September 24, 2013

Baynes Sound Investments Ltd.
701–17665 66A Avenue
Surrey, BC V3S 2A7

Re: Review of Kala Geosciences June 30, 2010 Groundwater Feasibility Study

As you are aware the Deep Bay Improvement District (DBID) board of trustees, at the September 18, 2013, board meeting, received the Third Party Review of the Kala Geosciences Ltd. 2010 Groundwater Feasibility Study, as prepared by Guiton Environmental Consulting (GEC).

The GEC review was prepared so that the DBID could respond to the correspondence from Baynes Sound Investments (BSI) received by the DBID board in June 2013 that requested “the DBID provide Baynes Sound Investments Ltd. with written confirmation that, as the water utility in the Deep Bay area and based on current information, it would be willing to provided water for the development, should our application receive approval following completion of the Regional Growth Strategies and OCP Amendment process.”

Based on the Third Party Review of the Kala Geosciences report, there is not currently sufficient information to provide written confirmation of water availability for the proposed development. DBID cannot establish a number by which we can increase our pumping of the aquifer. Additional field tests and studies indicated in the GEC report, but not limited to those in the GEC report, will need to be conducted.

Any associated costs, including DBID staff and engagement by DBID of a consultant to review work done, is the responsibility of BSI, as per the terms set out for the review of the Kala Geosciences report. Please ensure that all on-going communications regarding this issue is provided in writing.

The September 17, 2013 Kala Geosciences letter report was also received by the board at the September meeting and has been filed for information.

Sincerely,

DEEP BAY IMPROVEMENT DISTRICT

Leslie Carter
Administrator

CC: Lisa Bhopalsingh, Senior Planner, Regional District of Nanaimo