

Nicola Lakeshore Water Utility Co. Ltd.

April 7, 2009

Interior Health

519 Columbia Street
Kamloops, BC V2C 2T8

RE: Monthly Report & Annual Report to March 31, 2009

As of March 31, 2009 the Utility has processed some 846,430 gallons of potable water to 60 users in the system. To date we have no one that has exceeded the daily allowance of 500 gallons/day.

Our contract inspection service has continued to test weekly for chlorination of the potable system as well as submitting said water samples to IHA for testing against the Canadian Drinking Water Standards. I am pleased to advise that all tests to date have been acceptable.

A consultant recommendation to relocate the chlorine injection point at the center well will hopefully resolve the problems we are having with our central metering system. It was felt that turbulence of water and chlorine with the injection point too close to the meter were causing problems with the meter sensors.

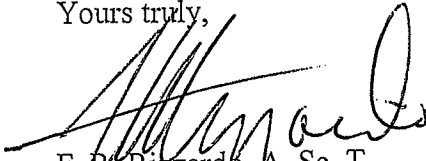
Work has been continuing with the arsenic treatment plant. We have now connected with a supplier (Smith Cameron) who is a representative of Prominent Pump in Vancouver and his help has provided us the ability to re-plumb the pump and meter boards such that the system can be brought into line.

The backwashing and prepping of the filter media consumed some 270,000 gallons of water; some of which was placed into the reclaim reservoir after the ph being brought down to approximately 6.5-7. Our potable test of pre & post-filtered water is attached. A full mineralization report will follow in the next report.

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There are six connections that have been inspected, but not activated as part of this report; typically activation will occur when power is provided to operate the grinder pump system so that we do not have a problem with overflowing pumps.

Yours truly,

A handwritten signature in black ink, appearing to read 'F. R. Rizzardo', written over a horizontal line.

F. R. Rizzardo, A. Sc. T.
President
250-378-4176 (Ext 309)

/tb

Enclosures