosolids which are produced at the Resort's sewage treatment plant. After assessing many options, the favoured approach is to develop a composting operation. The preferred compost operation is the Ag-Bag process, which has low capital costs and aligns well with Sun Peaks' low annual biosolids production rate. However, as we discussed, the Ag-Bag process has not been implemented at sites which are subjected to cold winter conditions.

Due to the cold winters which are experienced at Sun Peaks, there are some challenges which are faced with the management of the composting process. The winter is also the time period which represents the highest biosolids production volumes for this community. Due to the limitations which face Sun Peaks for the actual implementation of composting during the winter, for the first year or two, there will be the need to review and amend operations in order to develop a process which will work the best under the conditions at this site. We will be pleased to provide regular updates to the BC Ministry of Environment on the progression of the process development and how these progressions compare with the requirements of the Organic Matter Recycling Regulation.

The compost facility will be located close to the sewage treatment plant, in an area which is already designated as having restricted public access. It is intended that the compost which is produced from this facility will meet the Class A compost requirements, allowing the product to be distributed without restrictions.

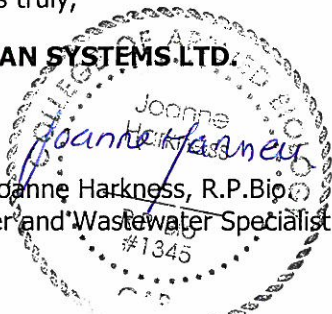
Please do not hesitate to contact us if you have any questions or require clarification on any of the attached information.

Yours truly,

URBAN SYSTEMS LTD.

Dr. Joanne Harkness, R.P.Bio
Water and Wastewater Specialist

/jh



Rick Collins, P.Eng.
Project Engineer

cc: Pat Miller, Sun Peaks Utilities Co. Ltd
BC Ministry of Environment – Environmental Management Branch, Victoria