

**Union Bay
Improvement District**

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MEMORANDUM

To: Note to File

From: Kevin Douville, Administrator

C.C.:

Date: 09/17/14

Re: Kensington Island Properties Update

Brian McMahon contacted me by phone at 10:30am on Wednesday, September 17th, 2014 with an update on the status of negotiations with the Province of BC and West Fraser Timber with respect to the Union Bay Coal Hills Remediation.

Mr. McMahon indicated that he has two upcoming meetings scheduled with the above-mentioned parties in the next two weeks as they are in the process of "papering" the final agreements. He further indicated that based on the anticipated final sign-off of these agreements, KIP should be in a position to proceed with preparations for installing water treatment after September 29th. Soon after this date, he intends to contact Corix and instruct them to prepare a set of engineered plans / drawings that would then be made available to UBID's engineers for their review, comment and sign-off.

I reminded him that we are in the process of submitting our water filtration plan to Island Health, upon UBID Board approval this evening, and that we are also in the final stages of securing a long-term Crown Land tenure upon which we intend to locate a permanent water treatment facility. As such, I strongly suggested we will need to sit down (Mr. McMahon, myself and the UBID Trustees) and ensure everyone is all on the same page and in agreement with the way to proceed as it is certainly UBID contention that any water treatment facility at this point should be located on the new site rather than on the existing property leased to UBID by KIP.

I have diarized to follow-up with him in early October to obtain a further status report on this front as time is very much of the essence given the existing water infrastructure agreement is set to expire on December 31st, 2014.