

Silverhawk Utilities Inc. Annual Newsletter



Volume 6, Summer 2013



2012 SEWER RATE FREEZE

Silverhawk Utilities has been working diligently on implementing new cost reduction efforts within the operation of the utility for the past few years. As a result, we are pleased to inform our customers that our rates for Wastewater for the 2012 service year have not increased and will remain the same as 2011.

The rates for the 2012 service year are as follows:

- Annual Residential Fixed Fee 2012 - \$639.83
- Annual Vacant Lot Fee 2012 - \$639.83
- Usage Fee 2012 - \$5.33 / cubic meter



Some of the cost reduction efforts that Silverhawk Utilities have been focusing are:

- **Detailed Timesheets – Ensuring that costs are distributed to the appropriate project.** With the substantial upgrade taking place to the Treatment Plant, it has been imperative that only costs associated with the operation of the utility and its treatment of wastewater are being included in our rate setting.
- **Laboratory Testing & Sampling – Reducing costs with onsite testing.** With the drastically increased amount of sampling and testing required to comply with recent regulations during the last few years, our cost for laboratory testing went up significantly. To mitigate this increase, Silverhawk Utilities installed an onsite laboratory to facilitate some of this testing. This has resulted in a 23% reduction in our Laboratory Testing & Sampling costs.
- **Overdue Accounts Reconciliation** - During the last few years, Silverhawk has been diligently focused on reducing the amount of overdue accounts which ultimately burdens the utilities administrative costs significantly and contribute to higher rates.
- **Administrative / Engineering Costs** – Since 1999, when Silverhawk Utilities overtook the operation of the sewer utility, we have been striving to keep our Administrative and Engineering costs low. Significant amounts of billable hours in some of our high-level administrative and engineering positions have been pulled from the rate setting.

CAPITAL UPGRADE FUND UPDATE

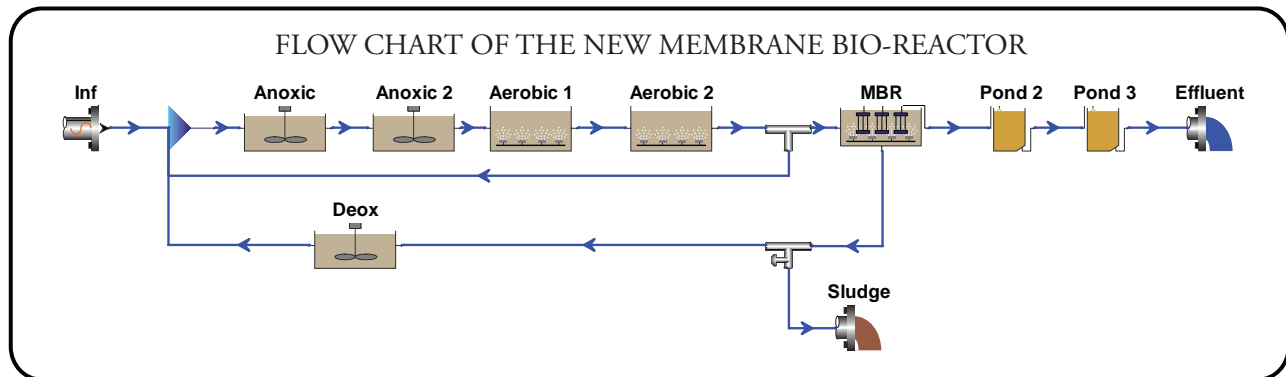
The 2012 CURF invoice was sent out earlier this year to all customers, and represents the first of three installments of this fee. Customers can expect the second installment to be sent in the early spring of 2014. Silverhawk would like to thank all of our customers who promptly paid their first CURF invoice.

We would like to remind you that this fund is being used to directly finance the costs associated with this upgrading project and is not being used to facilitate any new development at Silver Star Mountain.

UPDATE - Treatment Plant Upgrade

Silverhawk Utilities is currently finalizing the work on the upgrade of the Wastewater Treatment Plant at Silver Star Mountain Resort. This is a required upgrade in order to meet the new treatment levels imposed by the British Columbia Ministry of Environment for Nitrogen Removal Levels to further protect the receiving bodies of water in Silver Star Mountain Provincial Park. The upgrade started in the summer of 2012 and has been ongoing throughout the spring and summer of 2013. Project operations are moving along smoothly and we expect to be performing some preliminary manual tests of the new system within the coming weeks.

Following that, the upgraded treatment plant is planned to be fully operational and running automatically by the fall of 2013. Waterworks Technologies Inc was contracted by Silverhawk Utilities and has been overseeing the engineering, procurement and construction of the upgrade. When the upgrade option review was presented to Silverhawk by a specialized engineering firm (AECOM), the budget provided was \$4,630,000. By working closely with Waterworks Technologies and utilizing their expertise in implementing treatment plants in remote locations and difficult environments, Silverhawk has been able to considerably reduce this budgeted amount.



HOT TUBS/POOLS

A reminder to all property owners at Silver Star Mountain that all Hot Tubs and/or swimming pools are not to be discharged into the sanitary system without prior written consent from Silverhawk Utilities Inc. Chlorinated hot tubs contain many chemicals required to keep them clean and safe to be used. These chemicals can be very harmful to fish and aquatic life if disposed of improperly. They can also negatively interact with the wastewater treatment process if large amounts enter the system at the same time. Failure to properly dispose of chlorinated water from hot tubs could result in fees and/or disconnection from the sanitary sewer system.

Please contact the utility if you have any questions or concerns regarding the disposal of hot tub water.

CONSTRUCTION ZONE

Please be aware that there is still an active construction zone in the vicinity of the Treatment Plant. No traffic or unauthorized entry into this area is permitted. If you have any questions please call (250) 558-9877.



MAKING PAYMENTS

When making payment on your account, please make sure to include our full company name as banks will no longer accept cheques that are incomplete.

All payments should be made to "Silverhawk Utilities Inc."