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CAPITAL REGIONAL DISTRICT

CRD Core

DATE RECEIVED

JUL 08 2008

Board Chair

CAO

GM Corp. Svcs.

GM Env. Svcs.

GM Parks/Comm. Svcs.

GM Pl./Prot. Svcs.

GM Water Svcs.

Member CAWOC

Vertical tracking table with checkboxes and marks.

Reference: 99517

JUL 08 2008

Denise Blackwell, Chair and Directors
Capital Regional District
PO Box 1000
Victoria BC V8W 2S6

Denise & Co.

Dear Chair Blackwell and Directors:

Thank you for your letter dated June 17, 2008 and the attached two reports entitled: *Core Area Liquid Waste Management Program – Program Development Phase – Report to the Minister of Environment* authored by Associated Engineering/CH2MHill/KWL, dated June 12, 2008 ("the Report"); and *Market Sounding & Stakeholder Consultation Summary of Response - Capital Regional District – Core Area and West Shore Sewage Treatment* authored by Ernst & Young Orenda Corporate Finance Inc., dated April 23, 2008. I will limit my response to the report, but I would like to acknowledge the effort carried out by Capital Regional District (CRD) in the market sounding report to obtain input from suppliers, industry experts and other external stakeholders.

The report outlines how CRD expects to address six key objectives for moving forward with the provision of wastewater treatment in the Core Area, as required by my letter dated December 14, 2007. The report describes the deliverables and milestone dates to achieve the six objectives. To accomplish this task, CRD has requested a one year extension on the LWMP amendment submission. It is my understanding that the additional year will provide opportunity to complete assessments on options for integrated resource management (IRM), combining IRM options to treatment facility siting, and to complete the public and First Nations FN consultation process.

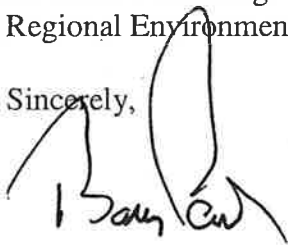
I have reviewed the report and would like to state that your recent work to assess opportunities for integrated resource management, greenhouse gas reduction, smart growth and resource recovery are commendable. I appreciate your efforts to adapt the wastewater treatment strategy to address innovation, resource recovery opportunities and economic benefits. I also recognize the effort made towards both public and FN consultation processes and agree that this is an important part of the project. I encourage you to further investigate and remain committed to these objectives as the planning process progresses.

The report is approved in accordance with Section 24(3) (b) of the *Environmental Management Act (EMA)*.

I would like to acknowledge your commitment to maintain the original schedule to complete the wastewater treatment project by 2016. Based on this commitment and my letter dated December 14, 2007, please take notice that in accordance with Section 24(4) of the Environmental Management Act, the submission of a Liquid Waste Management Plan amendment is hereby extended from *on or before December 31, 2008* to *on or before December 31, 2009*. This approval is subject to the submission of a progress report on or before December 31, 2008 and a second progress report on or before June 30, 2009.

Thank you for the progress made to date on this important project. I look forward to continuing to work with the CRD board as the project proceeds. At this time I would also like to reinforce the importance of our joint objectives, those being to protect our marine environment, to reduce greenhouse gas emissions, and to minimize total cost to the taxpayer by maximizing economic and financial benefits, including beneficial reuse of resources and generation of offsetting revenue. I encourage you to continue to work closely with the Ministry of Environment, Regional Environmental Protection staff through the next stage of this project.

Sincerely,

A handwritten signature in black ink, appearing to read "Barry Penner", written over a large, light-colored oval-shaped mark.

Barry Penner
Minister