

Silverhawk Utilities Inc.



Capital Upgrade, Spring 2013

CAPITAL UPGRADE REIMBURSEMENT FUND

Silverhawk Utilities Inc. wishes to notify all customers that it has initiated the Capital Upgrading Reimbursement Fund (CURF), which is required for the upgrading of the sewage treatment plant at Silver Star Mountain. The upgrading and the reimbursement were discussed in detail within the Silverhawk 2012 Newsletter sent during the summer of last year. A copy can be found on our website at www.silverhawkutilities.com

This required upgrading is a result of an order from the British Columbia Ministry of Environment (MOE). The MOE has demanded that Silverhawk Utilities add a Nutrient Removal processes to the treatment plant. To achieve this, Silverhawk is currently upgrading our treatment plant with a Biological Nutrient Removal (BNR) system. This BNR will greatly improve the treatment quality at Silver Star Mountain by introducing a tertiary treatment process.

A reminder that this upgrade applies to all Silverhawk Customers on Silver Star Mountain. The rate used has been determined by the customer's demand rating as per their individual demand class (Residential, Hotel, Restaurant, and so forth).

This reimbursement fund is not for an expansion of the treatment plant to allow for new development. It is solely for the significant upgrading of the sewage treatment plant to remove nutrients, specifically nitrogen.

Customers can expect a Capital Upgrade Reimbursement Fee being invoiced annually for a period of three years. Please note that these invoices are in addition to the annual sewer invoices issued by Silverhawk Utilities every year, which include your Annual Fixed Fee and Usage Fee (Consumption).

We thank all customers for their support of improving the treatment quality at Silver Star Mountain with this significant upgrade.

SILVERHAWK UTILITIES INC.

NOTE: The Capital Upgrade Reimbursement Fund is a mandatory fee that must be paid by all customers of Silverhawk Utilities Inc. Overdue accounts will be dealt with as per Item #4 Overdue Fees on Silverhawk Utilities Terms and Conditions:

"Overdue accounts of more than 90 days will be disconnected from the sewer system and considered to have Lost Capacity within the Sewer System."